

Lithuania

The National Poet of Poland is Adam Mickiewicz. Poles will tell you that to understand the Polish soul you should read his epic "Pan Tadeusz," or at least see the movie. To Lithuanians he is known as Mickevičius, National Poet of Lithuania. After all, the poem begins "Lithuania! My Fatherland." He was born in what is now Belarus, studied in Vilnius, lived most of his life in exile, and is buried in Krakow. He was a Russian subject and wrote only in Polish. Not only did he write and fight for his Fatherland, but he also embodies its historical and cultural complexity.

Lithuanians were late to convert to Christianity when they formed a joint monarchy with Poland at the very end of the fourteenth century. They were Christianized by Poles who told them that God did not understand Lithuanian so they must pray in Polish. The ruling and merchant classes spoke Polish and looked down on Lithuanian as the language of pagans and peasants. This view persisted after Russia annexed Lithuania in 1795. Only on independence in 1920 did Lithuanian become an official language and was its decline arrested.

During this first period of independence the capital was Kaunas, now the second city. Poland had annexed the third of Lithuanian territory that was Polish speaking, including the current capital Vilnius. Vilnius was also home to the most important Jewish center of scholarship in Europe until it was destroyed in the Holocaust. In 1940 when the Soviets occupied Lithuania, part of the country was ceded to Belarus and Vilnius was returned to Lithuania. When the Russians reoccupied Vilnius in 1945 they made Russian the official language. Lithuanian language and identity struggled against Russification until the second independence in 1992.

Lithuania is the largest of the Baltic States with a population of 3.6 million. Over 80 percent are Lithuanian and mostly Roman Catholic, with 8 percent Russians and 7 percent Poles. Excluding the 50,000 Russian troops and their families returned to Russia, about 150,000 Lithuanians have emigrated since independence.

While Estonia and Latvia are essentially city states, Lithuania's regions are more independent and there are five relatively large cities with their own cultural and business life. Vilnius itself still has the feel of a university town rather than a commercial center.

Since independence there have been several changes of government veering between reformed communism and social democracy. In small countries where politicians and leading business people have known each other since schooldays, politics is more a tussle between competing personalities and interest groups than ideology. As a result structural reform, especially in banking, has been slower than in the other states and obstructed by vested interests. Nevertheless, the budget

deficit has been reduced, non-inflationary growth has been achieving around 3 percent, and official reserves cover the money base. Telecommunications, banking, and shipping have been largely privatized.

Lithuanian exports are predominantly furniture, textiles, and light industrial products. While the country has attracted substantial foreign direct investment, it has lagged behind its neighbors. Leading investors are Sweden and Denmark, followed by the US, Germany, and Finland. The barriers to foreign investment are labor inflexibility, land ownership, and stifling bureaucracy.

The legal framework, for example the audit law or labor law, is still in need of further modernization. Intellectual property laws are harmonized with EU directives, but practice does not fully conform to what is on the statute books. Respect for contractual arrangements has been improving over the past few years. Agreements and contracts should be written, clear, and comprehensive. If they are written in parallel languages, having the translation independently verified may be a worthwhile investment.

Communication

The last-name formality of first meetings, with the titles *Ponas* or *Pona*, soon develops into first-name informality. During the first stages of acquaintanceship, politeness and courtesy get in the way of frank discussion. Saying "no" is especially troublesome. When relationships develop to greater familiarity people speak more directly and often bluntly, especially to other Lithuanians.

Among the Baltic nations Lithuanians are reputedly the most extrovert. Nevertheless, they are less naturally communicative than westerners, to whom they may appear sullen or diffident. A common expression of enthusiastic approval is *Na bulgay*, not bad. Faced with what seems like a veil of indifference, outsiders should persevere until they are absolutely convinced that it is genuine. Humor is used sparingly in business situations, when personal relationships are sufficiently relaxed.

Business etiquette

Members of the business community all know each other. Networks based on family, school, and military service were vital under socialism and so they remain. Personal relationships outside networks of friends are cordial but functional, and hospitality and socializing are not essential to developing a business relationship.

Lithuanians prefer to demonstrate individuality and to compete rather than collaborate. It is not a naturally egalitarian society. People are less than happy to talk

seriously with those of lower status. The art of delegation is still being learned, with varying degrees of enthusiasm. Lithuanians find equal partnerships more difficult to manage than those in which one party is in undisputed control.

If teams are to work well they should have a strong leader who takes responsibility for decision making and implementation. Experienced leaders do not wait for spontaneous contributions to the team effort, but take pains to elicit them. It is helpful to establish unambiguous responsibilities and precise performance expectations and then to follow them up to make sure they are being fulfilled.

Punctuality is usually respected and schedules normally adhered to. In a volatile and changing environment, a higher premium is placed on flexibility than on planning and preparation. There is a strong sense of urgency. Action is valued more highly than deliberation, which means that things get done, although of necessity several times over.

There is a strong belief in education, but also that one can only do things for which one has received appropriate training. An International School of Management has been opened with Norwegian sponsorship and more business courses are available. These are stronger in technical subjects such as accounting than sub-

jects such as marketing and business policy. In general, Lithuanians prefer to go abroad to study and work if they can.

In business and outside Lithuania is a male-dominated society. Women are as well educated as men, but concur with their inferior status in the workplace.

DIVORCE

Which country has the highest and which the lowest divorce rate?

Finland

Greece

Hungary

BRITISH ISLES