

## Staying in Vilnius:

Lithuania's capital of Vilnius was founded in ####, and has ### inhabitants.

Trying to make reliable housing arrangements for this place from overseas can be a complicated undertaking for the budget conscious traveler, as most hotels and motels don't have English speaking concierges - and even those that do only have them on duty a few hours each day.

Also, prices for accommodations may vary widely, even within the same locale.

From over a hundred Euros per night for a room at a Western hotel chain's subsidiary - with big screen TV, spacious bath room and high speed Internet - down to 40 Euros or less - for a tiny room w/o heat or AC, a shared bath room and no kitchen.

All in all the rule "you get what you pay for" applies and there are no freebies to be had.

Luckily enough for me, my good friend Kristina helped me secure lodgings at a Vilnius B&B (*Bed & Breakfast*).

Neither promising nor offering any luxuries, that establishment was nevertheless clean, safe and furnished, Ikea style, with the bare essentials - a bed, a table and a pocket sized TV.

The bathroom had to be shared between two parties and the entire hostel was located in a century old, cloister like building.

The house was structurally sound and seemed to have been recently renovated, but heat insulation had obviously not been on the mind of the architect overseeing that modernization project.

And as the nights grew bitterly cold, the room's anemic portable heater barely provided enough warmth to dry my hand washed socks - (public) laundry facilities were simply non-existent anywhere nearby.



Budget Bed & Breakfast rooms on Bernardinu Gatve await with the clean charm of "less is more"



My breakfast was basic, too, yet always fresh & hearty

## Social Fabric:

The present day social fabric of Europe's East still reflects the dramatic changes that occurred after the fall of the Soviet Union, an event which turned the Eastern half of Europe inside out.

Even two decades after the Wizards of socialist Oz were forced by their unruly subjects to turn off the machinery of smoke and mirrors, to account for the reality of a bankrupt ideology, remnants of those proletarian days of faded glory can still be found in many city streets and countryside villages.

In the newly independent nations, Marx and Lenin joined history's ash heap of lost illusions the day Lithuania, Latvia and Estonia had gained independence.

Indeed people in ever part of the Baltic States couldn't wait to smash the monuments and tear down the name plaques commemorating that era of socialist oppression and Stalinist genocide.

But the social artifacts leftover from that terrible time are much harder to get rid of.



*Rundown rental apartments, just a short walk from the historic downtown district*



*Many back alleys hide dilapidated facades amidst crumbling roadways*

There is a very clear dividing line visible in Lithuanian society, and my talks with people from other parts of the Baltics suggest a like picture for Latvia and Estonia, too.

Those whose life had been invested in the old Soviet system, mostly state employees and low skilled factory workers, have in large part lost out on the new post communist reality. These days many of them are barely holding on, still dwelling in the same oversized socialist housing units meant to solidify the communist ideal of proletarian, faceless homogeneity.



*Housing units along P-Žadeikos Gatvė*



*The town's northern suburbs*

Most of these buildings already outlived their expiration date years ago, but because of a lack of alternatives suitable for the harsh northern winters they are and will be in use for many more decades to come.

## Migration- Facts and Figures:

Like in many other countries stuck in economic stagnation, most of the young and able bodied Lithuanians chose emigration to foreign shores as an extreme solution to their plight.

The same fateful trend can be observed in the other Baltic States, too.

- The Baltic Brain Drain has hit Lithuania the hardest:

Year	Emigration Number <sup>1</sup>
1997	22,500
1998	22,000
1999	21,000
2000	20,000
2001	2,000
2002	1,800
2003	6,000
2004	10,000
2005	9,000
...	...
2010	83,000

<sup>1</sup> Source: Lithuanian Department for Social Statistics

- Population Growth Estimate:

2001: 3.4 million

2050: 2.5 million <sup>2</sup>

<sup>2</sup> according to Dalia Ambrozaitiene, director of Lithuania's Department of Social Statistics

- While Lithuania was a territory of the Soviet Union, it experienced a positive net migration of 6,000 to 8,000 people per year - until the end of the 1980s.
- Between 1989 and 2001 the total population shrunk by 5.8% (or 300,000 persons) to 3.4 million.
- From 2001 to 2010 the population decreased by another 500,000.
- The Department of Migration hopes that up to 70% will eventually return.
- According to the 2001 census, 5.9% of Lithuania's population was foreign born:

Country of Origin	Percentage of Immigrant Population
Russian Federation	47.00%
Belarus	28.00%
Ukraine	10.00%
Latvia	4.00%
Kazakhstan	3.00%
Poland	2.00%
Germany	0.70%

- This indicates that the patterns of immigration have not changed much since the days of the former Soviet Union, whereby most migrants originated from the territories of the USSR.
- Most ethnic Lithuanian emigrants went to Ireland, the UK, the USA, Sweden, Spain and Germany, albeit those figures have shifted drastically in Germany's favor since the onslaught of the Euro crisis.
- According to a 2011 survey, the population of neighboring Latvia shrank from 2.2 million in 2000 to just 2.0 million by 2010.  
A dramatic decrease of 13% in little more than a decade!
- Ever since the EU's rejection of a 190 billion Euro financial bailout for Eastern Europe in 2009, the Baltic States' GDP has dropped on average 10% year-over-year.
- As Dmitry Babich (Editor-in-Chief of Russia's Profil Magazine) stated, *"When even Western members of the Europe Union can no longer provide credit, the problems for these (Baltic) countries will be that much greater"*
- Since 2009 neighboring Ukraine's GDP has slowed down by over 20% year-on-year, with its ruined economy by now having a credit rating on par with that of Pakistan, the only partner in growth left for the Baltic Nations is the Russian juggernaut - of all countries.
- Yet despite all present day numbers and forecasts pointing to a Baltic population crunch of epic proportions, both the public as well as Lithuania's Department of Migration are not too concerned about the future outlook. Since a 2005 survey conducted among 169 students of Vilnius' University found that only 5.9% of them claimed to be thinking of emigrating permanently abroad, while a majority of 92% did imagine a temporary stay away from home. Thus the general consensus is that the bulk of those having joined the diaspora will, eventually, return home to the motherland.
- But Charles Woolfson, professor of labor studies at REMESCO, stated publicly: *"I believe that the Baltic states face a huge problem. It's not enough that corruption is widespread – the population is also diminishing, especially in Lithuania. The health of the general population is already poor because of alcoholism, disease, murder, and suicide. The risk is thus great that these countries will fall behind even when the state of the economy improves. The workforce that is necessary for recovery doesn't exist".*

On the other side of that economic divide are the winners of the new economy, the young and mobile urban elites.

The well educated *and* well connected members of an ambitious and agile, up and coming middle class.

They drive German cars, eat Italian food, tweet on American iPads and if female wear French makeup.

Able to shop in Western chain-malls, they lack few if any comforts of their Western counterparts.

But the price to be paid for such pleasantries continues to be high.

As a non-negotiable condition for joining the EU, Lithuania had to shut down its Soviet era Ignalina nuclear power plant in December of 2004.

Ever since then the entire region has had to rely on Russian oil & gas imports for most of their domestic energy needs.

And every now and then Moscow likes to remind the territories of the former Soviet Union of their continued dependance on the Kremlin's good graces.

Therefore energy costs are high, and so is the price of most materials which have to be imported from the West.

Russia, formerly the main supplier of most industrial goods, is now another country, with another currency and altogether located in a different economic zone. Unfortunately trade relations with central- and western-Europe are burdened to say the least, by geographic as well as logistic hurdles.

Likewise, the desire to join the Euro zone required a commitment to fiscal discipline unbecoming a low wage economy, causing a continued economic contraction with little relieve in sight.

People with little to no means of accumulating savings sufficient to set up a private safety net, must rely on government services to carry them through troubled times.

But exactly those government service had to be cut drastically over the past two decades.

As a result, countries like Lithuania have in most part managed to stay within the EU required debt to GDP ratio, and some of them are now even being asked to help bail out comparably wealthy countries like Greece, Italy and Spain - but at the price of a continued economic contraction with no end in sight.

On the other hand, as a US economics professor - who was a visiting scholar to Lithuania in 2011 - told me during our ferry ride to Klaipeda, "this is a country of great opportunity. There is just so much need for the basic things we in the West take for granted".