

**THEORETICAL APPROACH:  
EUROPEANIZATION, ELITES, STATE CAPTURE  
AND DEVELOPMENT**

*KLAUDIJUS MANIOKAS*

Paper presents conceptual framework used to assess Europeanization in Lithuania during the last 10 years across the classical to Europeanization literature dimensions of polity, politics and policy. Author argues that because usually consequences of Europeanization are fragmented and hardly possible to generalize, therefore, it is wise to look at the new EU member states, where this impact was concentrated. Author states that Europeanization theory has to be complemented by additional approaches accounting for a domestic change. Therefore, Europeanization is put into a broader development studies. Theory of development produced by Douglass C. North, John Joseph Wallis and Barry R. Weingast serves as a theoretical framework in the research. This developmental approach puts an emphasis on the role of elites, state capture and broader transformation of the society and thus focuses and complements the current theory of Europeanization. It also provides a framework to analyse the issue of corruption and state capture, which is no longer considered as a deviation, but rather as a norm.

**10 YEARS OF LITHUANIA IN THE EU:  
HIGH EXPECTATIONS, LOW TRANSFORMATION?**

*SABINA KARMAZINAITĖ, KLAUDIJUS MANIOKAS,  
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The object of the article is changes in Lithuania during the EU membership period and the perception of them in the eyes of the elite and Lithuanian society. It reviews the main general changes in economics, society,

and governance in 2004–2014 using various indicators and indexes. Furthermore, public policy development analysis states that despite the fact that after accession in 2004 there were opportunities to nationalize public policy agenda, it was still dominated by the EU related questions. In the second section authors compare attitudes towards changes between Lithuanian elite members and Lithuanian society. Article argues that Lithuanian society tends to evaluate the same changes rather differently and its attitudes are more pessimistic. Therefore, based on process tracing methodology, the authors explain how unfulfilled high economic expectations contributed to distrust of political institutions, high perception of corruption, low turnout, and migration. In addition, it is also argued that financial support of the EU stimulated state capture initiatives and corruption in Lithuania which also contributed to the pessimistic evaluations of changes by society.

## **LITHUANIA'S ECONOMIC DEVELOPMENT DURING EU MEMBERSHIP**

*VYTAUTAS KUOKŠTIS*

This article surveys the Lithuanian economic experience related to its membership in the European Union. It provides an overview of short and medium-term macroeconomic trends as well as issues related to long-term economic development. This article also looks at changes in the Lithuanian economic integration within the EU. It finds that economic integration in 2004–2014 increased fast in the areas of trade, investments and labour mobility in absolute terms. At the same time, the relative share of trade with EU member states declined. This article also aims to provide a discussion on the EU's causal influence on the Lithuanian economy. Based on economic theory and literature overview of concrete impact assessments, this article concludes that the membership's impact was substantial and positive. At the same time, there were also some negative aspects, primarily related to higher labour mobility which contributed to economic “overheating” prior to the crisis and raises concerns about future growth prospects.

**EUROPEANIZATION AND THE WELFARE STATE  
IN LITHUANIA: INSTITUTIONAL INTERSECTIONS**

*LIUTAURAS GUDŽINSKAS*

The article analyses the development of the Lithuanian welfare state after the country joined the EU. The text consists of three parts. In a theoretical part one evaluates interrelation of two long-term state-structuring processes, i.e. post-communist transformation and Europeanisation. In the second part, the changes of the public discourse are analysed in order to evaluate, if and how much attention is paid for the reforms of the welfare state in Lithuania after the main goals of Euro-Atlantic integration have been reached. Finally, under the concept of ‘social investment state’, one seeks to evaluate, how much the evolution of Lithuanian welfare state reflects the European trends. The main conclusion of analysis is that the development of welfare state remains inert despite the fact that financial conditions after the access to the EU have indeed improved. Besides, in comparison with the neighbouring EU member states, Lithuania pays less attention to those welfare policies that may bring the biggest ‘return on investment’. The system is also more oriented towards the tertiary level. Such situation is firstly to be explained by three factors – the overall strength of economic security as the main political priority, party polarisation and historical logic dictated by the established power relations.

**PUBLIC ADMINISTRATION CHANGES  
AND THE IMPACT OF THE EU IN LITHUANIA:  
AGENCIFICATION AND DEPOLITICISATION**

*VITALIS NAKROŠIS, SABINA BANKAUSKAITĖ-GRIGALIŪNIENĖ*

The paper compares the actual patterns of agencification and depoliticisation in Lithuania and explains the extent to which the EU contributed to these changes. Based on the transformational approach and theories of public policy process, our framework for analysis links external factors (including the EU’s influence), internal factors and our dependent variables (changes in public administration and the impact of the EU). Our research employs (descriptive and inferential) statistical analysis of data on the organisational

changes of Lithuanian agencies and political participation of their managers. Furthermore, it follows a longitudinal approach to observe ‘net changes’ by mapping agencification and politicisation throughout the period 1990–2012. The paper found that the EU made a significant contribution to the establishment of new agencies driven by the exigencies of EU accession, but its impact on the survival of Europeanised agencies was much smaller after enlargement. Overall, the results of our research confirm the stronger and more enduring impact of specific *acquis* rules in the EU policy domains compared to the much weaker influence of the EU’s political conditionality. Furthermore, it points to the importance of interactions between domestic actors that realise particular beliefs and pursue certain strategies to understanding institutional and policy changes at domestic level.

**LITHUANIA’S ACCESSION INTO THE EURO ZONE –  
ANALYSIS OF INSTITUTIONAL AND POLITICAL CHANGES  
IN LITHUANIA AND THE CHOICE OF THE TIMING**

*RAMŪNAS VILPIŠAUSKAS*

The article discusses Lithuania’s accession into the euro zone, first, by presenting the political economy analysis of the first unsuccessful attempt to introduce euro in 2007 and then comparing it with the second, successful attempt to do that in 2015. It is argued that although the existence of a currency board reduced uncertainty linked to the fluctuating exchange rate regime and facilitated the participation in the Exchange rate mechanism II, due to the lack of political consensus in the country and misaligned monetary and budgetary and regulatory policies, in particular as Parliamentary elections approached, the actual accession into the euro zone was achieved only ten years after joining the EU and Lithuania was the last of the three Baltic States to accomplish that. According to the survey of political elites in Lithuania conducted for this project, the main motive for joining the euro zone is mostly linked to the perceived economic benefits, while the ‘seat at the table’, i.e., the possibility to participate in the decision-making of the euro zone and security benefits from being part of the core member states of the EU are less important.