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Stack: S
Row: 21
Section: 6
Shelf: 1
Position: 3
Profit about the work they are doing in their communities to build women’s economic autonomy and sustainability. Xerox is now looking for additional ways to support the Vital Voices Initiative and strategies to implement best practices among employers in Northern Ireland.

The Institute for Irish Competitiveness will provide small or medium-sized enterprises owned by women in Northern Ireland and nominated by Vital Voices, forty hours of management consulting, in-company training or executive development. The services will be provided by research fellows from Ireland and Northern Ireland.

Cooperation Ireland in partnership with Deloitte & Touche have developed a program, Cross-Border Women in Business Growth, to foster exchanges between business women from Northern Ireland and the Republic. The program will focus on women entrepreneurs who have been running their own businesses for at least two years and wish to grow them through cross-border trade. Deloitte & Touche in Northern Ireland and the Republic of Ireland have committed to support the program financial and by building strategic mentoring partnerships between business women in the North and South. The program will highlight: cross-border trade opportunities and barriers, opportunities for business growth, available training and support.

Primetime Solutions Inc. and Morrow Communications (public relations firms in the U.S. and Northern Ireland respectively) have built a partnership to create strategic alliances among women in the field of public relations from Northern Ireland, England, the Republic of Ireland, and the United States. Working with leading women entrepreneurs, Morrow Communications plans to coordinate a series of workshops for women in small business in Belfast, Derry/Londonderry, Eneskillen and Gallway. The workshops will focus on confidence building, tools for growing small communications firms, and creating effective networks. The workshops will also seek to bridge the gap between women in the community and women in business, looking at using effective business skills to sustain community organizations.

McDonough Computers has initiated a long-term rural program which will work with partners to: train women for targeted information technology skills; develop the employment network of schools and small businesses that will hire these skills; train women to train subsequent groups of women in their regional area.

4. Strengthen Advocacy and Leadership Skills

Proposed Action:

Promote communication between women community/ labor leaders and political leaders.
Provide leadership and political skills training for women in the community and political sectors.
Develop and promote a women/ family focused political agenda

Projects in Process:

Shrum, Devine and Donilon (a political media and strategy firm), the Wasserman Foundation and the Center for Policy Alternatives sponsored, The Northern Ireland Women’s Political Leadership Training Seminar in January 1999. Through this seminar, top-level media, lobbying, polling, legislative, campaign organization and research consultants -- Democrats and Republicans -- will conduct intensive training sessions in Washington for twenty women from Northern Ireland. Participants included women across the entire political spectrum, with larger representation expected from the two major parties, as well as women labor and community leaders.

The Ireland Leadership Program at American University will sponsor The Northern Ireland Women’s Leadership for the 21st Century Forum in March 1999. This forum will bring the fourteen women members of the Northern Ireland Assembly to Washington for a week of advanced political training and skills enhancement. The forum participants will also look at ways they can work together across political party lines to advance issues concerning women in Northern Ireland such as childcare and domestic violence.

The U.S. Department of Justice and the Northern Ireland Women’s Aid Federation have built a partnership to share lessons learned in battling domestic violence. The partnership will: establish electronic links between the two countries to share expertise and models of promising practices; appoint
liaisons from both countries to serve as the primary point of contact; providing training and technical assistance in public policy, lawmaking, and victim services; offer scholarships to at least two persons from Northern Ireland to attend the National Victim Assistance Academy in the U.S. 1999; and establish exchange programs for cross-training in victim assistance practices.

The Ulster People's College and The Women's International Center for Democracy have formed a partnership to sponsor The Advocacy and Lobbyists Mentors Program which will establish mentoring relationships between 100 Northern Irish NGO leaders and US based lobbyists (both state and federal level) over three years for training in lobbying/advocacy skills and information/internet technology. This programs is designed to ensure transparency with government and would train leaders: how to effectively engage and lobby elected officials and how to advocate for their issues; how to understand the whole legislative/assembly process of the new government by employing techniques in legislative procedure, the internet and information technology; and how to work in concert with legislators on issues of mutual interest and concern. The program will focus on strategic organizing combined with institution building.

Women’s Resource and Development Agency has built a partnership as part of its work to progress the outcomes of the Women’s Future Search which took place in June 1998. The focus of this program is the important emerging component of new democratic structures: the Civic Forum. The Civic Forum was originally proposed by the Women’s Coalition and is now enshrined within the Belfast Agreement. It could provide for bottom-up participation in political life. The program will feature a series of workshops which will explore the potential benefits and barriers of a civic forum, draw upon models of civic fora used in other countries, and develop strategies for implementing civic participation in Northern Ireland.

Street Law Inc. is developing new programs to educate youth in both schools and community settings in law, conflict resolution, human rights and democratic principals in partnership with a diverse group of NGO’s universities, law schools and other educational experts in Northern Ireland. These programs include: the development of a civics course, based out of The Ulster People’s College, on democracy and citizenship in community sites; the implementation of a model program in Northern Ireland’s schools aimed at promoting active citizenship; pupil empowerment through a student-centered, hands-on approach to practicing democracy; and the institutionalization and enhancement of peer mediation programs for young people. Street Law and its Northern Ireland partners are looking for additional partners who have an interest and expertise in education and empowerment of young people.
Regional Initiatives: The Americas

Conference Overview: Montevideo, Uruguay October 1998

"Today, more than at any other time in history, women have the opportunity and the responsibility not only to raise our own voices but to empower others to raise theirs as well. The women gathered here, we are among the blessed. Even though many have suffered, the spirit was not broken. And you are here as testimony to resilience and determination."

- First Lady Hillary Rodham Clinton

Keynote Address at Vital Voices of the Americas, Uruguay, October, 1998

The U.S. government and the Inter-American Development Bank co-sponsored a hemisphere-wide Vital Voices Conference in Montevideo, Uruguay on October 1-3, 1998. Over 400 women leaders from the 34 democracies of the Western Hemisphere gathered to discuss action plans for the full participation of women in the political, social, and economic lives of their countries.

Extensive follow-up is already underway in the region. For example, U.S. Ambassadors are meeting with their host country delegations to plan future activities. Partners from the private sector, governments, and non-governmental communities have committed resources, training, and skills aimed to implement the conference action plans. First Lady Hillary Rodham Clinton met with some of the Vital Voices participants from Central America and the Caribbean during her visit back to the region.
Regional Initiatives: Central and Eastern Europe

Overview

“We are here to advance the cause of women and to advance the cause of democracy and to make it absolutely clear that the two are inseparable. There cannot be true democracy unless women’s voices are heard. There cannot be true democracy unless women are given the opportunity to take responsibility for their own lives.”

- First Lady Hillary Rodham Clinton
Keynote Address at Vital Voices, Austria, July 1997

The Vital Voices Initiative was launched with the Vital Voices Conference in Vienna, Austria in July, 1997. The Vienna Conference convened women leaders from the governmental and private sectors of central and eastern Europe, the United States, and the European Union. Three hundred participants explored ways to strengthen the role of women as democracy-builders through three tracks of workshops: law and leadership, politics and public life, economics and business.

The Conference, conceived by Swanee Hunt, then U.S. Ambassador to Austria, forged partnerships among women. As a result of this effort, U.S. government and private sector support for programs and policies directed towards the advancement of women and girls significantly increased.

First Lady Hillary Rodham Clinton affirmed the U.S. government’s support for women as democracy-builders and announced a USG commitment of three million dollars for Vital Voices follow-up projects.
Global Network: Articles

Article: Overseas Networking Opportunities for Washington Businesswomen

Mary Yerrick

As we Washington women of business look past impenetrable old boy networks to the future, we may discover great satisfaction and mutual opportunity networking with other businesswomen from Eastern and Central Europe.

Last week in Vienna, Austria, almost 300 women from 36 countries, including 19 post-communist countries, assembled for a Vital Voices--Women in Democracy Conference. Sponsored by the U.S. and European Governments, the conference was led by U.S. Ambassador Swanee Hunt--a remarkable woman who will long be remembered for her sensitivity and work on behalf of women in emerging European democracies. The women participated on three tracks: politics, the law and business. A number of Washington-based women were among the 75 participants coming from the United States, including a company called the Network of East-West Women which is committed to providing internet capability to all participants with an interest in future online networking.

The conference agenda called for the exchange of information about business and professional trends and strategies. And although the conference was conceived and developed to assist women of Eastern and Central Europe confront the enormous business and political challenges in their respective homelands, the actual beneficiaries of this conference are all women because when one succeeds we all succeed. Active participants ranged in age from mid-twenties to nearly eighty and included First Lady Hillary Rodham Clinton, Supreme Court Justice Sandra Day O'Connor, many former and current ministers of Parliament from the various countries, journalists, business leaders, as well as future entrepreneurs. It was the first time ever such a meeting of this type has taken place and hopefully not the last.

Although a decision was made at the outset of the three-day conference to dwell not on the problems, but rather on actionable solutions, it was inevitable that the problems would surface. We heard courageous stories, as well as humorous anecdotes, but mostly we heard an undercurrent of determination to succeed. We could not help but open our eyes and ears to the atrocities that invade their everyday lives. Nevertheless, we moved on to discuss business incubators and microcredit enterprise funding, as well as short term coping mechanisms and long term solutions. It was not nearly enough time to come up with all the answers, not even a small fraction of them. But, it was a start and our government is committed to see us follow through.

Speaking first from a woman's perspective and then as a businesswoman, I cannot think of a time when I have been prouder of our government and our first lady, whose role in this conference added greatly to the overall experience of those who participated! And, as a moderate Republican--in the very best fiscally conservative and somewhat socially liberal sense, of course-- that is high praise.

Coming away from this conference, I have a dream and that is to match up interested businesswomen of Washington via the internet, fax or mail with women from Eastern and Central Europe who could benefit from mentoring and benchmarking ideas related to similar market challenges. Make no mistake, these women are well educated, better in fact than most Americans, but they are hungry to learn skills for dealing with the type of free market situations they have never encountered before or to simply work through potential strategies with other intelligent women they can trust. Their business worlds are
admittedly different from ours, but much can be learned from both sides. For our part, we Americans learned not to take democracy for granted. It's hard work and must be nurtured and protected. The Washington area is a true blend of smart and politically savvy businesswomen coming from a rich heritage of mixed European cultures. I can think of no better way for a businesswoman here to share her success than to network with someone from another part of the world, perhaps the same place her grandmother once inhabited. It may also be a smart business opportunity for I am convinced that today's friend could be tomorrow's client. A lesson learned from the old boy network.

Mary Yerrick is President of Primetime Solutions, Inc., a marketing communications and business development firm in Bethesda, Maryland. She can be reached at (301) 320-6888 or by fax at (301) 320-6886. Send e-mail to: Myerrick@aol.com.
Vital Voices is an ongoing global initiative which implements U.S. Secretary of State Madeleine Albright's commitment to promote the advancement of women as a U.S. foreign policy objective. This initiative enjoys the active support of First Lady Hillary Rodham Clinton.

Vital Voices is creating unprecedented partnerships among governments, non-governmental organizations, and the private sector to support the full participation of women in the economic, social, and political progress of their countries.

Vital Voices is building a network of people throughout the world who support full participatory democracies and economic prosperity.

Vital Voices conferences launch regional initiatives to give citizens in emerging democracies and countries in transition the skills, tools, and resources they need to empower themselves, their communities and their countries.

The Director of the Vital Voices Global Democracy Initiative is Theresa Loar, Director of the President’s Interagency Council on Women. To contact the Vital Voices office at the U.S. Department of State please e-mail us at: vitalvoices@hotmail.com.

"We know that we cannot build the kind of future we want without the contributions of women. And we know that around the world, women will only be able to contribute to our full potential if we have equal access, equal rights, equal protection and a fair chance at the levers of economic and political power. Advancing the status of women is the right thing to do; and, frankly, it is the smart thing to do."

- Secretary of State Madeleine K. Albright
WOMEN AND DEMOCRACY AT THE DAWN OF THE NEW MILLENNIUM IN CONJUNCTION WITH THE VITAL VOICES DEMOCRACY INITIATIVE—TENTATIVE AGENDA AND WORKSHOPS

<table>
<thead>
<tr>
<th>Day 1 – Welcome</th>
<th>Day 2 – Workshops</th>
<th>Day 3 – Wrap-up</th>
</tr>
</thead>
<tbody>
<tr>
<td>Friday, October 8, 1999</td>
<td>Saturday, October 9, 1999</td>
<td>Sunday, October 10, 1999</td>
</tr>
<tr>
<td><strong>Morning</strong></td>
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<tr>
<td>Delegates arrive</td>
<td>Vital Voices Global Roundtable with world leaders</td>
<td>Presentation of outcomes from Workshop Chairs</td>
</tr>
<tr>
<td>Welcome speeches</td>
<td>Introduction to workshops</td>
<td>Keynote speech</td>
</tr>
<tr>
<td>- President of Iceland</td>
<td>All Day Workshops and lunch break (3 modules per workshop)</td>
<td>- US First Lady</td>
</tr>
<tr>
<td>- US State Department</td>
<td>1. Learning Skills for the 21st Century</td>
<td>Hillary Clinton</td>
</tr>
<tr>
<td>- Government of Russia</td>
<td>2. Networking and Mentoring Programs</td>
<td></td>
</tr>
<tr>
<td>- President of Latvia</td>
<td>3. Participating in Public Life</td>
<td></td>
</tr>
<tr>
<td>- Nordic Council</td>
<td>4. Energizing Entrepreneurship</td>
<td></td>
</tr>
<tr>
<td>- Council of Europe</td>
<td>5. Creating a Quality Workforce</td>
<td></td>
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<tr>
<td>- European Union</td>
<td>6. Increasing NGO Effectiveness</td>
<td></td>
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<tr>
<td><strong>Evening</strong></td>
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<td><strong>Evening</strong></td>
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<tr>
<td>Reception and dinner</td>
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**Day 3 – Wrap-up**

Keynote speech

-US First Lady

Hillary Clinton
## OUTLINE OF WORKSHOPS

<table>
<thead>
<tr>
<th>Workshop</th>
<th>Discussion Topics</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Learning skills for the 21st Century</td>
<td>• Changing vocational needs and research needs</td>
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<td>• Applying research to public policy</td>
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<td>• Building bridges between academic and business world</td>
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<td>2. Developing leadership skills (political and economic)</td>
<td>• Business</td>
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<td>• Public life</td>
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<td>• NGOs</td>
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<td>3. Making the most of mentoring and networking</td>
<td>• Public Life Networks and Exchanges</td>
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<td></td>
<td>• Business networking and exchanges</td>
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<td></td>
<td>• Mentoring programs and their impact</td>
</tr>
<tr>
<td>Workshop</td>
<td>Discussion Topics</td>
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<tr>
<td>4. Participating in public life</td>
<td>• Getting involved</td>
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<td>• Building a Constituency</td>
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<td>• Developing your message for the media</td>
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<td>5. Energizing entrepreneurship</td>
<td>• Developing a business plan: how to get started</td>
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<td>• Access to credit sources and presenting the best case</td>
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<td>• Innovative approaches to entrepreneurship: business incubator, business</td>
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<td>associations and new technology</td>
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<td>6. Creating a quality workplace</td>
<td>• Best business practice for operating in the global economy</td>
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<td>• Addressing unemployment and retraining needs</td>
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<td>including negotiation skills</td>
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<td>• Creating a family-friendly workplace</td>
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### OUTLINE OF WORKSHOPS (continued)

<table>
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<tr>
<th>Workshop</th>
<th>Discussion Topics</th>
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| 7. Increasing NGO effectiveness              | • Getting your message out  
|                                               | • Forging NGO and Government Relations                                            |
|                                               | • Building bridges with the private sector                                         |
| 8. Promoting equality through legislation and | • Equality legislation and its impact                                             |
| practice                                      | • Strategies to combat violence against women and trafficking                      |
|                                               | • Strategies to fight corruption                                                  |
| 9. Mastering info technology and the media    | • E-commerce and New Technology                                                   |
|                                               | • Communications Strategy                                                         |
|                                               | • Building Community and Leadership through New Technology                        |
| 10. Changing roles of men and women          | • Changing attitudes and their impact on women’s political and economic role; dealing |
|                                               |  with gender stereotypes                                                         |
|                                               | • Addressing domestic challenges (childcare, etc.)                                |
|                                               | • Legislative and public initiatives to address women’s issues (family leave, domestic relations, elder care, etc.) |
Regional Initiatives: The Baltics and Russia

Dawn of a New Millennium Conference Overview: Reykjavik, Iceland, Oct. 1999

The United States Government is pleased to co-sponsor, with the Government of Iceland and the Nordic Council of Ministers, the Conference on Women and Democracy at the Dawn of the New Millennium in Conjunction with the Vital Voices Initiative. The Conference will be held in Reykjavik, Iceland, October 8-10 of this year.

This conference is part of the Vital Voices Global Democracy Initiative. First Lady Hillary Rodham Clinton will officially launch a regional Vital Voices Initiative for the Nordics, Baltics, and Russia and will give the keynote address at the conference. The conference will be modeled after recent Vital Voices Conferences in other regions of the world which have resulted in concrete public-private sector partnerships that produced training and job opportunities, increased investment and commercial activity in the region.

Senior Government officials from the Nordic and Baltic countries are also expected to attend. Mrs. Clinton's participation will ensure considerable attention for the event, and for efforts to support democratic political and economic development throughout the Northern European region.

This conference and ongoing initiative, launched at the conference, will showcase and support democracy at work throughout the region. This Conference can bring real benefits for Russia and the Baltic countries -- and not just for narrowly defined women's issues. The Conference will address the broader challenges faced by all citizens in building stable and prosperous democracies. The initiatives adopted at the Conference can help communities and regions throughout the area.

The Conference presents an unique opportunity to mobilize significant support and resources for regional cooperation and development in Russia and the Baltic countries, with contributions from the Nordic countries and the U.S.

This Conference is one of the flagship ventures under our Northern European Initiative (NEI). The goal is to encourage cooperation and integration in the Baltic Sea area by knitting together private, government and non-governmental sector interests and resources to devise practical solutions to problems that affect the region.

The initiatives underway are designed to strengthen trade, investment, political and commercial contacts, economic and social opportunity in the region.

Our goal is to create a network of support for the northern European region that works at the grassroots level, encourages cooperation and provides practical solutions to encourage entrepreneurship and the development of civil society.
There are no legal impediments to women's participation in government or politics. However, women are underrepresented in government and politics. There are 11 women among the 101 members of Parliament. Two ministers are women.

Violence against women, including spousal abuse, is the subject of increasing discussion and media coverage. According to women's groups and law enforcement officials, family violence is not pervasive. Rape and attempted rape occur relatively infrequently. In the first seven months of 1999, there were reports of 33 rapes and 4 attempted rapes, compared with 53 rapes and 14 attempted rapes for 1998. However, studies show that 40% of crime in the country goes unreported, including domestic violence. Even when the police are called, the abused spouse often declines to press charges.

A Center of Women Citizens and a Roundtable of Women's Organizations were established in 1998. Women have the same legal rights as men and are legally entitled to equal pay for equal work. Nevertheless, although women's average educational level was higher than men's their average pay was lower, and the trend does not seem to be improving. There continue to be female- and male-dominated professions. Women constitute slightly more than half of the work force. They also carry major household responsibilities.

In the first 7 months of 1999, police registered 10 cases of sexual abuse—7 female victims and 3 male victims. There were 54 cases of procurement for prostitution of victims younger than 16. During the same period, there were no rape cases in which the victim was younger than 14."
Estonia is a parliamentary democracy with an independent but inexperienced judiciary. Estonia regained independence in 1991 after 50 years of Soviet occupation, but its statehood was widely recognized as continuous since 1920-1922. In free and fair March 7 parliamentary elections, a coalition of three right-center parties led by the young former Prime Minister Mart Laar returned to power. Estonia's longstanding foreign policy goal of rapid integration into European/Euro-Atlantic institutions is stronger than ever and has broad public support. Estonians, Finns, and their "distant cousin" Hungarians are ethnically and linguistically unique.

Having focused most of its resources on EU accession, Estonia is realistic about its aspirations for NATO membership but wants to demonstrate that it is being taken seriously as a prospective member. Estonia looks to a U.S. lead in support of these aspirations. An active Partnership for Peace participant, Estonia contributes troops to NATO-led operations in Bosnia and Kosovo, police also to Bosnia, and it accepted 15 Kosovar refugees and sent $75,000 in aid there.

Estonia deserves praise for its principled adherence to sound fiscal, monetary and trade policies. Accomplishments include:

- Maintaining a constitutionally-mandated balanced budget;
- Successfully operating its currency board;
- Establishing one of the world's freest trade regimes with virtually no import duties (until 2000, when it begins to make its tariff regime EU-compliant);
- Privatizing almost all small and medium-sized enterprises;
- Effectively regulating its banks;
- Adopting regulations and laws harmonized with international organizations of which Estonia is either a member (WTO) or aspiring to join (EU); and
- Abolishing tax by 2000 on corporate income left in country.
- Offering its expertise in privatization, currency reform, and the Internet to less developed former Soviet states.

The Government generally respects the human rights of its citizens and the large resident non-citizen community, although problems remain in certain areas. Estonia's 40% non-citizen population lives predominantly in the capital and in the recession-ravaged industrial Northeast. Tension within the Russian community is slight, but Estonia's relations with Russia are chilly.

The OSCE, COE, and US confirm that Estonian laws conform to international standards and that Estonia is implementing these laws fairly. Since 1993, a resident OSCE mission "promotes stability, dialogue, and understanding between the communities." Its mandate was extended to December 2000 and addresses issues related to the ethnic Russian community. With the ratification last year of legislation on child citizenship, Estonia has addressed all 30 OSCE recommendations for integrating Estonia's noncitizen community. While Estonia has taken a liberal approach towards noncitizens in many areas (they can do military service, vote in local elections, are not restricted in NGO employment or privatization), it has not gone out of its way to integrate this psychologically/geographically distanced community. We will follow up with Estonia to ensure that its recent language law is enforced fairly and equitably.
Military

Military branches: Army, Navy, Air Force
Military expenditures—dollar figure: $40 million (1995)
Military expenditures—percent of GDP: NA%

Transnational Issues

Estonia

Geography

Location: Eastern Europe, bordering the Baltic Sea and Gulf of Finland, between Latvia and Russia
Geographic coordinates: 59 00 N, 26 00 E
Map references: Europe
Area:
total: 45,226 sq km
land: 43,211 sq km
water: 2,015 sq km
note: includes 1,520 islands in the Baltic Sea
Area—comparative: slightly smaller than New Hampshire and Vermont combined
Land boundaries:
total: 633 km
border countries: Latvia 339 km, Russia 294 km
Coastline: 3,794 km
Maritime claims:
exclusive economic zone: limits to be fixed in coordination with neighboring states
territorial sea: 12 nm
Climate: maritime, wet, moderate winters, cool summers
Terrain: marshy, lowlands
Elevation extremes:
lowest point: Baltic Sea 0 m
highest point: Suur Munamagi 318 m
Natural resources: shale oil (kukersite), peat, phosphorite, amber, cambrian blue clay
Land use:
arable land: 22%
permanent crops: 0%
permanent pastures: 11%
forests and woodland: 31%
other: 36% (1993 est.)
Irrigated land: 110 sq km (1993 est.)
Natural hazards: flooding occurs frequently in the spring
Environment—current issues: air heavily polluted with sulfur dioxide from oil-shale burning power plants in northeast; contamination of soil and groundwater
Estonia (continued)

with petroleum products, chemicals at former Soviet nitrates sites. Estonia has more than 1,400 natural and man-made lakes, the smaller of which in agricultural areas are heavily affected by organic waste; coastal sea water is polluted in many locations.


Population: 1,421,335 (July 1998 est.)

Age structure:
0-14 years: 19% (male 136,278; female 131,480)
15-64 years: 67% (male 456,796; female 492,946)
65 years and over: 14% (male 66,261; female 73,574) (1997 est.)

Population growth rate: -0.99% (1998 est.)

Birth rate: 13.98 births/1,000 population (1998 est.)

Death rate: 14.15 deaths/1,000 population (1998 est.)

Net migration rate: -4.76 migrant(s)/1,000 population (1998 est.)

Sex ratio:
at birth: 1.05 male(s)/female
under 15 years: 1.03 male(s)/female
15-64 years: 0.92 male(s)/female
over 65 years: 0.48 male(s)/female (1998 est.)

Infant mortality rate: 13.98 deaths/1,000 live births (1998 est.)

Life expectancy at birth:
total population: 68.52 years
male: 62.5 years
female: 74.83 years (1998 est.)

Total fertility rate: 1.29 children born/woman (1998 est.)

Nationality:
noun: Estonian(s)
 adjective: Estonian

Ethnic groups: Estonian 64.2%, Russian 28.7%, Ukrainian 2.7%, Byelorussian 1.5%, Finn 1%, other 1.9% (1995)

Religions: Evangelical Lutheran, Russian Orthodox, Estonian Orthodox, others include Baptist, Methodist, 7th Day Adventist, Roman Catholic, Pentecostal, Word of Life, 7th Day Baptist, Judaism

Languages: Estonian (official), Russian, Ukrainian, other

Literacy:
definition: age 15 and over can read and write
total population: 100% male: 100% female: 100% (1998 est.)

Country name: conventional long form: Republic of Estonia
short form: Estonia
local long form: Eesti Vabariik

local short form: Eesti

former: Estonian Soviet Socialist Republic

Data code: EN

Government type: parliamentary democracy

National capital: Tallinn

Administrative divisions: 15 counties

Administrative divisions (1997): Tallinn, Hiiumaa (Kardla), Jarvamaa (Paide), Jõgevamaa (Jõgeva), Lääne-Estonia (Haapsalu), Läänemaa (Paide), Jõgevamaa (Kuressaare), Tartumaa (Tartu), Vaõmanu (Valga), Viljandi (Viljandi), Võrumaa (Võru) note: administrative divisions have the same names as their administrative centers (exceptions have the administrative center name following in parentheses)

Independence: 6 September 1918 (from Russian Empire)

National holiday: Independence Day, 24 February (1918)

Constitution: adopted 28 June 1992

Legal system: based on civil law system; no judicial review of legislative acts

 Suffrage: 18 years of age; universal for all Estonian citizens

 Executive branch:
 chief of state: President Lennart Meri (since 5 October 1992)
 head of government: Prime Minister Mart Siim安 (since 12 March 1997)
 cabinet: Council of Ministers appointed by the prime minister, approved by Parliament
 elections: presidential election for a five-year term; if the president does not secure two-thirds of the votes after 3 rounds of balloting, the House of Peers (made up of members of Parliament plus members of local governments) elects the president, choosing between the two candidates with the largest percentage of votes; election held August-September 1996 (next to be held fall 2001)
 prime minister nominated by the president and approved by Parliament

Lennart Meri elected president by an election assembly after Parliament was unable to break a deadlock between MERI and Ruutel; percentage of electoral college vote—Lennart Meri 61%, Arno Ruutel 39%

Legislative branch: unicameral Parliament or Riigikogu (101 seats; members are elected by popular vote to serve a four-year term)
 elections: last held 5 March 1995 (next to be held 1999)
 Ruutel 5.0% (1997 est.)

Judicial branch: Supreme Court, chairman appointed by the President for life

Political parties and leaders: Coalition Party and Rural Union or KMU (Mart Siim安, chairman) made up of 4 parties: Coalition Party or EK, Country People's Party [Arnold Ruutel, chairman] Farmers, Assembly or EME, Rural Union or EM [Alvar SiimAn, chairman], and Pensioners' and Families' League [EPPL [Mai Treial, chairperson]]; Reform Party or Rol [Silm KalLas, chairman]; Center Party or K [Eiki Nestor, chairman]; Union of Pro Patria or Fatherland League (Isamaa) [Toivo JürGesenius, chairman]; National Independence Party or EPS [Tunne Kellam, chairman]; Our Home is Estonia [Viktor ANDRIJEV, made up of 2 parties: United People's Party and the Russian Party of Estonia; note—Our Home is Estonia split when two Russian parties of Estonia members withdrew; United People's Party (Viktor Andrijev, chairman); Russian Party [Nikolai MaspAnov, chairman]; Moderate or M (Andres Tarand) made up of 2 parties: Social Democratic Party or ESPD and Rural Center Party, EMK; Social Democratic Party (Elki Nestor, chairman); Rural Center Party [Vamko Kaal, chairman]; Right-Wingers [Ugo Nüüs, chairman]; Republican Conservative [Voosele HanSen]; Development/Progressive Party (Andra ViidEMAn, chairwoman), note—party was created by defectors from Center Party in late spring 1996; Development Party faction split and now holds few independent seats

International organization participation: BIS, CBSS, CCC, CE, EAPC, EBRD, EBU, ECE, EU, European Free Trade Association (1967), ILO, IMF, IMS, Intertel, IRE, ISO (correspondent), ITU, OSCE, OFP, UN, UNCTAD, UNESCO, UNMIBH, UNTSO, UPU, WFTO, WHO, WIPO, WMO, WTO

Diplomatic representation in the US:
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charge d'affaires: Peter EuRIS
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mailing address: American Embassy Tallinn; PSC 7

d: APO AE 09723

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FAX: (372) (6) 312-025

Flag description: pre-1940 flag restored by Supreme Soviet in May 1990—three equal horizontal bands of blue (top), black, and white

ECONOMY

Economy—overview: In 1997 Estonia's continued implementation of market economic reforms, disciplined fiscal and monetary policies, and a liberal free trade regime resulted in GDP growth of 10% and a drop in inflation to 11.2%. Estonia can point to the inclusion of the first group of Central and East
European countries to begin EU accession talks in 1997. Its most significant economic achievement in recent years is a faster growth rate than imports, and record levels of foreign direct investment. Among the highest per capita in Central and East Europe. Estonia privatized its shipping company in 1997, but failed to make as much progress privatizing other large infrastructure/energy companies, such as Eesti Energia and the Oil shale company, which it plans to privatize in the next 5 years. The growing current account deficit, which had nearly 10% of GDP by year end 1997, remains a serious concern. In 1998, GDP is expected to grow by 5.5% and inflation to fall 10%.

GDP: purchasing power parity—$34.3 billion (1997 est.)
GDP—real growth rate: 10% (1997 est.)
GDP—per capita: purchasing power parity—$6,450 (1997 est.)
GDP—composition by sector:
- Agriculture: 7.1%
- Industry: 42.4%
- Services: 50.5%

Inflation rate—consumer price index: 11.2% (1997 est.)
Unemployment rate: 3.6% (1997 est.)

Budget:
- Revenue: $1.7 billion
- Expenditure: $1.8 billion, including capital expenditures of $214 million (1996 est.)

Industries:
- Oil shale, shipbuilding, phosphates, iron ore, cement, furniture, textiles, paper, shoes, apparel

production growth rate: 3% (1996 est.)
Electricity—capacity: 3.287 million kW (1995)
Electricity—production: 8.083 billion kWh (1995)
Electricity—consumption per capita: 4,355 kWh (1995)

Agriculture—products:
- Potatoes, fruits, vegetables: livestock and dairy products, fish

Exports:
- Total value: $2 billion (f.o.b., 1996)
- Commodities: textiles 16%, food products 16%, machinery and equipment 16%, metals 9% (1995)

Imports:
- Total value: $3.2 billion (c.i.f., 1996)
- Commodities: machinery and equipment 29%, raw materials 14%, minerals 13%, textiles 13%, metals 9% (1995)

Merchant marine:
- Total: 3 ships (1,000 GRT or over) totaling 383,340 GRT/455,000 DWT
- ships by type: bulk 6, cargo 27, combination bulk 1, container 5, oil tanker 2, roll-on/roll-off cargo 7, short-sea passenger 5
- note: Western commitments $285 million (including international financial institutions)

Currency: 1 Estonian kroon (EEK) = 100 cents (introduced in August 1992)


Fiscal year: calendar year

Communications:

Telephones: 400,000 (1994 est.)
Telephone system: system is antiquated; improvements are being made piecemeal, with emphasis on business needs and international connections; there are still about 150,000 unfulfilled requests for subscriber services.

Military:
- Money-
- real growth rate: 5% (1995 est.)
- per capita: purchasing power parity—$3,047 (1997 est.)

- Longest active service: 2 years
- Conscripts: 18-21 years of age

- Total: 3,047
- Regular: 7,162 km (1996 est.)
- Railways: 1,018 km (1996 est.)
- Roads: 7,162 km (1996 est.)
- Airports: 5 (1997 est.)
- Merchant marine: 5 ships (1,000 GRT or over) totaling 368,340 GRT/455,696 DWT

- Total: 5 (1997 est.)
- Airports—paved runways: 5

- Minerals: $3.2 billion (c.i.f., 1996)
- Commodities: machinery and equipment 29%, raw materials 14%, minerals 13%, textiles 13%, metals 9% (1995)
- Imports: $270 million (January 1996)
- Aid: ODA, $147 million (1993)
- France, Germany, The Netherlands
- Total: 5

Military branches: Ground Forces, Naval/Coast Guard, Air and Air Defense Force (not officially sanctioned), Maritime Border Guard, Law Enforcement (Kaitsepolitsei), Security Forces (internal and border troops)

Military manpower—military age: 18 years of age

Military manpower—availability:

Military manpower—fit for military service:
- Males: 275,610 (1998 est.)

Military manpower—reaching military age annually:
- Males: 10,424 (1998 est.)


Military expenditures—percent of GDP: 1.5% (1995)

Transportation:

Railways:
- Total: 1,018 km common carrier lines only; does not include dedicated industrial lines
- Broad gauge: 1,018 km
- Narrow gauge: 1,520-m gauge (123 km electrified) (1995)

Highways:
- Total: 15,304 km
- Paved: 9,142 km (including 65 km of expressways)
- Unpaved: 7,162 km (1996 est.)

Waterways:
- 500 km perennially navigable

Pipelines:
- Natural gas: 420 km (1992)

Ports and harbors: Haapsalu, Narva, Paldiski, Parnu, Tallinn

Merchant marine:
- Total: 5 ships (1,000 GRT or over) totaling 383,340 GRT/455,696 DWT

Military:
U.S. Department of State

Background Notes: Estonia, September 1997

Released by the Bureau of European and Canadian Affairs

OFFICIAL NAME: Republic of Estonia

PROFILE

Geography
Area: 45,226 sq. km. (18,086 sq. miles); about the size of New Hampshire and Vermont.
Cities: Capital-Tallinn (pop. 420,470); Other cities-Tartu (101,901); Narva (75,211); Kohtla-Jarve (68,533); Parnu (51,807); Sillamae (19,804); Rakvere (20,100).
Terrain: Flat, average elevation 50m. Elevation is slightly higher in the east and southeast. Steep limestone banks and 1,520 islands mark the coastline.
Land use-22% arable land, 11% meadows and pasture, 31% forest and woodland, 21% other, 15% swamps and lakes. Coastal waters are somewhat polluted.
Climate: Temperate, with four seasons of near-equal length. Annual precipitation averages 61-71 cm. (28 in.).

People
Nationality: Noun and adjective-Estonian(s).
Population: 1.49 million.
Annual growth rate: .7%. Birth rate- 16/1,000; Death rate-12/1,000; Migration rate-3/1,000;
Density-35/sq. km. (90.4/sq. mi.); Urban dwellers-71%.
Ethnic groups: Estonians 64%, Russians 29%, Ukrainians 3%, Belarusians 2%.
Religions: Predominantly Lutheran; minorities of Russian Orthodox, Baptist.
Languages: Estonian. Most people also speak Russian.
Education: Years compulsory-12. By 1989, 12% of the adult populace completed college.
Attendance-214,000 students at 561 schools, plus 24,000 university students. Literacy-100%.
Health: Infant mortality rate-9/1,000 births. Life expectancy-65 years for men, 74 for women.
Work force (785,500 people): Agriculture-12%. Industry-32%. Housing-5%. Health care-6%. Education, culture-12%. Trade-9%. Transport-8%. Construction-10%. Other-4%. Government-2%.

Government
Type: Parliamentary democracy.
Branches: Executive-President (Chief of State), elected by Parliament every five years; Prime Minister (Head of Government). Legislative-Riigikogu (Parliament - 101 members, 4-year term).
Judicial-Supreme Court.
Administrative regions: 15 counties and 6 independent towns.
Political parties/coalitions: Coalition/Rural Union (PM Siimann/ex-Pres. Ruutel)-19/22 seats; Reform Party (ex-FM Kallas, Riigikogu Chair Savi)-19 seats; Center Party (ex-PM Savisaar, Rein Veidemann)-15 seats; Pro Patria/Nat'l. Independence (ex-PM Laar, Kelam)-8 seats; Moderates (ex-PM Andres Tarand, Lauristin)-6 seats; "Our Home is Estonia;" ("Russian"; faction, Andrejev)-6 seats; Right-Wing (ex-Riigikogu Chairman Ulo Nugis)-5 seats.
Suffrage: 18 years-universal; non-citizen residents may vote in municipal elections.
Government budget: $1 billion. Defense: 1.2% of GDP.

Flag: Horizontal tricolor-blue, black, and white.

**Economy**

GDP (1996): $3.7 billion. Growth rate-@ 4.4%. Per capita income: $2,748. 1996 inflation rate- 23%. Unemployment- 5.5%.
Natural resources: Oil shale, phosphorite, limestone, blue clay.
Agriculture/forestry (10% of 1995 GDP): milk and dairy products, meat, cereals, potatoes. Cultivable land-1.36 million hectares (60% arable, 18% meadow, 13% pasture).
Manufacturing/mining/energy (45% of GDP): electricity, oil shale, chemical products, electric motors, textiles, furniture, cellulose/paper products, building materials, processed foods.
Trade, hotel/dining (15% of GDP): Construction- 8%. Public services-7%. Transport/communication-8%. Finance/real estate-4%. Other-3%. 1995 exports ($1.6 billion)-textiles/clothes 15%, machinery/equipment 12%, food 10%, wood/wood products 8%, chemicals 8%. Major markets-Finland (32%), Russia (16%), Sweden (9%), Germany (10%), U.S. (2%).
1995 Imports ($2.2 billion)- machinery/equipment 20%, minerals 13%, vehicles 10%, textiles/clothes 10%, food 8%. Partners-Finland (21%), Russia (18%), Sweden (11%), Latvia (8%), Germany (7%), USA (2%).
1995 Foreign capital investment: 6,000 foreign enterprises with investment of $230 million. Finland 52% of firms with 22% of capital; Sweden 11%/27%; Russia 13%/12%; Germany 4%/4%;U.S. 4%/7%.

**GEOGRAPHY**

Between 57.3 and 59.5 latitude and 21.5 and 28.1 longitude, Estonia lies on the eastern shores of the Baltic Sea on the level northwestern part of the rising East European platform. Average elevation reaches only 50m (160 ft.). The climate resembles New England's. Shale and limestone deposits, along forests which cover 40% of the land, play key economic roles in this resource-poor country. Estonia boasts over 1,500 lakes, numerous bogs, and 3,794km of coastline marked by numerous bays, straits, and inlets. Tallinn's Muuga port offers one of Europe's finest warm-water harbor facilities.

Today, Estonia is slightly larger than Denmark, the Netherlands and Switzerland. Estonia's strategic location has precipitated many wars that were fought on its territory between two other rival powers at its expense. In 1944 the U.S.S.R. granted Russia the trans-Narva and Petseri regions on Estonia's eastern frontier, which still remain contested bilaterally.

**PEOPLE**

The name "Eesti," or Estonia, is derived from the word "Aisti," the name given by the ancient Germans to the peoples living northeast of the Vistula River. The Roman historian Tacitus in the first century A.D. was the first to mention the Aisti, and early Scandinavians called the land south of the Gulf of Finland "Eistland," and the people "aist." Estonians belong to the Baltic-Finnic group of the Finno-Ugric peoples, as do the Finns and Hungarians. Archaeological research supports the existence of human activity in the region as early as 8,000 BC but by 3,500 BC the principal ancestors of the Estonians had arrived from the east.

Estonians look like and consider themselves Nordics, evidenced through the strong cultural and religious influences gained over centuries during Germanic and Scandinavian colonization and settlement. This highly literate society places strong emphasis upon education, which is free and compulsory until age 16. The first book in Estonian was printed in 1525. Most Estonians belong to the Evangelical Lutheran Church, but a sizable minority are Russian Orthodox.

From 1945-1989 the percentage of ethnic Estonians in Estonia dropped from 94% to 61%, caused primarily by the Soviet program promoting mass immigration of urban industrial workers from Russia, Ukraine, and Belarus, as well as by wartime emigration and Stalin's mass deportations and executions.
Estonia's citizenship law and constitution meet international and OSCE standards, guaranteeing universal human and civil rights.

Written with the Latin alphabet, Estonian is the language of the Estonian people and the official language of the country. One-third of the standard vocabulary is derived from adding suffixes to root words. The oldest known examples of written Estonian originate in 13th century chronicles. The Soviet era had imposed the official use of Russian, so most Estonians speak Russian as a second language while the resident Slavic populace speaks Russian as a first language.

**HISTORY**

Estonians are one of the longest settled European peoples, whose forebears, known as the "comb pottery" people, lived on the southeastern shores of the Baltic Sea over 5,000 years ago. Like other early agricultural societies, Estonians were organized into economically self-sufficient, male-dominated clans with few differences in wealth or social power. By the early Middle Ages most Estonians were small landholders, with farmsteads primarily organized by village. Estonian government remained decentralized, with local political and administrative subdivisions emerging only during the first century A.D. By then, Estonia had a population of over 150,000 people and remained the last corner of medieval Europe to be Christianized.

Estonia also managed to remain nominally independent from the Vikings to the west and Kievan Rus to the east, subject only to occasional forced tribute collections.

However, the Danes conquered Toompea, the hilled fortress at what is now the center of Tallinn, and in 1227 the German crusading order of the Sword Brethren defeated the last Estonian stronghold; the people were Christianized, colonized, and enserfed. Despite attempts to restore independence, Estonia was divided among three domains and small states were formed. Tallinn joined the Hanseatic League in 1248.

By 1236, the Sword Brethren allied with the Order of the Teutonic Knights and became known as the Livonian Order of the Teutonic Knights. Finding upkeep of the distant colony too costly, the Danes in 1346 sold their part of Estonia to the Livonian Order. Despite successful Russian raids and invasions in 1481 and 1558, the local German barons continued to rule Estonia and since 1524 preserved Estonian commitment to the Protestant Reformation. Northern Estonia submitted to Swedish control in 1561 during the Livonian Wars, and in 1582/3 southern Estonia (Livonia) became part of Poland's Duchy of Courland.

In 1625, mainland Estonia came entirely under Swedish rule, and in 1645, Sweden bought the island of Saaremaa from Denmark. In 1631, the Swedish king Gustav II Adolf granted the peasantry greater autonomy, opened the first known Estonian-language school in Tallinn, and in 1632 established a printing press and university in the city of Tartu. The Swedish defeat resulting in the 1721 Treaty of Nystad imposed Russian rule in what became modern Estonia. Nonetheless, the legal system, Lutheran church, local and town governments, and education remained mostly German until the late 19th century and partially until 1918.

By 1819, the Baltic provinces were the first in the Russian empire in which serfdom was abolished, spurring the peasants to own their own land or move to the cities. These moves created the economic foundation for the Estonian national cultural awakening that had lain dormant for some 600 years of foreign rule. Estonia was caught in a current of national awakening that began sweeping through Europe in the mid-1800s.

A cultural movement sprang forth to adopt the use of Estonian as the language of instruction in schools, all-Estonian song festivals were held regularly after 1869, and a national literature in Estonia developed. Kalevipoeg, Estonia's epic national poem, was published in 1861 in both Estonian and German.

More importantly, activists who agitated for a modern national culture also agitated for a modern national state.
As the 1905 Revolution swept through Estonia, the Estonians called for freedom of the press and assembly, for universal franchise, and for national autonomy. The 1905 uprisings were brutally suppressed and Estonian gains were minimal, but the tense stability that prevailed between 1905 and 1917 allowed Estonians to advance the aspiration of national statehood.

With the collapse of the Russian empire in World War I, Russia's Provisional Government granted national autonomy to Estonia. A popularly elected assembly (Maapaev) was formed but was quickly forced underground by opposing extremist political forces. The Committee of Elders of the underground Maapaev announced the Republic of Estonia on 24 February 1918, one day before German troops invaded. After the withdrawal of German troops in November 1918, fighting broke out between Bolshevik and Estonian troops. On February 2, 1920 the Treaty of Tartu—the Soviet Union's first foreign peace treaty—was signed by the Republic of Estonia and Soviet Russia. The terms of the treaty stated that Soviet Russia renounced in perpetuity all rights to the territory of Estonia.

Independence lasted twenty-two years. Estonia underwent a number of economic, social, and political reforms necessary to come to terms with its new status as a sovereign state. Economically and socially, land reform in 1919 was the most important step. Large estate holdings belonging to the Baltic nobility were redistributed among the peasants and especially among volunteers in the War of Independence. Loss of markets in the east led to considerable hardships until Estonia developed an export-based economy and domestic industries. Estonia's principal markets became Scandinavia, Great Britain, and Western Europe, with some exports to the United States and Soviet Union.

During its early independence Estonia operated under a liberal democratic constitution patterned on the Swiss model. However, with nine to 14 politically divergent parties, Estonia experienced 20 different parliamentary governments between 1919 and 1933. The Great Depression spawned the growth of powerful, far-rightist parties which successfully pushed popular support in 1933 for a new constitution granting much stronger executive powers. In a preemptive move against the far right, Estonia's first and also then-president, Konstantin Pats, dissolved parliament and governed the country by decree. By 1938 Estonia ratified a third, more balanced, and very liberal constitution, and elected a new parliament the following year.

The independence period was one of great cultural advancement. Estonian language schools were established, and artistic life of all kinds flourished. One of the more notable cultural acts of the independence period, unique in Western Europe at the time of its passage in 1925, was a guarantee of cultural autonomy to minority groups comprising at least 3,000 persons, and to Jews.

Estonia had pursued a policy of neutrality, but the signing of the Molotov-Ribbentrop Non-aggression Pact on August 23, 1939 signaled the end of independence. The agreement provided for the Soviet occupation of Estonia, Latvia, part of Finland, and later, Lithuania, in return for Nazi Germany's assuming control over most of Poland. After extensive diplomatic intrigue, the Estonian Soviet Socialist Republic was proclaimed on July 21, 1940, one month after Estonia was occupied by Soviet troops. The ESSR was formally accepted into the Soviet Union on August 6.

Soviet occupation was accompanied by expropriation of property, Sovietization of cultural life and the installation of Stalinist communism in political life. Deportations also quickly followed, beginning on the night of June 14, 1941.

That night, more than 10,000 people, most of them women, children and the elderly, were taken from their homes and sent to Siberia in cattle cars. When Nazi Germany attacked the Soviet Union on June 22, most Estonians greeted the Germans with relatively open arms.

Two-and-a-half years of Nazi occupation amply demonstrated that German intentions were nearly as harsh as Soviet aggression:

Estonia became a part of "Ostland," and about 5,500 Estonians died in concentration camps. However, few Estonians welcomed the Red Army's return to the frontier in January 1944. Without much support
from retreating German troops, Estonian conscripts engaged the Soviets in a slow, bloody, nine-month battle. Some 10% of the population fled to the West between 1940 and 1944. By late September, Soviet forces expelled the last German troops from Estonia, ushering in a second phase of Soviet rule. That year, Moscow also moved to transfer the Estonian Narva and Petseri border districts, which held a large percentage of ethnic Russians, to Russian control.

For the next decade in the countryside, an anti-Soviet guerrilla movement known as "the Forest Brethren" existed in the countryside. Composed of formerly conscripted Estonian soldiers from the German Army, fugitives from the Soviet military draft or security police arrest, and those seeking revenge for mass deportations, the Forest Brethren used abandoned German and Soviet equipment and worked in groups or alone. In the hope that protracted resistance would encourage Allied intervention for the restoration of Estonian independence, the movement reached its zenith in 1946-48 with an estimated 5,000-30,000 followers and held effective military control in some rural areas.

After the war the Estonian Communist Party (ECP) became the pre-eminent organization in the republic. Most of these new members were Russified Estonians who had spent most of their lives in the Soviet Union. Not surprisingly, Estonians were reluctant to join the ECP and thus take part in the Sovietization of their own country. The ethnic Estonian share in the total ECP membership went from 90% in 1941 to 48% in 1952.

After Stalin's death, Party membership vastly expanded its social base to include more ethnic Estonians. By the mid-1960s, the percentage of ethnic Estonian membership stabilized near 50%. On the eve of perestroika the ECP claimed about 100,000 members; less than half were ethnic Estonians and comprised less than 2% of the country's population. Russians or Russified Estonians continued to dominate the party's upper echelons.

A positive aspect of the post-Stalin era in Estonia was a re-opening in the late 1950s of citizens' contacts with foreign countries. Ties were also reactivated with Finland, boosting a flourishing black market. In the mid-1960s, Estonians began watching Finnish television. This electronic "window on the West" afforded Estonians more information on current affairs and more access to Western culture and thought than any other group in the Soviet Union. This heightened media environment was important in preparing Estonians for their vanguard role in extending perestroika during the Gorbachev era.

By the 1970s, national concerns, including worries about ecological ruin, became the major theme of dissent in Estonia. In the late 1970s, Estonian society grew increasingly concerned about the threat of cultural Russification to the Estonian language and national identity. By 1981, Russian was taught in the first grade of Estonian language schools and was also introduced into the Estonian pre-school teaching. These acts prompted 40 established intellectuals to write a letter to Moscow and the republic authorities. This "Letter of the Forty" spoke out against the use of force against protesters and the increasing threat to the Estonian language and culture. In October of 1980, the youth of Tallinn also demonstrated against toughened Russification policies, particularly in education.

By the beginning of the Gorbachev era, concern over the cultural survival of the Estonian people had reached a critical point. Although these complaints were first couched in environmental terms, they quickly became the grist of straightforward political national feelings. In this regard the two decades of independent statehood were pivotal.

The ECP remained stable in the early perestroika years and appeared strong at its 19th Congress in 1986. By 1988, however, the ECP's weakness had become clear when it was unable to assume more than a passive role and was relegated to a reactive position.


In February 1990, Estonia's Supreme Soviet eliminated paragraph 6 of the republic's constitution which
had guaranteed the Party's leading role in society. The final blow came at the ECP's 20th Congress in March 1990 when it voted to break with the CPSU. The Party splintered into three branches, then consolidated into a pro-CPSU (Moscow) and an independent ECP.

As the ECP waned, other political movements, groupings, and parties moved to fill the power vacuum. The first and most important was the Estonian Popular Front, established in April 1988 with its own platform, leadership, and broad constituency. The Greens and the dissident-led Estonian National Independence Party soon followed. By 1989, the political spectrum widened and new parties were formed and re-formed almost daily.

A number of changes in the republic's government brought about by political advances in the late 1980s played a major role in forming a legal framework for political change. This involved the republic's Supreme Soviet being transformed into an authentic regional law-making body. This relatively conservative legislature managed to pass a number of laws, notably a package of laws that addressed the most sensitive ethnic concerns. These laws included the early declaration of sovereignty (November 1988); a law on economic independence (May 1989) confirmed by the U.S.S.R. Supreme Soviet that November; a language law making Estonian the official language (January 1989); and local and republic election laws stipulating residency requirements for voting and candidacy (August, November 1989).

Although not all non-Estonians supported full independence, they were divided in their goals for the republic. In March 1990 some 18% of Russian speakers supported the idea of fully independent Estonia, up from 7% the previous autumn, and only a small group of Estonians were opposed to full independence in early 1990. Estonia held free elections for the 105-member Supreme Council on March 18, 1990. All residents of Estonia were eligible to participate in the elections, including the approximately 50,000 Soviet troops stationed there. The Popular Front coalition, composed of left and centrist parties and led by former Central Planning Committee official Edgar Savisaar, held a parliamentary majority.

Despite the emergence of the new lawmaking body, an alternative legislature developed in Estonia. In February 1990, a body known as the Congress of Estonia was elected in unofficial and unsanctioned elections. Supporters of the Congress argued that the inter-war republic continued to exist de jure: Since Estonia was forcibly annexed by the U.S.S.R., only citizens of that republic and their descendants could decide Estonia's future.

Through a strict, nonconfrontational policy in pursuing independence, Estonia managed to avoid the violence which Latvia and Lithuania incurred in the bloody January 1991 crackdowns and in the border-customs post guard murders that summer. During the August coup in the U.S.S.R., Estonia was able to maintain constant operation and control of its telecommunications facilities, thereby offering the West a clear view into the latest coup developments and serving as a conduit for swift Western support and recognition of Estonia's redeclaration of independence on August 20. Following Europe's lead, the U.S. formally reestablished diplomatic relations with Estonia on September 2, and the U.S.S.R. Supreme Soviet offered recognition on September 6.

During the subsequent cold winter which compounded Estonia's economic restructuring problems, Prime Minister Edgar Savisaar demanded emergency powers to deal with the economic and fuel crises. A consequent no-confidence vote by the Supreme Council caused the Popular Front leader to resign, and a new government led by former Transportation Minister Tiit Vahi took office.

After more than three years of negotiations, on August 31, 1994, the armed forces of the Russian Federation withdrew from Estonia. Several hundred civilian-clad Russian military remained at the nuclear submarine training reactor facility at Paldiski until September 30, 1995, in order to remove equipment and help decommission the facility.

GOVERNMENT AND POLITICAL CONDITIONS

On June 28, 1992, Estonian voters approved the constitutional assembly's draft constitution and implementation act, which established a parliamentary government with a President as chief of State and
with a government headed by a Prime Minister.

The Riigikogu, a unicameral legislative body, is the highest organ of state authority. It initiates and approves legislation sponsored by the Prime Minister. The Prime Minister has full responsibility and control over his cabinet.

Free and fair parliamentary and presidential elections were held on September 20, 1992. Approximately 68% of the country's 637,000 registered voters cast ballots. The leading presidential contenders, President Ruutel and former Foreign Minister Lennart Meri, faced a secret parliamentary vote to determine the winner. Ruutel's former association with the ruling Communist Party probably helped Meri win on the first ballot. Meri chose 32-year old historian and Christian Democratic Party founder Mart Laar as prime minister.

In February 1992, and with amendments in January 1995, the Riigikogu renewed Estonia's liberal 1938 citizenship law, which also provides equal civil protection to resident aliens. Dual citizenship is allowed for Estonians and their families who fled the Soviet occupation. Accordingly, those who were citizens in 1940 are citizens now. Those who arrived subsequently can become citizens one year following a four-year residence retroactive to March 30, 1990 and demonstrate comprehension of Estonian. Most non-citizen ethnic Slavs (35% of the populace) became eligible for naturalization in March 1993. The government funds Estonian language training.

In nationwide municipal elections held on October 17, 1993, opposition party and ethnic Russian candidates gained a majority in most areas, especially in Tallinn and the Northeast. After having survived a number of government scandals and controversies (over his handling of an Israeli arms deal, bank failures, ruble sales, and alleged misconduct of certain ministers), Mart Laar resigned in August 1994, after losing a parliamentary vote of confidence. The popular, nonpartisan former Minister of Environment, Andres Tarand, was appointed as Laar's successor.

Nearly 70% of the electorate voted in parliamentary elections held March 5, 1995. The Coalition Party (former PM Vahi) and the Rural Union (ex-ESSR Chairman Ruutel)-"KMU"-garnered one-third of the vote for a plurality. The Reform Party ( Estonian Bank Director Siim Kallas) got 16% of the vote, and the Centrist Party (former PM Savisaar) 14%. Pro Patria (former PM Laar) and the National Independence Party received 7%, the Moderates (acting PM Tarand) 6%, "Our Home is Estonia" (Russians) 6%, and the right-wingers (Riigikogu chairman Nugis) 5%. The new government, led once again by Tiit Vahi, has continued to pursue the same style of economic reform and Western integration that characterized Estonia since 1992.

With the August 1995 discovery that some Estonian politicians had been subjected to illegal surveillance, including wiretaps (referred to as Estonia's "Watergate"), the country faced its most severe political and constitutional test since regaining independence in 1991. After dismissing Interior Minister Edgar Savisaar for his implication in the scandal, Prime Minister Vahi submitted his cabinet's resignation. President Meri subsequently tapped Vahi to form a new coalition, which resulted in Vahi's alliance with the Reform Party. In meeting that test, Estonia again demonstrated that it is a normal democratic country based on rule of law and with a vibrant free press.

In 1996, Estonia ratified a border agreement with Latvia and completed work with Russia on a technical border agreement that Estonia is ready to sign. President Meri was re-elected in free and fair indirect elections in August and September. Free and fair nationwide municipal elections were held in October. In November, the Reform Party pulled out of the government when its majority partner, the Coalition Party, signed an agreement with the rival Center Party to cooperate in the municipal government councils. The Coalition Party survived the cabinet crisis as a minority government when the Prime Minister appointed several popular non-partisan candidates in ministerial posts.

**Key Government Officials**

President-Lennart Meri  
Prime Minister-Mart Siimann (CP)
Foreign Affairs-Toomas Ilves (non-partisan)
Interior-vacant
Social Affairs-Tiiu Aro (CP)
Education-Mait Klaassen (CP)
Transport. and Communications-Raivo Vare (CP)
Economy-Jaak Leimann (non-partisan)
Justice-Paul Varul (CP)
Defense-Andrus Oovel (CP)
Environment-Villu Reiljan (CP)
Agriculture-Andres Varik (CP)
Finance-Mart Opmann (CP)
EU Affairs-Andra Veidemann (PP)
Culture-Jaak Allik (CP)
State Chancellor-Uno Veering (CP)
Regional Issues-Peep Aru (CP)
Riigikogu Chairman-Toomas Savi (RP)


ECONOMY

For centuries until 1920, Estonian agriculture consisted of native peasants working large feudal-type estates held by ethnic German landlords. In the previous decades, centralized Czarist rule had contributed a rather large industrial sector dominated by the world's largest cotton mill, a ruined post-war economy, and an inflated ruble currency.

By the early 1930s, Estonia entirely transformed its economy, despite considerable hardship, dislocation, and unemployment. Compensating the German landowners for their holdings, the government confiscated the estates and divided them into small farms which subsequently formed the basis of Estonian prosperity.

By 1929, a stable currency, the kroon (or crown), was established, and by 1939, Estonia's living standard compared well with Sweden's. Trade focused on the local market and the West, particularly Germany and the United Kingdom. Only 3% of all commerce was with the U.S.S.R.

The U.S.S.R.'s forcible annexation of Estonia in 1940 and the ensuing Nazi and Soviet destruction during World War II crippled the Estonian economy. Post-war Sovietization of life continued with the integration of Estonia's economy and industry into the U.S.S.R.'s centrally planned structure. Over 56% of Estonian farms were collectivized in the month of April 1949 alone. Moscow expanded on those Estonian industries which had locally available raw materials, such as oil-shale mining and phosphorites. As a laboratory for economic experiments, especially in industrial management techniques, Estonia enjoyed more success and greater prosperity than other regions under Soviet rule. As the author of the then-radical "Self-Accounting Estonia" plan in 1988, Prime Minister Savisaar succeeded by early 1992 in freeing most prices and encouraging privatization and foreign investment far earlier than other former Soviet-bloc countries. This experimentation with Western capitalism has promoted Estonia's clear advantage in reorienting to Western markets and business practice.

Upon re-establishing independence, Estonia has styled itself as the gateway between East and West and aggressively pursued economic reform and integration with the West. Estonia's market reforms put it among the economic leaders in the former COMECON area. A balanced budget, flat-rate income tax, free trade regime, fully convertible currency, competitive commercial banking sector, and hospitable environment for foreign investment helped Estonia sign an EU Europe Agreement in June 1995 without transition period. On July 15, the European Commission recommended that the EU invite Estonia to commence accession talks in early 1998. These policies have also helped reduce inflation from 90% a month in early 1992 to about 1% a month in 1997.
Estonia has also made excellent progress in regard to structural adjustment. Industrial production is expected to increase 8% in 1997. Since late 1995, more than 90% of small- and medium-scale privatization was complete, and the national privatization agency had privatized over 50% of large enterprises, including engineering, sea, air, and railway transport, healthcare, and insurance sectors. The privatization law provides equal opportunities for domestic and foreign individuals as well as corporations. The constitution requires a balanced budget, and Estonia's intellectual property protection laws are among Europe's strongest. In early 1992 both liquidity problems and structural weakness stemming from the communist era precipitated a banking crisis. As a result, effective bankruptcy legislation was enacted and privately owned, well-managed banks emerged as market leaders. Today, near-ideal conditions for the banking sector exist. Foreigners are not restricted from buying bank shares or acquiring majority holdings. Tallinn Stock Exchange opened in early 1996, and is fully electronic. It is estimated that the unregistered economy provides almost 14% of annual GDP.

Trade has continued to expand since 1994; the current account deficit, a whopping 10% of 1996 GDP or one-third of imports, reflects a corresponding demand for relatively low-interest, foreign-built durable goods (homes, cars, major appliances). Nevertheless, in 1996 Estonia's balance-of-payments was positive by $90 million because of a capital and finance account that doubled the 1995 figure. Estonia supplies 60% of its own energy converted from peat, wood, hydroelectric plants, and oil shale. Estonia has no domestic capacity to refine crude oil, and thus depends heavily on exports from Western Europe and Russia. Oil shale energy, telecommunications, textiles, chemical products, banking, services, food and fishing, timber, shipbuilding, electronics, and transportation are key sectors of the economy. The ice-free port of Muuga, near Tallinn, is a modern facility featuring good transshipment capability, a high-capacity grain elevator, chill/frozen storage, and brand-new oil tanker off-loading capabilities.

Estonia still faces challenges, including a slow pace of establishing and putting into effect a legal framework compatible with a market economy. Laws to streamline the privatization process, facilitate the transfer of real property, privatize housing and establish a commission for the enforcement of competition and anti-monopoly laws were enacted in late 1993, but have not yet been fully implemented. Housing privatization is moving relatively slowly. The same circumstances apply in regard to agricultural privatization, which has caused severe problems for farmers needing collateral to be eligible for loans.

Estonia has paid a price in terms of eroded standards of living, especially for the large portion of the population on fixed pensions. However, it is reaping the macroeconomic dividends from its "shock therapy," and is the first country from the former Soviet area to experience such a spectacular turnaround. After having declined for four consecutive years by a cumulative total of more than 50%, Estonia's GDP increased by 5% in 1994, and has increased about 4% annually ever since. During those first 4 years, employment declined 15% and average real wages and real disposable income declined 60%. Since 1994, by contrast, real wages have increased by about 5% annually and unemployment has stabilized.

Estonia has made a determined effort to integrate its economic relations with the West. Trade with Russia, which once accounted for the overwhelming majority of Estonia's imports and exports, now accounts for only one-fifth of all trade; almost all the rest of its trade now is directed toward the West. Since 1994, Estonia has signed agreements with the U.S. on trade and intellectual property protection, investment, avoidance of double taxation, and science and technology cooperation. American companies have invested $56 million in Estonia, or 8% of its total foreign direct investment; a number of major potential privatization deals with U.S. companies are pending. In 1996, the U.S. exported $83 million of goods and services to Estonia and imported $60 million. Given this base, U.S. firms should consider Estonia for significant investment and re-export opportunities.

DEFENSE

Estonia's defense system is based upon the Swedish-Finnish concept of a rapid response force composed of a mobilization base and a small group of career professionals. The army consists of three battalions of
714 men each, and there is a mandatory 1-year draft period of active duty. Alternative conscription for 18 months for conscientious objectors is available. The navy has about 75 personnel, and the air force is rudimentary. Border guards fall under the Interior Ministry's supervision. Comprised of 250-300 men each, the seven border guard districts, including a "coast guard," are responsible for border protection and passport and customs duties, as well as smuggling and drug trafficking interdiction. A volunteer paramilitary organization, "kaitseliit," has about 6,000 personnel and serves as a type of national guard.

FOREIGN RELATIONS

Estonia joined the United Nations on September 18, 1991, and is a signatory to a number of UN organizations and other international agreements. It also is a member of the Organization on Security and Cooperation in Europe, Partnership for Peace, the North Atlantic Coordinating Council, and the Council of Europe, which presidency it held in 1996. Estonia is unaffiliated directly with any political alliance but welcomes further cooperation and integration with NATO, the EU, and other Western organizations. Estonia enjoys visa-free travel with its Nordic neighbors and with Latvia and Lithuania.

Estonia maintains embassies in the United States, Argentina, Australia, Austria, Belarus, Belgium, Brazil, Chile, Denmark, Finland, France, Germany, India, Israel, Korea, Latvia, Lithuania, Pakistan, Poland, Russia, South Africa, Sweden, Switzerland, Turkey, Ukraine, and United Kingdom. It operates missions in Canada, Hungary, Norway, the Netherlands, to the United Nations, and a Consulate General in Toronto, Canada. Honorary consuls are located in Australia, Austria, Switzerland, and in Seattle.

The United States established diplomatic relations with Estonia on July 28, 1922. U.S. representation accredited to Estonia served from the U.S. Legation in Riga, Latvia, until June 30, 1930, when a legation was established with a non-resident minister. The Soviet invasion forced the closure of Legation Tallinn on September 5, 1940, but Estonian representation in the United States has continued uninterrupted for over 70 years. The U.S. never recognized the forcible incorporation of Estonia into the U.S.S.R., and views the present Government of Estonia as a legal continuation of the inter-war republic. Estonia has enjoyed Most-Favored-Nation (MFN) treatment with the U.S. since December 1991. Through 1996, the U.S. committed over $45 million to assist Estonia's economic and political transformation and to address humanitarian needs. Estonia's graduation in September 1996 from USAID's assistance programs recognizes its position as a leading economic reformer in Central and Eastern Europe.

Estonia is a member of the UN, OSCE, NACC, COE, UNCTAD, ICFTU, IAEA, IMO, ICAO, FAO, WIPO, IMF, WB/EBRD, and other UN-related organizations.

Principal U.S. Officials

Ambassador-Walter Andrusyszyn
Political Officer-Imre Lipping
Economic Officer-David J. Katz
Admin. Officer-Matthew Weiller
Consular Officer-Henry Hand
Public Affairs Officer-Matthew Middleton
Defense Attache-Commander Peter Hendricksen (USN)

The U.S. Embassy in Estonia is located at Kentmanni 20, Tallinn [tel. (372-6)312-021/4].

Travel and Business Information

The U.S. Department of State's Consular Information Program provides Travel Warnings and Consular Information Sheets. Travel Warnings are issued when the State Department recommends that Americans avoid travel to a certain country. Consular Information Sheets exist for all countries and include information on immigration practices, currency regulations, health conditions, areas of instability, crime and security, political disturbances, and the addresses of the U.S. posts in the country. Public Announcements are issued as a means to disseminate information quickly about terrorist threats and other relatively short-term conditions overseas which pose significant risks to the security of American
Although women are still underrepresented in government and politics, 17 women won seats in the Saeima (parliament) in the October 1998--compared with only 8 in the previous elections. Four members of the Cabinet of Ministers (up from two in the last government) are women: the Ministers of Justice and of Culture and the State Ministers for Revenue and for the Environment. Two Saeima committees--the Audit Committee and the Credentials Committee--are chaired by women, compared with one previously.

According to the 1922 Constitution, all citizens are equal under the law and are protected from sexual discrimination. Despite legal protections, however, international observers and human rights groups are growing increasingly concerned about problems facing women in Latvian society. Although no overall statistics are available, sources indicate that domestic violence against women, often connected with alcohol abuse, is a significant and underreported problem. There is also evidence to suggest that sexual harassment in the workplace is widespread. Women who are victims of abuse often seem to be uninformed about their rights and reluctant to seek redress through the justice system. Human rights groups assert that the legal system, including the courts, tends to downplay the seriousness of domestic violence and that the police are sometimes reluctant to make arrests in such cases. The National Human Rights Office (NHRO) continued to work with the Interior Ministry to assist victims of domestic abuse and to sensitize law enforcement personnel to this problem. In August 1998 in conjunction with Nordic and Latvian organizations, it sponsored an international conference called “Women and Men in Dialogue” that discussed violence in the home and the workplace, among other issues concerning gender equity.

There are no shelters designed specifically for battered or abused women. There is one shelter in Riga where homeless women with children may reside for up to 2 months. Nor are there any specific rape or assault hot lines. However, NGOs report that there is a universal “crisis hot line,” which victims of domestic violence sometimes call.

Police do not compile figures for domestic violence as a distinct category. Instead, episodes are placed under more general categories such as assault or battery. However, police figures on rape show a decrease in rape cases over the past 3 years. During 1998, 83 cases were reported and 68 were solved. These figures contrast with 1996 when there were 130 reported rapes, and 93 cases solved.
Both adult and child prostitution are widespread, often linked to organized crime, and abetted by economic problems in the society. Although there is no official estimate of the number of prostitutes, unofficial figures suggest that 10,000 to 15,000 persons work as prostitutes. Of these, an estimated 12 to 15% are considered juveniles (i.e., between the ages of 8 and 18). Although in theory the Constitution and the Law on the Rights of the Child protect children, these rights only are enforced sporadically in the case of child prostitutes. The NHRO reports that adult prostitutes have no legal protections. Engaging in prostitution is technically against the law; however, generally neither the prostitutes nor their clients are prosecuted. There are no state institutions to assist prostitutes. However, the private Latvian Center for Gender Problems provides medical help and social support for prostitutes.

Women possess the same legal rights as men. The Labor Code prohibits women from performing "hard jobs or jobs having unhealthy conditions," which are specified in a list agreed upon between the Cabinet and labor unions. Moreover, the code bans employment discrimination. In reality, however, women frequently face hiring and pay discrimination, especially in the emerging private sector. According to the Central Statistic Bureau, the number of women in the lower income brackets exceeds that of men by 75%, while men outnumber women 2 to 1 in upper income levels. It is not unusual to see employment advertising that specifically seeks men. Sexual harassment of women in the workplace is reportedly common. Cultural factors tend to discourage women from coming forth publicly with complaints of abuse. Women apparently have not brought any discrimination suits before the courts. In December 1998, the Cabinet of Ministers tasked the Ministry of Welfare with coordinating government programs on gender equality issues and promised additional funding in this area (which has not been forthcoming).

Women's advocacy groups are growing in size and number. They are involved in finding employment for women, lobbying for increased social benefits, assisting victims of domestic abuse, and opposing the hazing of military recruits.
Since reestablishing its independence in 1991 (it first became independent during the interwar years) Latvia seeks membership in all Western political, economic, and security structures as the best means to address its security. A new WTO member, Latvia wants to begin accession talks with the European Union and hopes to be included among those countries eventually joining NATO.

Latvia is a parliamentary democracy that has been fragmented into numerous parties and alliances for several years, making passage of reform legislation cumbersome and time-consuming. The current government is another fragile right-center three party minority coalition. The judiciary is independent but not well trained, efficient, or free from corruption. This summer, parliament elected Canadian-Latvian émigré Vaira Vike-Freibera as president.

Latvia has embraced the structures created by the 1999 Washington Summit to promote its NATO aspirations. It is committed to investing the resources necessary to become a credible candidate for NATO membership. An active participant in the Partnership for Peace, Latvia contributes troops to NATO-led forces in Bosnia and Kosovo, police to Bosnia, dispatched an 8-member medical unit to assist Kosovar refugees in Albania, and sent $100,000 in aid to Kosovo.

The economy is increasingly private sector-oriented. About 95% of agricultural land is farmed privately, and 60% of all land is in private hands. The privatization of the three largest remaining enterprises--shipping, energy, and telecommunications--has stagnated over political in fighting. More than half of Latvia's trade is with the EU; foreign investment continues to rise. The currency, the lat, remains stable and freely traded. Unemployment has peaked at a post-independence high of 10%. Annual inflation remains less than 2% (3% in 1998). Per capita gross domestic product (GDP) was approximately $2,556, continuing the rise begun in 1996. Hit hard by the Russian economic crisis, the Latvian economy still managed 4% GDP growth in 1998 but has contracted by 2% so far this year. Both exports and imports are down over 10% from 1998 rates. While the current account deficit decreased by 4% of 1998 GDP, the fiscal deficit grew considerably over last year's figures. Statistics indicate that the economy and deficit may have bottomed out and improve later this year.

The Government generally respects the human rights of its citizens and the large resident non-citizen community, although problems remain in certain areas. Ethnic Latvians tend to control politics, while ethnic Russians and resident non-citizens strongly predominate in commerce.

Latvian-Russian relations remain chilly due to Russia's allegations of human rights abuses of ethnic Russians in Latvia and subsequent trade boycotts by several Russian regions. The United States and the resident OSCE mission have not seen a pattern of state-sponsored human rights abuses against ethnic Slavs, but some members of the Russian minority have complained that they are disenfranchised and experience discrimination. The USG has urged Latvia to implement all the OSCE's recommendations on the integration of its Russian-speaking, non-citizen community. This includes parliament's consideration in December of an OSCE-compliant language law.
Laos (continued)

Military branches: Lao People's Army (LPA; includes militia element), Lao People's Navy (LPN; includes riverine element), Air Force, National Police Department

Military manpower—military age: 18 years of age
Military manpower—fit for military service: males: 626,880 (1998 est.)
Military manpower—reaching military age annually: males: 55,903 (1998 est.)

Military expenditures—dollar figure: $105 million (FY92/93)
Military expenditures—percent of GDP: 8.1% (FY92/93)

Disputes—international: parts of the border with Thailand are indefinite
Illicit drugs: world's third largest opium producer (cultivation in 1997—28,150 hectares, an 11% increase over 1996; potential production—210 metric tons, a 5% increase over 1996); heroin producer; transshipment point for heroin and amphetamines produced in Burma; illicit producer of cannabis

Environment—international agreements: party to: Air Pollution, Biodiversity, Climate Change, Control of Hazardous Substances, Ozone Layer Protection, and others; no data

Laos

Geography

Location: Eastern Europe, bordering the Baltic Sea, between Estonia and Lithuania
Geographic coordinates: 57°00'N, 25°00'E
Map references: Europe
Area: total: 64,100 sq km
land: 64,100 sq km
water: 0 sq km
Area—comparative: slightly larger than West Virginia
Land boundaries: total: 1,150 km
border countries: Belarus 141 km, Estonia 339 km, Lithuania 453 km, Russia 217 km
Coastline: 531 km
Maritime claims: exclusive economic zone: 200 nm
territorial sea: 12 nm
continental shelf: 200 m depth or to the depth of exploitation
Climate: maritime; wet, moderate winters
Terrain: low plain
Elevation extremes: lowest point: Baltic Sea 0 m
highest point: Gaizinkalns 312 m
Natural resources: minimal; amber, peat, limestone, dolomite
Land use: arable land: 27%
permanent crops: 0%
permanent pastures: 13%
forests and woodland: 46%
other: 14% (1993 est.)
Irrigated land: 160 sq km (1993 est.)
Natural hazards: NA
Environment—current issues: air and water pollution because of a lack of waste conversion equipment; Gulf of Riga and Daugava River heavily polluted; contamination of soil and groundwater with chemicals and petroleum products at military bases

Population: 2,385,396 (July 1998 est.)
Age structure: 0-14 years: 20% (male 227,634; female 211,479); 15-64 years: 66% (male 754,416; female 780,875); 65 years and over: 14% (male 113,925; female 124,129) (July 1998 est.)
Population growth rate: -1.41% (1998 est.)
Birth rate: 8.14 births/1,000 population (1998 est.)
Death rate: 15.78 deaths/1,000 population (1998 est.)
Net migration rate: -0.67 migrants/1,000 population (1998 est.)
Sex ratio: at birth: 1.05 male(s)/female under 15 years: 1.04 male(s)/female 15-64 years: 0.96 male(s)/female 65 years and over: 0.47 male(s)/female (1998 est.)
Infant mortality rate: 17.44 deaths/1,000 live births (1998 est.)
Life expectancy at birth: total population: 67.11 years male: 61.02 years female: 73.5 years (1998 est.)
Total fertility rate: 1.2 children born/woman (1998 est.)
Nationality: noun: Latvian(s) adjective: Latvian
Ethnic groups: Latvian 56.5%, Russian 26.6%, Byelorussian 4.3%, Ukrainian 2.6%, Polish 3.4%
Religions: Lutheran, Roman Catholic, Russian Orthodox

Country name

Conventional long form: Latvian People's Republic
Conventional short form: Latvia
Capital: Riga
Government type: republic
Capital zone: Riga
Administrative capital: Riga
Administrative regions: 6
Major cities: Riga, Daugavpils, Jelgava, Liepaja, Ogres, Skruke,
Policies: equal rights for all
Currency: Lat
Unit of currency: lats
Country comparisons: Latvia, Estonia, Lithuania
Internet country code: lv
Internet country code variants:
Internet TLD: .lv
Main language: Latvian
Official language: Latvian
Other languages: Russian
Population estimate: 2,250,000
Population growth rate: -1.41% (1998 est.)
Birth rate: 8.14 births/1,000 population (1998 est.)
Death rate: 15.78 deaths/1,000 population (1998 est.)
Net migration rate: -0.67 migrants/1,000 population (1998 est.)
Sex ratio: at birth: 1.05 male(s)/female under 15 years: 1.04 male(s)/female 15-64 years: 0.96 male(s)/female 65 years and over: 0.47 male(s)/female (1998 est.)
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Nationality: noun: Latvian(s) adjective: Latvian
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Religions: Lutheran, Roman Catholic, Russian Orthodox

266
Economy—Overview: In 1997 Latvia scored the most impressive economic achievements since independence in 1991, with GDP growing by 6% and inflation at 7.4%. GDP is expected to grow 5% in 1998 and inflation to range between 6% and 7%. In 1997 Latvia continued its strict fiscal policy and apparently ended the year with a small fiscal surplus, reflecting higher-than-expected income from customs revenues, excise and business taxes, and restraints on government spending. Foreign direct investment (FDI) in 1997 was a record $880 million by year. Prospects for increasing FDI in 1998 are good if Latvia privatizes at least some of its large companies, including Ventspils Nafta (the state oil company). Although Latvia was disappointed that it was not included among the five Central and East European states invited to start EU accession talks in spring 1998, it is likely to join the WTO in 1998. Latvia’s growing current account and trade deficits remain a cause for concern, reaching nearly 10% by year-end. Latvia’s trade deficit may even reach 22% of GDP in 1998.

GDP—Purchasing power parity—$10.4 billion (1997 est.)

GDP—Real growth rate: 6% (1997 est.)

GDP—Per capita: purchasing power parity—$4,260 (1997 est.)

GDP—Composition by sector:

Agriculture: 9%
Industry: 34%
Services: 57% (1995)

Inflation rate—Consumer price index: 7.4% (1997 est.)

Labor force:

Total: 1.4 million (1997)
By occupation: Industry 41%, agriculture and forestry 16%, services 43% (1995)

Unemployment rate: 7% (1996)

Budget:

Revenues: $NA
Expenditures: $NA, including capital expenditures of $NA

Industries: Buses, vans, street and railroad cars, synthetic fibers, agricultural machinery, fertilizers, washing machines, radios, electronics, pharmaceuticals, processed foods, textiles; dependent on imports for energy, raw materials, and intermediate products

Industrial production growth rate: 2% (1996 est.)

Electricity—Capacity: 2.035 million kw (1995)


Electricity—Consumption per capita: 2,300 kwH (1995)

Agriculture—Products: Grain, sugar beets, potatoes, vegetables, meat, milk, eggs, fish

Exports:

Total value: $1.4 billion (f.o.b., 1996)

Commodities: Wood and wood products, textiles, foodstuffs

Partners: Russia, other CIS, Germany, Sweden, UK
Latvia (continued)

Imports:
total value: $2.3 billion (c.i.f., 1996)
commodities: fuels, machinery and equipment, chemicals
partners: Russia, other CIS, Germany, Sweden, UK, Finland

Debt—external: SNA

Economic aid:
recipient: ODA, $122 million (1993)
note: commitments from the West and international institutions, $325 million (1992-95)

Currency: 1 Latvian lat (LVL) = 100 santims; introduced NA March 1993

Exchange rates: lats (LVL) per US$1—0.595 (January 1998), 0.581 (1997), 0.551 (1996), 0.528 (1995), 0.560 (1994), 0.675 (1993)

Fiscal year: calendar year

Communications

Telephones: 660,000 (1993 est.)

Telephone system: service is better than in most of the other former Soviet republics

domestic: an NMT-450 analog cellular telephone network covers 75% of Latvia's population

international: international traffic carried by leased connection to the Moscow international gateway

switch, through the new Ericsson digital telephone network

covers 75% of Latvia's population

Television broadcast stations: 25 (unknown type)

Radio broadcast stations: 25

Radios: 1.4 million (1993 est.)

Television broadcast stations: 30

Televisions: 1.1 million (1993 est.)

Transportation

Railways:
total: 2,412 km

broad gauge: 2,379 km 1.520-m gauge (271 km electrified) (1992)

narrow gauge: 33 km 0.750-m gauge (1994)

Highways:
total: 60,046 km

paved: 22,998 km

unpaved: 37,048 km (1995 est.)

Waterways:
300 km perennially navigable

Pipelines:
crude oil 750 km; refined products

760 km; natural gas 560 km (1992)

Ports and harbors:
Daugavpils, Liepaja, Riga, Ventspils

Merchant marine:
total: 24 ships (1,000 GRT or over) totaling 293,799 GRT/440,575 DWT

ships by type: cargo 2, oil tanker 18, refrigerated cargo 4 (1997 est.)

Airports:
50 (1994 est.)

Airports—with paved runways:
total: 36

2,438 to 3,047 m: 6

1,524 to 2,437 m: 2

914 to 1,523 m: 1

under 914 m: 27 (1994 est.)

Airports—with unpaved runways:
total: 14

2,438 to 3,047 m: 2

914 to 1,523 m: 2

under 914 m: 10 (1994 est.)

Military

Military branches: Ground Forces, Navy, Air and Air Defense Forces, Security Forces, Border Guard,

Home Guard (Zemessardze)

Military manpower—available:

males age 15-49: 569,745 (1998 est.)

Military manpower—total:

males age 15-29: 360,964 (1998 est.)

Military manpower—fit for military service:

males: 446,562 (1998 est.)

Military manpower—reaching military age annually:

males: 16,594 (1998 est.)

Military expenditures—dollars figure:

176 million rubles (1994); note—conversion of defense expenditures into US dollars using the prevailing exchange rate could produce misleading results

Military expenditures—percent of GDP: 3% to 5% (1994)

Transnational Issues

Disputes—international: based on the 1920 Treaty of Riga, Latvia had claimed the Abrene/Pytalovo section of border ceded by the Latvian-Soviet Socialist Republic to Russia in 1944; draft treaty delimiting the boundary with Russia has not been signed; ongoing talks over boundary dispute with Lithuania (primary concern is oil exploration rights)

Illicit drugs: transshipment point for opiates and cannabis from Southwest Asia and cocaine from Latin America to Western Europe and Scandinavia; produces illicit amphetamines for export

Lebanon

Introduction

Current issues: Lebanon has made progress toward rebuilding its political institutions and its national sovereignty since the end of the devastating 16-year civil war, which began in 1975. Under the Ta'if Accord—the blueprint for a reconciliation—the Lebanese have established a more equitable political system, particularly with Muslims a greater say in the political process. Lebanon's institutionalizing sectarian divisions in the government. Since the end of the civil war, the Lebanese have formed five cabinets and held two legislative elections. Most of the militia have been weakened or disbanded. The Lebanese Forces (LAF) has seized vast quantities of weapons from the militias during the war and central government authority over about 45% of the country. Hizballah, the radical Shia movement, is the main beneficiary of these weapons. Foreign forces still occupy much of Lebanon. Israel maintains troops in south Lebanon and continues to support a proxy Israeli-supported South Lebanon (ASI), along a broad territory contiguous to its border. The ASL's deployment was legitimized by the Arab League during Lebanon's civil war and in the Ta'if Accord. Citing the continued weakness of the LAF, Balfour requests, and failure of the Lebanese government to implement all of the constitutional reforms in the accord, Damascus has so far refused to withdraw its troops from Lebanon.

Geography

Location: Middle East, bordering the Mediterranean Sea, between Israel and Syria

Geographic coordinates: 33°50' N, 35°50' E

Map references: Middle East
OFFICIAL NAME  
Republic of Latvia

PROFILE

Geography

Area: 64,100 sq. km (25,640 sq. miles); about the size of West Virginia.  
Cities: Capital-Riga (1989 pop. 910,455). Other cities-Daugavpils (124,910); Liepaja (114,486); Jelgava (74,105); Jurmala (60,600); Ventspils (50,646); Rezekne (42,477).  
Terrain: Fertile low-lying plains predominate in central Latvia, highlands in Vidzeme and Latgale to the east, and hilly moraine in the western Kurzeme region. Forests cover one-third of the country, with over 3,000 small lakes and numerous bogs.  
Land Use: 27% arable land, 13% meadows and pastures, 39% forest and woodland, 21% other.  
Climate: Temperate, with four seasons of almost equal length. January temperatures average -50C (23oF); July, 170C (63oF). Annual precipitation averages 57 centimeters (23 in.).

People

Nationality: Noun and adjective-Latvian(s).  
Population: 2.5 million. Growth rate: -0.6%. Birth rate-14/1,000. Death rate-13/1,000. Divorce rate-40%. Migration rate-4 migrants/1,000. Density-105/sq. mile. Urban dwellers-71%.  
Ethnic groups: Latvian 56.5%, Russians 30.4%, Belarusians 4.3%, Ukrainians 2.8%, Poles 2.6%.  
Religions: Lutheran, Orthodox, Roman Catholic.  
State language: Latvian. Russian also is spoken by most people.  
Education: Years compulsory-9. By 1989, 60% of the adult populace had finished high school, and 12% had completed college. Attendance-331,100 students at 943 schools, plus 114,200 university students. Literacy-99%.  
Health: Infant mortality rate-16/1,000. Life expectancy-65 years male, 75 female.  
Work force (1,405,000 people): Agriculture/forestry-16%. Industry-30%. Trade/dining-9%. Transport/communication-7%. Construction-10%. Financial-1%. Services, other-27%.

Government

Type: Parliamentary democracy.  
Constitution: The 1922 constitution, the 1990 declaration of renewal of independence, and the 1991 "Basic Law for the Period of Transition" serve until a new constitution is ratified.  
Branches: Executive-President (Head of State), elected by Parliament every 3 years; Prime Minister (Head of Government). Legislative-Saeima (100-member body). Judicial-Supreme Court.  
Administrative regions: 26 "rural" districts and 6 districts in Riga.  
Principal political factions: Democratic Party "Saimnieks" (Ziedonis Cevers)-18 seats; "Fatherland and Freedom" (Maris Grinblats)-14 seats; Latvia's Way (Gailis, Birkavs, Pantelejevs)-17 seats; Nat'l.
Conservatives/Greens (Kрастинс, Кирстейнс)-8 seats; Unity Party (Alberts Kauls)-8 seats; Farmers Union (Pres. Ulmanis, Rozentals) and Christian Democrats (Predele, Jundzis)-7 seats; "For Latvia" (Joachim Siegerist)-16 seats; "Harmony" (ex-FM Jurkans, Vulfsons, Kide)-6 seats; Socialists (Stroganovs, Rubiks)-6 seats.

**Government budget** (1996): $1.9 billion ($60 million deficit).

** Suffrage:** 18 years-universal.

**Economy**

1996 GDP: $5.3 billion.

**Growth rate:** 3%. **Inflation rate:** 13%.

**Unemployment:** 7.1%.

**Average annual wages:** $2,276.

**Natural resources:** peat, limestone, dolomite, gypsum, timber.

**Agriculture/forestry** (10% of GDP): Products-cattle, dairy foods, cereals, potatoes. Cultivable land-1.36 million hectares, of which 60% is arable, 18% meadow, and 13% pasture.

**Manufacturing** (14.3% of GDP): light electrical equipment and fittings, textiles and footwear, technological instruments, construction materials, processed foods. Public services-11%.

**Construction**-5.3%. **Energy/water**-4.5%. **Financial services**-3.5%. **Rents**-2.7%. **Other services**-34%.

**Miscellaneous**-14.7%.

**Trade:** Exports-$516 million: transhipment of crude oil; wood/wood products 32%; metals 7%; textiles/apparel 17%, machinery/equipment 10%, food products 10%, chemicals 5%, vehicles 3%. Major markets-Russia 20%, UK 16%, other CIS 9%, Germany 14%, Sweden 7%. Imports-$803 million: energy 46%, minerals 16%, machinery/equipment 18%, chemicals/plastics 12%, food products 8%, textiles/apparel 8%, wood/wood products 4%, metals 3%. Partners-Russia 18%, Germany 15%, Sweden 6.5%, other CIS 4%.

**Official exchange rate:** .580 Lat = U.S. $1.

**GEOGRAPHY**

Between 55.40 and 58.05 latitude and 20.58 and 28.14 longitude, Latvia lies on the eastern shores of the Baltic Sea on the level northwestern part of the rising East European platform. About 98% of the country lies under 200m elevation (640 ft.). The damp climate resembles New England's. With the exception of the coastal plains, the Ice Age divided Latvia into three main regions: the morainic Western and Eastern uplands and the Middle lowlands. Latvia holds over 12,000 rivers, only 17 of which are longer than 60 miles, and over 3,000 small lakes, most of which are eutrophic. Woodland, more than half of which is pine, covers 41% of the country. Other than peat, dolomite, and limestone, natural resources are scarce. Latvia holds 531km (329 mi.) of sandy coastline, and the ports of Liepaja and Ventspils provide important warm-water harbors for the Baltic littoral, although the Bay of Riga itself is rather polluted.

Today, Latvia is slightly larger than Denmark, Estonia, the Netherlands, and Switzerland. Its strategic location has instigated many wars between rival powers on its territory. As recently as 1944, the U.S.S.R. granted Russia the Abrene region on the Livonian frontier, which Latvia still contests.

**PEOPLE**

Latvians occasionally refer to themselves by the ancient name of "Latviji," which may have originated from a "Latve" river that presumably flowed through what is now eastern Latvia. A small Finno-Ugric tribe known as the Livs settled among the Latvians and modulated the name to "Lette," meaning "forest-clearers," which is how medieval German settlers also referred to these peoples. The German colonizers changed this name to "Lette" and called their initially small colony "Livland." The Latin form, "Livonia," gradually referred to the whole of modern-day Latvia as well as southern Estonia, which had fallen under German dominion. Latvians and Lithuanians are the only directly surviving members of the Baltic peoples and languages of the Indo-European family.

Latvians look like and consider themselves Nordics, evidenced through the strong cultural and religious influences gained over centuries during Germanic and Scandinavian colonization and settlement. Eastern
Latvia (Latgale), however, retains a strong Polish and Russian cultural and linguistic influence. This highly literate society places strong emphasis upon education, which is free and compulsory until age 16. Most Latvians belong to the Evangelical Lutheran Church, a sizable minority are Russian Orthodox, and Eastern Latvia is predominantly Roman Catholic.

Historically, Latvia always has had a fairly large Russian, Jewish, German and Polish minority, but postwar emigration, deportations and Soviet Russification policies from 1939-1989 dropped the percentage of ethnic Latvians in Latvia from 73% to 52%. In an attempt to preserve the Latvian language and avoid ethnic Latvians becoming a minority in their own country, Latvia's strict language law and draft citizenship law have caused many non-citizen resident Russians concern over their ability to assimilate, despite Latvian legal guarantees of universal human and civil rights regardless of citizenship.

Written with the Latin alphabet, Latvian is the language of the Latvian people and the official language of the country. It is an inflective language with several analytical forms, three dialects, and German syntactical influence. The oldest known examples of written Latvian are from a 1585 catechism. The Soviets imposed the official use of Russian, so most Latvians speak Russian as a second or first language while the resident Slavic populace generally speaks Russian as a first language.

HISTORY

Since 9,000 BC ancient peoples of unknown origin had inhabited Latvia, but by 3,000 BC the ancestors of the Finns had settled the region. A millennium later, pre-Baltic tribes had arrived and within time evolved into the Baltic Couranian, Latgallian, Selonian, and Semigallian groups. These tribes eventually formed local governments independently from the Finno-Ugric Livian tribe until the thirteenth century, when they were conquered by the Germans, who renamed the territory Livonia.

German sailors shipwrecked on the Daugava River in 1054 had inhabited the area, which led to increasing German influence. Founded by the Germanic Bishop Alberth of Livonia in 1201, Riga joined the Hanseatic League in 1285 and shared important cultural and economic ties to the rest of Europe. However, the new German nobility enserfed the peasantry and accorded non-Germanic peoples only limited trading and property rights.

Subsequent wars and treaties ensured Livonia's partition and colonization for centuries. The Commonwealth's successes during the Livonian Wars (1558-1583) united the Latvian-populated duchies of Pardaugava, Kurzeme, and Zemgale, but the Polish-Swedish War (1600-1629) granted Sweden acquisition of Riga and the Duchy of Pardaugava, minus Latgale, leaving Latvia again split ethnically. In turn, victory over Sweden in the Great Northern War (1700-1721) gave Russia control over the Latvian territories. From 1804 onwards, a series of local decrees gradually weakened the grip of German nobility over peasant society, and in 1849 a law granted a legal basis for the creation of peasant-owned farms.

Until the 1860s, there still was little sense of a Latvian national identity, as both serfdom and institutional controls to migration and social mobility limited the boundaries of the peasants' intellectual and social geography. The large baronic estates caused a lack of available farmland for an increasing population, creating a large landless, urban class comprising about 60% of the population. Also in the face of stricter Russification policies, the Baltic German clergy and literati began to take a more benevolent interest in the distinctive language and culture of the Latvian peasantry. These patrons (with such Lettish names as Alunans, Barons, Krastins, Kronvalds, Tomsons and Valdemars) soon formed the Young Latvian Movement, whose aim was to promote the indigenous language and to publicize and counteract the socio-economic oppression of Latvians.

By 1901, "Jauna Strava" had evolved into the Latvian Social Democratic Party. Following the lead of the Austrian Marxists, the LSDP advocated the transformation of the Russian Empire into a federation of democratic states (to include Latvia) and the adoption of cultural autonomy policy for extra-territorial ethnic communities. In 1903, the LSDP split into the more radically internationalist Latvian Social Democratic Worker's Party and the more influential Latvian Social Democratic Union (LSDU), which continued to champion national interests and Latvia's national self-determination, especially during the
failed 1905 Revolution in Russia.

The onset of WWI brought German occupation of the western coastal province of Kurzeme, and Latvians heroically countered the invasion with the establishment of several regiments of riflemen commanded by Czarist generals. As a defensive measure, Russia dismantled over 500 local Latvian industries, along with technological equipment, and relocated them to central Russia. The sagging military campaign generally increased Latvian and LSDU support for the Bolsheviks' successful October Revolution in 1917, in the hopes of a "free Latvia within free Russia." These circumstances led to the formation of the soviet "Iskolat Republic" in the unoccupied section of Latvia. In opposition to this government and to the landed barons' German sympathies stood primarily the Latvian Provisional National Council and the Riga Democratic Bloc. These and other political parties formed the Latvian People's Council which on November 18, 1918 declared Latvia's independence and formed an army.

The new Latvian army faced rogue elements of the retreating German army and squared off in civil war against the Soviet Red Army, comprised greatly of the former Latvian Riflemen. Soviet power resumed in Latvia one month later on December 17 by order of the Latvian SSR, which forcefully collectivized all land and nationalized all industries and property. By May 22, 1919 the resurgent German Army occupied and devastated Riga for several days. In response, the Latvian army managed to win a decisive battle over the combined German-Red Army forces and thereafter consolidated its success on the eastern Latgale front. These developments led to the dissolution of the Soviet Latvian government on January 13, 1920 and to a peace treaty between Latvia and Soviet Russia on August 11 later that year. By September 22, 1921, Latvia was admitted to the League of Nations.

Having obtained independent statehood in which Latvians were an absolute majority, the Government headed by Prime Minister Ulmanis declared a democratic, parliamentary republic. It recognized Latvian as the official language, granted cultural autonomy to the country's sizeable minorities, and introduced an electoral system into the Latvian constitution, which was adopted in 1922. The decade witnessed sweeping economic reform, as war had devastated Latvian agriculture, and most Russian factories had been evacuated to Russia. Economic depression heightened political turmoil, and on May 15, 1934, Prime Minister Ulmanis dismissed the parliament, banned outspoken and left-wing political parties and tightened authoritarian state control over Latvian social life and the economy.

The effects of the infamous Molotov-Ribbentrop agreement of 1939 steadily forced Latvia under Soviet influence until August 5, 1940, when the Soviet Union finally annexed Latvia. On June 14 of the following year 15,000 Latvian citizens were forcibly deported and a large number of army officers shot. The subsequent German occupation witnessed the mobilization of many Latvians into Waffen SS legions, while some Latvians joined the Red Army and formed resistance groups; others fled to the West and East. By 1945, Latvia's population dropped by one-third..

After the war, the U.S.S.R. subjected the Latvian republic to a scale of social and economic reorganization which rapidly transformed the rural economy to heavy industry, the strongly ethnically Latvian population into a more multiethnic structure, and the predominantly peasant class into a fully urbanized industrial worker class. As part of the goal to more fully integrate Latvia into the Soviet Union, on March 25, 1949 Stalin again deported another 42,000 Latvians and continued to promote the policy of encouraging Soviet immigration to Latvia. The brief "Krushchev thaw" of the 1950's ended in 1959, when the Soviets dismissed Latvian Communist Party and Government leaders on charges of "bourgeois nationalism" and replaced them with more aggressive hardliners, mostly from Russia.

"Perestroika" enabled Latvians to pursue a bolder nationalistic program, particularly through such general issues as environmental protection. In July 1989, the Latvian Supreme Soviet adopted a "Declaration of Sovereignty" and amended the Constitution to assert the supremacy of its laws over those of the U.S.S.R. Pro-independence Latvian Popular Front candidates gained a two-thirds majority in the Supreme Council in the March, 1990 democratic elections. On May 4, the Council declared its intention to restore full Latvian independence after a "transitional" period; three days later, Ivars Godmanis was chosen Council of Ministers Chairman, or Prime Minister.

In January 1991, Soviet political and military forces tried unsuccessfully to overthrow the legitimate
Latvian authorities by occupying the central publishing house in Riga and establishing a "Committee of National Salvation" to usurp governmental functions. Seventy-three percent of all Latvian residents confirmed their strong support for independence March 3 in a nonbinding "advisory" referendum. A large number of ethnic Russians also voted for the proposition.


GOVERNMENT AND POLITICAL CONDITIONS

The Saeima, a unicameral legislative body, now is the highest organ of state authority. It initiates and approves legislation sponsored by the Prime Minister. The Prime Minister has full responsibility and control over his cabinet, and the President holds a primarily ceremonial role as Head of State.

In autumn 1991 Latvia reimplemented significant portions of its 1922 constitution and in spring 1993 the government took a census to determine eligibility for citizenship. After almost three years of deliberations, Latvia finalized a citizenship and naturalization law in summer 1994. By law, those who were Latvian citizens in 1940, and their descendants, could claim citizenship. Forty-six percent of Latvia's population is ethnically non-Latvian, yet about 85% of its ethnic Slavs can pass the residency requirement. Naturalization criteria include a conversational knowledge of Latvian, a loyalty oath, renunciation of former citizenship, a ten-year residency requirement, and a knowledge of the Latvian constitution. Dual citizenship is allowed for those who were forced to leave Latvia during the Soviet occupation and adopted another citizenship. Convicted criminals, drug addicts, agents of Soviet intelligence services, and certain other groups also are excluded from becoming citizens.

On March 19, 1991 the Supreme Council passed a law explicitly guaranteeing "equal rights to all nationalities and ethnic groups" and "guarantees to all permanent residents in the Republic regardless of their nationality, equal rights to work and wages." The law also prohibits "any activity directed toward nationality discrimination or the promotion of national superiority or hatred."

In the June 5-6, 1993 elections wherein over 90% of the electorate participated, eight of Latvia's twenty-three registered political parties passed the four percent threshold to enter parliament. The Popular Front, which spearheaded the drive for independence two years ago with a 75% majority in the last parliamentary elections in 1990, did not qualify for representation. The centrist "Latvia's Way" party received a 33% plurality of votes and joined with the Farmer's Union to head a center-right wing coalition government.

Led by the opposition National Conservative Party, right-wing nationalists won a majority of the seats nationwide and also captured the Riga mayoralty in the May 29, 1994 municipal elections. OSCE and COE observers pronounced the elections free and fair, and turnout averaged about 60%. In February 1995, the Council of Europe granted Latvia membership.

Through President Clinton's initiative, on April 30, 1994 Latvia and Russia signed a troop withdrawal agreement. Russia withdrew its troops by August 31, 1994, and will maintain several hundred technical specialists to staff an OSCE-monitored phased-array ABM radar station at Skrunda until the facility is dismantled no later than 1999.

The September 30-October 1, 1995 elections brought forth a deeply fragmented parliament with nine parties represented and the largest party commanding only 18 of 100 seats. Attempts to form right-of-center and leftist governments failed; seven weeks after the election, a broad but fractious coalition government of six of the nine parties was voted into office under Prime Minister Andris Skele, a widely popular, non-partisan businessman. The also-popular president, Guntis Ulmanis, has limited constitutional powers but played a key role in leading the various political forces to agree finally to this broad coalition. In June 1996, the Saeima re-elected Ulmanis to another three-year term. In a summer 1997 scandal, the daily newspaper "Diena" revealed that half the cabinet ministers and two-thirds of
parliamentarians appeared to violate the 1966 anti-corruption law, which bars senior officials from holding positions in private business. Under pressure from Skele, several ministers subsequently resigned or were fired. However, after months of increasing hostility between Skele and leading coalition politicians, the coalition parties demanded-and received-the prime minister's resignation on July 28. The new government, headed by the recent Minister of Economy and which includes the recently fired Minister of Transportation, is expected to pursue the same course of reform, albeit not likely as vigorous. Parliamentary elections are scheduled for summer 1998.

Latvia's flag consists of two horizontal, maroon bands of equal width, divided by a white stripe one-half the width. The national holiday is November 18, Independence Day.

Key Government Officials

President-Mr. Guntis Ulmanis, Farmers' Union
Prime Minister-Mr. Guntars Krasts, Fatherland & Freedom
Deputy PM-Mr. Juris Kaksitis, Saimnieks
Deputy PM, Environment & Regional Development-Mr. Anatolijs Gobunovs, Latvia's Way
Defense-Mr. Talavs Jundzis, Christian Democrats
Foreign Affairs-Mr. Valdis Birkavs, Latvia's Way
Economy-Mr. Atis Sausnitis, Saimnieks
Interior-Mr. Ziedonis Cevers, Saimnieks
Education & Science-Mr. Juris Celmins, Saimnieks
Agriculture-Mr. Andris Ravins, Farmers' Union
Transportation-Mr. Vilis Kristopans, Latvia's Way
Welfare-Mr. Vladimirs Makarovs, Fatherland & Freedom
Justice-Mr. Dzintars Rasnaec, Fatherland & Freedom
Culture-Ms. Ramona Umblija, Farmers' Union
Finance-Mr. Robert Zile, Fatherland & Freedom
Parliament Chair-Mr. Alfred Cepanis, Saimnieks

Latvia maintains an Embassy in the United States at 4325 17th Street, Washington DC 20011 [tel: (202)726-8213].

ECONOMY

For centuries under Hanseatic and German influence and then during its inter-war independence, Latvia used its geographic location as an important East-West commercial and trading center.

Industry served local markets, while timber, paper and agricultural products supplied Latvia's main exports. Conversely, the years of Russian and Soviet occupation tended to integrate Latvia's economy to serve those empires' large internal industrial needs. Comprising 40.1% of the populace, non-ethnic Latvians control almost 80% of the economy.

Since reestablishing its independence, Latvia has proceeded with market-oriented reforms, albeit at a measured pace. Its freely traded currency, the lat, was introduced in 1993 and has held steady, or appreciated, against major world currencies. Inflation has been reduced to a monthly rate of one percent or less. After contracting substantially between 1991-93, the economy steadied in late 1994, led by recovery in light industry and a boom in commerce and finance. A prolonged banking crisis and scandal involving what had been Latvia's largest commercial bank set the economy back in mid-1995 and 1996, causing budget deficits well beyond the 2% target recommended by the IMF. Nevertheless, Latvia's 1997 budget is balanced.

Replacement of the centrally planned system imposed during the Soviet period with a structure based on free-market principles has been occurring spontaneously from below much more than through consistently applied structural adjustment. Official statistics tend to understate the booming private sector, suggesting that the Latvian people and their economy are doing much better than is reflected statistically. Two-thirds of employment and 60% of GDP is now in the private sector. Recovery in light
industry and Riga's emergence as a regional financial and commercial center have offset shrinkage of the state-owned industrial sector and agriculture. The official unemployment figure has held steady in the 7% range.

Other than privatization of the food processing and dairy industries, the pace of privatization of large industrial enterprises has been slow. The government has privatized about 1,000 enterprises (260 in 1996), and plans to privatize virtually all remaining state-owned businesses by 1998. Nonetheless, the process has been extremely slow and complicated. Structural reform has proceeded most rapidly in agriculture and in the privatization of small enterprises. More than 58,000 private farms have been established and most remaining collective farms transformed into private joint stock companies. However, many of Latvia's new farmers are operating at subsistence levels stemming from a lack of financial resources and credit. Urban and rural property is slowly being returned to former owners, but the legal mechanisms for title registration, sale and mortgaging of real property are not fully developed. By early 1997, only 20% of the population lived in private houses or apartments, and only 8% of state-owned apartments had been privatized.

Foreign investment in Latvia is still modest compared with levels in North-Central Europe. A law expanding the scope for selling land, including to foreigners, was recently passed. Representing 19% of Latvia's total foreign direct investment, American companies have invested $68 million. Kellogg's is the largest U.S. investor. In 1996, the U.S. exported $165 million of goods and services to Latvia and imported $99 million. Eager to join Western economic institutions like the WTO, OECD and EU, Latvia signed a Europe Agreement with the EU in June 1995 (with a four-year transition period). Latvia and the United States have signed treaties on investment, trade and intellectual property protection, and avoidance of double taxation.

DEFENSE

Latvia's defense concept is based upon the Swedish-Finnish model of a rapid response force composed of a mobilization base and a small group of career professionals. The armed forces consist of mobile riflemen, an air force and navy, border guards, and special units. The army, navy and air force comprise 1,800 personnel. There are also about 4,000 special independent Interior Ministry, intelligence, and civil defense forces. The "zemessardze," or home guard, is an autonomous 16,500 man-strong volunteer paramilitary organization which also performs traditional national guard duties and assists the 2,500 border guards. There is a mandatory one-year draft period of active duty, and alternative conscription for conscientious objectors is available. Defense spending comprises only .67% of GDP.

FOREIGN RELATIONS

Latvia became a member of the United Nations on September 18, 1991 and is a signatory to a number of UN organizations and other international agreements, including COE, IAEA, CERCO, ICES, ICAO, IAEA, UNESCO, UNICEF, IMF, and WB/EBRD. It also is a member of the Organization on Security and Cooperation in Europe and of the North Atlantic Coordinating Council. Latvia is unaffiliated directly with any political alliance but welcomes further cooperation and integration with NATO, European Union and other Western organizations. It also seeks more active participation in United Nations peacekeeping efforts worldwide.

Latvia maintains embassies in the United States, Belarus, Belgium, Denmark, Estonia, Finland, France, Germany, Lithuania, Sweden, the United Kingdom, and Russia. It also operates missions to the United Nations in New York City and a Consulate General in Australia. Honorary consuls are located in Australia, Austria, Belgium, Canada, Greece, India, Israel, Italy, Korea, Moldova, Norway, Switzerland, Taiwan, and Venezuela.

Relations with Russia are improving, primarily because Russia withdrew its troops from Latvia by August 31, 1994, according to a bilateral agreement signed on April 30 that year.

Latvia has agreed that Russia may continue to operate the Skrunda radar facility under OSCE supervision strictly for a four-year period. Russia expresses concern for how Latvia's laws on language
and naturalization may affect Latvia's non-ethnic Latvians, who comprise 40.1% of the population. In turn, Latvia is interested in the welfare of over 210,000 ethnic Latvians still resident in Russia. Neither country allows for dual citizenship.

The United States established diplomatic relations with Latvia on July 28, 1922. The U.S. Legation in Riga officially was established November 13, 1922 and served as the headquarters for U.S. representation in the Baltics during the interwar era. The Soviet invasion forced the closure of the legation on September 5, 1940, but Latvian representation in the United States has continued uninterrupted for over 70 years. The U.S. never recognized the forcible incorporation of Latvia into the U.S.S.R., and views the present Government of Latvia as a legal continuation of the interwar republic. Latvia has enjoyed Most-Favored-Nation (MFN) treatment with the U.S. since December 1991. It now receives about $3 million annually from USAID in technical assistance and professional training.

Principal U.S. Officials

Ambassador-Larry C. Napper
Political Officer-John Withers
Economic Officer-Maryruth Coleman
Administrative Officer-Susan Pazina
Consular Officer-Robert Tatge
USAID Director-Howard Handler
Public Affairs Officer-Philip Ives

The U.S. Embassy in Latvia is located at Raina Boulevard 7, Riga [tel. (371)782-0046].

TRAVEL AND BUSINESS INFORMATION

The U.S. Department of State's Consular Information Program provides Travel Warnings and Consular Information Sheets. Travel Warnings are issued when the State Department recommends that Americans avoid travel to a certain country. Consular Information Sheets exist for all countries and include information on immigration practices, currency regulations, health conditions, areas of instability, crime and security, political disturbances, and the addresses of the U.S. posts in the country. Public Announcements are issued as a means to disseminate information quickly about terrorist threats and other relatively short-term conditions overseas which pose significant risks to the security of American travelers. Free copies of this information are available by calling the Bureau of Consular Affairs at 202-647-5225 or via the fax-on-demand system: 202-647-3000. Travel Warnings and Consular Information Sheets also are available on the Consular Affairs Internet home page: http://travel.state.gov and the Consular Affairs Bulletin Board (CABB). To access CABB, dial the modem number: (301-946-4400 (it will accommodate up to 33,600 bps), set terminal communications program to N-8-1 (no parity, 8 bits, 1 stop bit); and terminal emulation to VT100. The login is travel and the password is info (Note: Lower case is required). The CABB also carries international security information from the Overseas Security Advisory Council and Department's Bureau of Diplomatic Security. Consular Affairs Trips for Travelers publication series, which contain information on obtaining passports and planning a safe trip abroad, can be purchased from the Superintendent of Documents, U.S. Government Printing Office, P.O. Box 371954, Pittsburgh, PA 15250-7954; telephone: 202-512-1800; fax 202-512-2250.

Emergency information concerning Americans traveling abroad may be obtained from the Office of Overseas Citizens Services at (202) 647-5225. For after-hours emergencies, Sundays and holidays, call 202-647-4000.

Passport Services information can be obtained by calling the 24-hour, 7-day a week automated system ($0.35 per minute) or live operators 8 a.m. to 8 p.m. (EST) Monday-Friday ($1.05 per minute). The number is 1-900-225-5674 (TDD: 1-900-225-7778). Major credit card users (for a flat rate of $4.95) may call 1-888-362-8668 (TDD: 1-888-498-3648)

Travelers can check the latest health information with the U.S. Centers for Disease Control and
While there are no legal restrictions on women's participation in politics or government, they are underrepresented in political leadership positions. There are 24 female parliamentarians out of 138 members (3 seats vacant) and one female minister in the 15-member cabinet. There is one female mayor, and 326 female deputies (22% of all deputies) of local government councils.

Abuse of women at home is reportedly common, especially in connection with alcohol abuse by husbands, but institutional mechanisms for coping with this problem only now are being formed. A women's shelter funded in part with Norwegian assistance is now in operation. According to one sociological survey published in 1997, 20% of women reported experiencing an attempted rape, while another 33% reported having been beaten at least once in their lives. Official statistics on the incidence of abuse of women in the home are not filed separately from other categories of assault. Persons convicted of rape generally receive sentences of from 3 to 5 years in prison.

A number of women, some underage, have been enticed or forced into prostitution and sold abroad by organized crime figures. Many are lured by deceptive offers of seemingly innocent jobs as household helpers, bar dancers, or waitresses. Women are also tricked into prostitution through false marriage advertisements. Their families often are unaware of their predicament and believe that they have disappeared or been kidnapped. A 1998 amendment to the penal code provides for criminal liability for trafficking in humans, which relates to sex abuse. Two cases involving human trafficking were brought in the first half of 1999. Law enforcement officials complain that victims of such crimes do not approach the police or they refuse to provide information about the circumstances of trafficking and sale.

The Constitution provides for equal rights for men and women, and official policy specifies equal pay for equal work. The law of realization of equal rights and opportunities for women and men, the first of this kind in Central and Eastern Europe, came into power on March 1, 1999. The Office of the Ombudsman for Equal Opportunities of Women and Men was established May 1999 and the Seimas-appointed lawyer Ausra Burneikiene, an ombudsman. The ombudsman's office is independent public organization, accountable to the Seimas. It oversees the implementation of the law, investigates complaints of natural and legal persons concerning violations of gender discrimination and sexual harassment. Generally, men and women receive the same pay for comparable work, but women are underrepresented significantly in some professions and in the managerial sector as a whole. According to labor exchange statistics, there was no significant difference in unemployed number of men and women.
However, according to data at the end of 1998, differences in average monthly gross earnings existed between women ($236) and men ($305). Women are underrepresented in businesses, particularly the upper ranks of management. Significant inequalities in society based on gender continue. However, the Government has taken significant steps in recent years to address the inequalities. The Ministry of Education and Science abolished preferential entrance criteria for men and women. This year the Equal Opportunities Ombudsman closely studied the admission process to schools for higher education. There were no complaints based on gender discrimination received.
Unlike its Baltic neighbors, Lithuania looks to Poland, not the Nordics, for its defining relationship. Lithuania's "golden age" as a medieval power stretching from the Baltic to the Black Sea defines how Lithuania sees itself: a proud but vulnerable Catholic country in the heart of Europe, not on the Nordic periphery. Lithuania is the largest (but most rural) Baltic country, and Lithuanian-Americans represent over 90% of the nearly one million strong Baltic-American community. Lithuanians (and Latvians) are neither Slavic nor Germanic, but are true "Balts" linguistically and ethnically. Since reestablishing its independence in 1991, Lithuania has given its aspirations for membership in Western institutions (NATO, EU, WTO, etc.) top priority. The government widely respects the human rights of its citizens and has made great strides in bringing its laws and practices to EU standards.


While not overconfident about its chances, Lithuania actively pursues inclusion among those countries joining NATO in Round Two. It has taken the lead among the Baltic States in security cooperation, in adopting NATO-compatible military reform, and in participating in PFP. Lithuania contributes troops to NATO-led forces in Bosnia and Kosovo, police also to Bosnia, and agreed to accept 100 Kosovar refugees and donated $125,000 in related aid.

Lithuania has established good relations with Russia and practical ones with Belarus and ratified border agreements with all its neighbors. As recent chair of the Council of Baltic Sea States (CBSS), Lithuania has gone out of its way to facilitate projects and CSBMs in Kaliningrad under the NEI--although many GOL officials remain wary about Russian troop transit there. It appears eager to accede to the CFE Treaty as a means to demonstrate its political maturity and cooperation.

Since independence, Lithuania has made steady progress in developing a market economy. Over 40% of state property, and most housing and small businesses, have been privatized. The litas remains very stable, pegged to the U.S. dollar (4:1) in a currency board, and freely traded. Average annual wages have increased almost 9% over 1998 figures; per capita GDP in 1998 rose to $2,876. Trade is diversifying, and expanding both to the West and the East. Over $500 million in foreign capital was invested during the first half of 1999--on pace to match 1998 data, which then doubled Lithuania's total. Agriculture is still the largest employer with 21% of the work force. In July 1999, for the first time since regaining independence in 1991, Lithuania registered annual deflation of 0.5%. Continued fallout from the Russian economic crisis has contributed to real GDP falling 5.7% this year and unemployment increasing to 7.4%. Failure to collect revenue forced the GOL to reduce the state budget by 6% ($112 million). Further cuts are likely necessary.

Lithuania has agreed to honor its commitments, under its EBRD agreement, not to extend the working life of the Ignalina Nuclear Power Plant, which provide some 80% of Lithuania's electricity and is the world's largest Chernobyl-type reactor.
People

Population: 3,600,158 (July 1998 est.)

Age structure:
0-14 years: 20% (male 376,034; female 360,446)
15-64 years: 67% (male 1,155,733; female 1,238,671)
65 years and over: 13% (male 159,526; female 130,748) (July 1998 est.)

Population growth rate: -0.45% (1998 est.)

Birth rate: 10.57 births/1,000 population (1998 est.)

Death rate: 12.94 deaths/1,000 population (1998 est.)

Net migration rate: -2.09 migrant(s)/1,000 population (1998 est.)

Sex ratio:
at birth: 1.05 male(s)/female
under 15 years: 1.04 male(s)/female
15-64 years: 0.93 male(s)/female
65 years and over: 0.52 male(s)/female (1998 est.)

Infant mortality rate: 14.75 deaths/1,000 live births (1998 est.)

Life expectancy at birth:
total population: 68.83 years
male: 62.76 years
female: 75.21 years (1998 est.)

Total fertility rate: 1.46 children born/woman (1998 est.)

Nationality:
noun: Lithuanian(s)

Ethnic groups: Lithuanian 80.6%, Russian 8.7%, Polish 7%, Byelorussian 1.6%, other 2.1%

Religions: primarily Roman Catholic, others include Lutheran, Russian Orthodox, Protestant, evangelical Christian Baptist, Islam, Judaism

Languages: Lithuanian (official), Polish, Russian

Literacy:
definition: age 15 and over can read and write
total population: 98%
male: 99%
female: 98% (1998 est.)

Country name:
conventional long form: Republic of Lithuania

conventional short form: Lithuania

local long form: Lietuvos Respublika

local short form: Lietuva

former: Lithuanian Soviet Socialist Republic

Data code: LH

Government type: parliamentary democracy

National capital: Vilnius

Administrative divisions:


Independence: 6 September 1991 (from Soviet Union)

National holiday: Statehood Day, 16 February (1918)


Legal system: based on civil law system; no judicial review of legislative acts

Suffrage: 18 years of age; universal

Executive branch:

chief of state: President Valdas Adamkus (since 26 February 1998)

head of government: Premier Gediminas Vagnorius (since 28 November 1996)

cabinet: Council of Ministers appointed by the president on the nomination of the premier elections: president elected by popular vote for a five-year term; election last held 21 December 1997 and 5 January 1998 (next to be held NA 2003); premier appointed by the president on the approval of the Parliament

election results: Valdas ADAMKUS elected president; percent of vote—Valdas ADAMKUS 50.37%, Arturas PAULIAUSKAS 49.7%

Legislative branch: unicameral Parliament or Seimas (141 seats, 71 members are directly elected by popular vote, 70 are elected by proportional representation; members serve four-year terms)
elections: last held 20 October and 10 November 1996 (next to be held NA October 2000)
election results: percent of vote by party—NA; seats by party—TS 69, LKD 15, LCS 15, LDDP 12, LSDP 10, DP 2, independents 12, others 6

Judicial branch: Supreme Court, judges appointed by the Parliament; Court of Appeal, judges appointed by the Parliament

Political parties and leaders:
Christian Democratic Party or LKD [Algirdas SAUDARGAS, chairman]; Democratic Labor Party of Lithuania or LDP [Olgvos JURENAS, chairman]; Lithuanian Nationalist Union or LTS [Rimantas SMETONA, chairman]; Lithuanian Social Democratic Party or LSDP [Aloyzas SAKALAS, chairman]; Lithuanian Farmers' Party or LUP (previously Farmers' Union) [Aidas VAIZMUZIS, chairman]; Lithuanian Center Union or LCS [Romualdas OZOLAS, chairman]; Homeland Union/Conservative Party or TS [Vidautas LANDSBERGIS, chairman]; Lithuanian Polish Union or LLS [Remigijus MACIEJANIEC, chairman]; Democratic Party or DP [Lydie WURTH-POLFER, president]
Lithuania (continued)

Political pressure groups and leaders: Lithuanian Council ofspoverty

International organization participation: BIS, IBSS, CCC, CE, EAPC, EBRD, ECE, EU (applicant), FAO, IAEA, IBLRD, ICAO, ICC, ICFU, ICRM, IFRC, ILO, IMF, IMU, INTAS. Non-Soviet and non-Russian stakeholders include the OSCE, UN, UNCTAD, UNESCO, UPU, WEU (associate partner), WHO, WIPO, WMO, WTO (applicant)

Diplomatic representation in the US:

chief of mission: Ambassador Keith C. SMITH
embassy: Akmenu 7, Vilnius 2600
mailing address: American Embassy, Vilnius, PSC 78, Box V, APO AE 090723
telephone: [370] (2) 223-031, 227-224
FAX: [370] 670-6084
Flag description: three equal horizontal bands of yellow (top), green, and red

Economy—overview: Lithuania has benefited from its disciplined approach to market reform and its adherence to strict fiscal and monetary policies imposed by the IMF, measures that have helped constrain the growth of the money supply, reduce inflation to 8.6%, and support GDP growth of 6% in 1997. Inflation is expected to fall in 1998 to 6% and GDP to grow at close to 7%. Foreign direct investment has pushed the country over the $1 billion mark, the first Baltic state to reach this level. GDP: purchasing power parity—$15.4 billion (1997 est.)

GDP—real growth rate: 6% (1997 est.)

GDP—per capita: purchasing power parity—$4,230 (1997 est.)

GDP—composition by sector:

agriculture: 9%
industry: 29%
services: 63% (1995 est.)

Inflation rate—consumer price index: 8.6% (1997 est.)

Labor force:
total: 1.8 million
by occupation: industry and construction 42%, agriculture and forestry 20%, other 38% (1997)

Unemployment rate: 6.7% (January 1998)

Budget:
revenues: $1.5 billion
expenditures: $1.7 billion, including capital expenditures of $NA (1997 est.)

Industries: metal-cutting machine tools, electric motors, television sets, refrigerators and freezers, petroleum refining, shipbuilding (small ships), furniture making, textiles, food processing, fertilizers, agricultural machinery, optical equipment, electronic components, computers, amber

Industrial production growth rate: 3.7% (1996)

Electricity—capacity: 5.463 million kW (1995)
Electricity—production: 14.33 billion kWh (1997 est.)

Electricity—consumption per capita: 2.398 kWh (1995)

Agriculture—products: grain, potatoes, sugar beets, vegetables, meat, milk, eggs; fish; flax fiber

Exports:
total value: $3.3 billion (1996)
commodities: agricultural products 16.3%, mineral products 15.7%, textiles 15.2%, machinery 11.4%, live animals 7.7% (1996)
partners: Russia, Germany, Belarus, Latvia, Ukraine (1996)

Imports:
total value: $4.4 billion (1996)
commodities: mineral production 20%, machinery 16%, transport equipment 10%, chemicals 10%, textiles 8%, foodstuffs 6% (1996)
partners: Russia, Germany, Poland, Italy, Denmark (1996)

Debt—external: $895 million

Economic aid:
recipient: ODA, $144 million (1993)
note: commitments from the West and international financial institutions, $765 million (1992-95)

Currency: 1 Lithuanian litas = 100 centas


Military

Military branches: Ground Forces, Navy, Air Force, Civil Defense Force, Security Forces (internal and border troops), National Guard (Skatmil)

Military manpower—military age: 18 years of age

Military manpower—fit for military service: males: 712,593 (1998 est.)

Military manpower—reaching military age annually:

males: 66,211 (1998 est.)

Military expenditures—dollars in million:

Military expenditures—percentage of GDP: 0.9% (1997)

Disputes—international: ongoing talks over boundary dispute with Latvia (primary concern is over exploration rights); demarcation has begun but has not been settled yet ratified

Illicit drugs: transshipment point for opiates and other illicit drugs from Southwest Asia and Latin America to Western Europe and Scandinavia

Transportation

Railways: total: 2,002 km
broad gauge: 2,002 km 1.524-m gauge (12 km electrified) (1994)

Highways: total: 65,135 km
paved: 57,058 km (including 404 km of expressways)
unpaved: 8,077 km (1996 est.)

Waterways: 600 km perenniially navigable

Pipelines: crude oil, 105 km; natural gas 700 km (1992)

Ports and harbors: Kaunas, Klaipeda

Merchant marine: total: 51 ships (1,000 GRT or over) totaling 307,962 GRT/341,733 DWT
ships by type: cargo 25, combination bulk/liquid carrier 1, refrigerated cargo 1, roll-on/roll-off cargo 1, short-sea passenger 3 (1997 est.)

Airports: 96 (1994 est.)

Airports—with paved runways:
total: 25
over 3,047 m: 3
2,438 to 3,047 m: 2
1,524 to 2,437 m: 4
914 to 1,523 m: 2
under 914 m: 14 (1994 est.)

Airports—with unpaved runways:
total: 71
2,438 to 3,047 m: 1
1,524 to 2,437 m: 1
914 to 1,523 m: 6
under 914 m: 63 (1994 est.)

Communications

Telephones: 1.012 million (1995)

Telephone system: telecommunications system ranks among the most modern of the former Soviet republics
domestic: an NMT-450 analog cellular telephone network operates in Vilnius and other cities; landlines and microwave radio relay connect switching centers
international: international connections no longer depend on the Moscow international gateway switch, but are established by satellite through Oslo from Vilnius and through Copenhagen from Kaunas; satellite earth stations—1 Eutelsat and 1 Intelsat (Atlantic Ocean); cellular network linked internationally through Copenhagen by Eutelsat; international electronic mail is available; landlines or microwave radio relay to former Soviet republics

Radio broadcast stations: AM 13, FM 26, shortwave 1, longwave 1

Radios: 1.42 million (1993 est.)

Television broadcast stations: 3

Television receivers: 1.77 million (1993 est.)
U.S. Department of State

Background Notes: Lithuania, January 1998

Released by the Bureau of European and Canadian Affairs.

Official Name: Republic of Lithuania

PROFILE

Geography

Area: 65,200 sq. km. (26,080 sq. miles); about the size of West Virginia. Cities: Capital--Vilnius (pop. 592,500); Kaunas (430,000); Klaipeda (206,000); Siauliai (148,000); Panevezys (129,000).

Terrain: Lithuania's fertile, central lowland plains are separated by hilly uplands created by glacial drift. 758 rivers (many are navigable) and 2,833 lakes cover the landscape. The coastline is 99 km (62 miles) long. Land use--49.1% arable land, 22.2% meadows and pastures, 16.3% forest and woodland, 12.4% other. With four distinct seasons, the climate is humid continental, with a moderating maritime influence from the Baltic Sea. January temperatures average -5°C (23°F); July, 17°C (63°F). Annual precipitation averages 54-93 centimeters (21-37 in.).

People

Nationality: Noun and adjective--Lithuanian(s). Population: 3.75 million, 146 people/sq. mile.

Growth rate: -0.4%. Birth rate--13/1,000. Death rate--11/1,000. Migration rate--4 migrants/1,000.


Ethnic groups: Lithuanian 80.6%, Russians 8.7%, Poles 7%, Belarusians 1.6%, Ukrainians 1.1%.

Religions: Catholic (80%), Lutheran/Calvinist (10%), Jewish (7%), Orthodox (3%).


Education: Years compulsory--9. 60% of the adult population has completed secondary education, and 11% have completed higher education. Attendance--640,000 students at 2,326 schools, plus 55,300 university students at 15 universities and institutes of higher education. Literacy--99%.

Health: Infant mortality rate--18/1,000. Life expectancy--66 years male, 76 female. Work force: 1.6 million: Industry--33%, Science, education, culture--14%. Construction--13%. Agriculture, forestry--8%. Health care--7%. Transportation/communications--7%. Trade and government--10%. Other--8%.

Government

Type: parliamentary democracy.

Constitution: On October 25, 1992 Lithuanians ratified a new constitution, which officially was signed on November 6 that year.

Branches: Executive--popularly elected President (Chief of State); Prime Minister (Head of Government). Legislative--seimas (Parliament--141 members, 4-year term). Judicial--Supreme Court.

Administrative regions: 11 cities, 44 rural districts.

Principal political parties/coalitions: Homeland Union/Conservatives (70 seats); Christian Democrats (16 seats); Center Union (13 seats); Democratic Labor Party (12 seats); Social Democrats (12 seats);
Democratic Party (2 seats); Independent candidates (12 seats); (4 seats are vacant)
Suffrage: 18 years, universal
Central government budget: $1.1 billion (education 20%, public order/safety 9%, social services 8%, defense 3%)
Flag: horizontal tricolor: yellow, green, red.

Economy

GDP: $5.6 billion. 1996 GDP growth: 3.6%.
Average annual wages: $2,322.
1996 Inflation: 13.1%.
Unemployment: 6.2%
Natural resources: peat, potential for exploiting moderate oil and gas deposits offshore and on the coast.
Manufacturing: 25% of GNP (technological instruments, energy, textiles, and footwear, machinery and spare parts, chemicals, food processing, wood/paper/pulp products), trade 17%, transportation 12%, construction 9%, energy 6% (nuclear-powered RBMK electrical plant), Agriculture/forestry 9%: cattle, dairy products, cereals, potatoes), Other 22%.
Cultivable land--1.36 million ha, of which 60% arable, 18% meadow, 13% pasture. Trade: Exports--$3 billion: minerals/energy 12%, machinery/electronics 11%, chemicals 12%, textiles 15%. Major partners--Russia 23.8%, Germany 15.7%, Belarus 10.1%, Latvia 9.3%, Ukraine 7.7%, United Kingdom 3.4%, Poland 3.2%. Imports--$3.9 billion: minerals/energy 25%, machinery/electronics 17%, chemicals 9%, textiles 10%. Major partners--Russia 29%, Germany 16%, Poland 4%, United Kingdom 3%, Ukraine 3%, Belarus 2%, Latvia 2%.
Official exchange rate: 4 litai (Lt) = $1.00.

GEOGRAPHY

The largest and most populous of the Baltic states, Lithuania is a generally maritime country with 60 miles of sandy coastline, of which only 24 miles face the open Baltic Sea. Lithuania's major warm-water port of Klaipeda lies at the narrow mouth of Kursiu Gulf, a shallow lagoon extending south to Kaliningrad. The Nemunas River and its dense network of tributaries connect the major inland cities and serve as a great asset to internal shipping. Between 56.27 and 53.54 latitude and 20.56 and 26.51 longitude, Lithuania is glacially flat, except for morainic hills in the western uplands and eastern highlands no higher than 300 meters. The terrain is marked by numerous small lakes and swamps, and a mixed forest zone covers 28% of the country. The growing season lasts 169 days in the east and 202 days in the west, with most farmland consisting of sandy- or clay loam soils. Limestone, clay, sand and gravel are Lithuania's primary natural resources, but the coastal shelf offers perhaps 10 million barrels' worth of oil deposits, and the southeast could provide high yields of iron ore and granite. Lithuania's capital, Vilnius, lies at the geographical center of Europe.

Border changes initiated by the U.S.S.R. from 1939-1945 have delayed a formal border agreement between Lithuania and Belarus, although a functional border exists based upon Soviet demarcations. The borders with Latvia, Poland and the Kaliningrad district are mutually recognized.

PEOPLE

The name "Lietuva" or Lithuania, might be derived from the word "lietava," for a small river, or "lietus," meaning rain (or land of rain). Lithuanian still retains the original sound system and morphological peculiarities of the prototypal Indo-European tongue and therefore is fascinating for linguistical study. Between 400-600 AD, the Lithuanian and Latvian languages split from the Eastern Baltic (Prussian) language group, which subsequently became extinct. The first known written Lithuanian text dates from a hymnal translation in 1545. Written with the Latin alphabet, Lithuanian has been the official language of Lithuania again since 1989. The Soviet era had imposed the official use of Russian, so most Lithuanians speak Russian as a second language while the resident Slavic populace generally speaks Russian as a first language.
Lithuanians are neither Slavic nor Germanic, although the union with Poland and Germanic colonization and settlement left cultural and religious influences. This highly literate society places strong emphasis upon education, which is free and compulsory until age 16. Most Lithuanians and ethnic Poles belong to the Roman Catholic Church, but a sizable minority are Russian Orthodox.

Enduring several border changes, Soviet deportations, a massacre of its Jewish population, and postwar German and Polish repatriations, Lithuania has maintained a fairly stable percentage of ethnic Lithuanians (from 84% in 1923 to 80% in 1993). Lithuania's citizenship law and constitution meet international and OSCE standards, guaranteeing universal human and civil rights.

HISTORY

The earliest evidence of inhabitants in present-day Lithuania dates back to 10,000 BC. Between 3,000-2,000 BC, the cord-ware culture people spread over a vast region of Eastern Europe, between the Baltic Sea and the Vistula River in the west and the Moscow-Kursk line in the east. Merging with the indigenous population, they gave rise to the Balts, a distinct Indo-European ethnic group whose descendants are the present-day Lithuanian and Latvian nations and the now extinct Prussians.

The first written mention of Lithuania occurs in 1009 AD, although many centuries earlier the Roman historian Tacitus referred to the Lithuanians as excellent farmers. Spurred by the expansion into the Baltic lands of the Germanic monastic military orders (the Order of the Knights of the Sword and the Teutonic Order) Duke Mindaugas united the lands inhabited by the Lithuanians, the Samogitians, Yotvingians and Couranians into the Grand Duchy of Lithuania (GDL) in the 1230s and 40s.

From 1316-41 Vitenis' brother and successor, Grand Duke Gediminas, expanded the empire as far as Kiev against the Tartars and Russians. He twice attempted to adopt Christianity in order to end the GDL's political and cultural isolation from Western Europe. To that purpose, he invited knights, merchants and artisans to settle in Lithuania and wrote letters to Pope John XXII and European cities maintaining that the Teutonic Order's purpose was to conquer lands rather than spread Christianity. Gediminas' dynasty ruled the GDL until 1572. In the 1300s through the early 1400s, the Lithuanian state expanded eastward. During the rule of Grand Duke Algirdas (1345-77), Lithuania almost doubled in size and achieved major victories over the Teutonic and Livonian Orders at the Battles of Saule (1236) and Durbe (1260). However, backed by the Pope and the Catholic West European countries, the Orders continued their aggression which greatly intensified in the 2nd half of the 14th century. During the period Algirdas' brother, Kestutis (Grand Duke in 1381-82) distinguished himself as the leader of the struggle against the Teutonic Order. The ongoing struggle precipitated the 1385 Kreva Union signed by the Grand Duke of Lithuania Jogaila (ruled in 1377-81 and 1382-92) and the Queen of Poland Jadwyga. Jogaila (Jagiello) married Jadwiga in 1386 and became the King of Poland. One of the conditions of the union was Lithuania's conversion to Christianity (1387) which intensified Lithuania's economic and cultural development, orienting it towards the West. The conversion invalidated the claims by the Teutonic Order and temporarily halted its wars against Lithuania.

Lithuania's independence under the union with Poland was restored by Grand Duke Vytautas. During his rule (1392-1430) the GDL turned into one of the largest states in Europe, encompassing present-day Belarus, most of Ukraine and the Smolensk region of western Russia. Led by Jogaila and Vytautas, the united Polish-Lithuanian army defeated the Teutonic Order in the Battle of Tannenberg (Gruenwald or Zalgiras) in 1410, terminating the medieval Germanic drive eastward.

The 16th century witnessed a number of wars against the growing Russian state over the Slavic lands ruled by the GDL. Coupled with the need for an ally in those wars, the wish of the middle and petty gentry to obtain more rights already granted to the Polish feudal lords drew Lithuania closer to Poland.

The Union of Lublin in 1569 united Poland and Lithuania into a commonwealth in which the highest power belonged to the Sejm of the nobility and its elected King who was also the Grand Duke of Lithuania. Mid-16th century land reform strengthened serfdom and yet promoted the development of...
agriculture owing to the introduction of a regular three-field rotation system.

The 16th century saw a more rapid development of agriculture, growth of towns, spread of ideas of humanism and the Reformation, book printing, the emergence of Vilnius University in 1579 and the Lithuanian Codes of Law (the Statutes of Lithuania) which stimulated the development of culture both in Lithuania and in neighboring countries.

The rising domination of the big magnates, the 16-18th century wars against Russia and Sweden over Livonia, Ukraine and Byelorussia weakened the Polish-Lithuanian Republic. The end of the 18th century witnessed three divisions of the Commonwealth by Russia, Prussia and Austria; in 1795 most of Lithuania became part of the Russian Empire. Attempts to restore independence in the uprisings of 1794, 1830-31 and 1863 were suppressed and followed by a tightened police regime, increasing Russification, the closure of Vilnius University in 1832 and the 1864 ban on the printing of Lithuanian books in traditional Roman characters.

Because of his proclamation of liberation and self-rule, many Lithuanians gratefully volunteered for the French Army when Napoleon occupied Kaunas in 1812 during the fateful invasion of Russia. After the war, Russia imposed extra taxes on Catholic landowners and enserfed an increasing number of peasants. A market economy slowly developed with the abolition of serfdom in 1861. Lithuanian farmers grew stronger, contributing to an increase in the number of intellectuals of peasant origin which led to the growth of a Lithuanian national movement. In German-ruled Lithuania Minor (Konigsberg or Kaliningrad), Lithuanian publications were printed in large numbers and then smuggled into Russian-ruled Lithuania. The most outstanding leaders of the national liberation movement were J. Basanavicius and V. Kudirka. The ban on the Lithuanian press finally was lifted in 1904.

During WW I, the German army occupied Lithuania in 1915, and the occupation administration allowed a Lithuanian Conference to convene in Vilnius in September 1917. The Conference adopted a resolution demanding the restoration of an independent Lithuanian state and elected the Lithuanian Council, a standing body chaired by Antanas Smetona. On February 16, 1918, the Council declared Lithuania's independence. 1919-20 witnessed Lithuania's War for Independence against three factions: the Red Army, which in 1919 controlled territory ruled by a Bolshevist government headed by V. Kapsukas; the Polish army; and the Bermondt army, composed of Russian and German troops under the command of the Germans. Lithuania failed to regain the Polish-occupied Vilnius region.

In the Moscow Treaty of July 12, 1920, Russia recognized Lithuanian independence and renounced all previous claims to it. The Seimas (parliament) of Lithuania adopted a constitution on August 1, 1922, declaring Lithuania a parliamentary republic, and in 1923 Lithuania annexed the Klaipeda region, the northern part of Lithuania Minor. By then, most countries had recognized Lithuanian independence. After a military coup on December 17, 1926, Nationalist party leader Antanas Smetona became President and gradually introduced an authoritarian regime.

Lithuania's borders posed its major foreign policy problem. Poland's occupation (1920) and annexation (1922) of the Vilnius region strained bilateral relations, and in March 1939 Germany forced Lithuania to surrender the Klaipeda region (the Nürnberg trials declared the treaty null and void). Radical land reform in 1922 considerably reduced the number of estates, promoted the growth of small and middle farms and boosted agricultural production and exports, especially livestock. In particular, light industry and agriculture successfully adjusted to the new market situation and developed new structures.

The interwar period gave birth to a comprehensive system of education with Lithuanian as the language of instruction and the development of the press, literature, music, arts and theater. On August 23, 1939, the Molotov-Ribbentrop Pact pulled Lithuania first into German influence until the Soviet-German agreement of September 28, 1939 brought Lithuania under Soviet domination. Soviet pressure and a complicated international situation forced Lithuania to sign an agreement with the USSR on October 10, 1939, by which Lithuania was given back the city of Vilnius and the part of Vilnius region seized by the Red Army during the Soviet-Polish war; in return, some 20,000 Soviet soldiers were deployed in Lithuania.
On June 14, 1940 the Soviet Government issued an ultimatum to Lithuania, demanding the formation of a new Lithuanian government and permission to station additional Red Army troops. Lithuania succumbed to the Soviet demand, and 100,000 Soviet troops moved into the country the next day. Arriving in Kaunas, the Soviet government's special envoy began implementing the plan for Lithuania's incorporation into the U.S.S.R. On June 17 the alleged People's Government, headed by J. Paleckis, was formed; rump parliamentary elections one month later were held, whereupon Lithuania was proclaimed a Soviet Socialist Republic on August 3.

Totalitarian rule was established, Sovietization of the economy and culture began, and Lithuanian state employees and public figures were arrested and exiled to Russia. During the mass deportation campaign of June 14-18, 1941 about 7,439 families (12,600 people) were deported to Siberia without investigation or trial; 3,600 people were imprisoned and over 1,000 massacred.

Lithuanian revolt against the U.S.S.R. soon followed the outbreak of the war against Germany in 1941. Via Radio Kaunas on June 23, the rebels declared the restoration of Lithuania's independence and actively operated a Provisional Government, without German recognition, from June 24 to August 5. Lithuania became part of the German occupational administrative unit of Ostland. People were repressed and taken to forced labor camps in Germany. The Nazis and local collaborators deprived Lithuanian Jews of their civil rights and massacred about 200,000 of them. Together with Soviet partisans, supporters of independence put up a resistance movement to deflect Nazi recruitment of Lithuanians to the German army.

Forcing the Germans out of Lithuania by 1944, the Red Army reestablished control, and Sovietization continued with the arrival of Communist party leaders to create a local party administration. The mass deportation campaigns of 1941-52 exiled 29,923 families to Siberia and other remote parts of the Soviet Union. Official statistics state that over 120,000 people were deported from Lithuania during this period, while Lithuanian sources estimate the number of political prisoners and deportees at 300,000. In response to these events, an estimated several ten thousand resistance fighters participated in unsuccessful guerilla warfare against the Soviet regime from 1944-53. As a measure for integration and industrial development, Soviet authorities encouraged immigration of other Soviet workers, especially Russians.

Until mid-1988, all political, economical and cultural life was controlled by the Lithuanian Communist Party (LCP). First Secretary Antanas Snieckus ruled the LCP from 1940-74. The LCP, in turn, was responsible to the Communist party of the U.S.S.R. In 1947 Lithuanians comprised only 18% of total party membership in 1947 and continued to represent a minority until 1958; by 1986, they made up 70% of the party's 197,000-strong body. During the Khrushchev thaw in the 1950s, the leadership of the LCP acquired limited independence in decision-making.

The political and economic crisis that began in the U.S.S.R. in the mid-1980s also affected Lithuania, and Lithuanians as well as other Balts offered active support to Gorbachev's program of social and political reforms. Under the leadership of intellectuals, the Lithuanian reform movement Sajudis was formed in mid-1988 and declared a program of democratic and national rights, winning nation-wide popularity. On Sajudis' demand, the Lithuanian Supreme Soviet passed constitutional amendments on the supremacy of Lithuanian laws over Soviet legislation, annulled the 1940 decisions on proclaiming Lithuania a part of the U.S.S.R., legalized a multi-party system and adopted a number of other important decisions. A large number of LCP members also supported the ideas of Sajudis, and with Sajudis support, Algirdas Brazauskas was elected First Secretary of the Central Committee of the LCP in 1988. In December 1989, the Brazauskas-led LCP split from the CPSU and became an independent party, renaming itself in 1990 the Lithuanian Democratic Labor Party.

In 1990, Sajudis-backed candidates won the elections to the Lithuanian Supreme Soviet. On March 11, 1990, its chairman Vytautas Landsbergis proclaimed the restoration of Lithuanian independence, formed a new Cabinet of Ministers headed by Kazimiera Prunskiene, and adopted the Provisional Fundamental Law of the state and a number of by-laws. The U.S.S.R. demanded to revoke the act and began employing political and economic sanctions against Lithuania as well as demonstrating military force. On January 10, 1991, U.S.S.R. authorities seized the central publishing house and other premises in
Vilnius and unsuccessfully attempted to overthrow the elected government by sponsoring a local "National Salvation Committee." Three days later the Soviets forcibly took over the TV tower, killing 14 civilians and injuring 700. During the national plebiscite on February 9, 91% of those who took part in the voting (76% of all eligible voters) voted in favor of an independent, democratic Lithuania. Led by the tenacious Landsbergis, Lithuania's leadership continued to seek Western diplomatic recognition of its independence. Soviet military-security forces continued forced conscription, occasional seizure of buildings, attacking customs posts, and sometimes killing customs and police officials.

During the August 19 coup against Gorbachev, Soviet military troops took over several communications and other government facilities in Vilnius and other cities, but returned to their barracks when the coup failed. The Lithuanian government banned the Communist Party and ordered confiscation of its property.

Despite Lithuania's achievement of complete independence, sizable numbers of Russian forces remained on its territory. Withdrawal of those forces was one of Lithuania's top foreign policy priorities. Lithuania and Russia signed an agreement on September 8, 1992 calling for Russian troop withdrawals by August 31, 1993, which now have been completed in full, despite unresolved issues such as Lithuania's compensation claims.

GOVERNMENT AND POLITICAL CONDITIONS

For over a year after independence, political life was fettered by an unclear delineation of powers between parliament and government. Political polarization increased, and name recognition played a much more significant role in politics than party affiliation. Sajūdis remained part of an unofficial ruling coalition with two other politically right-wing parties, but rivalries were heightened by personally divisive political attacks and bureaucratic gridlock.

In an effort to reduce the size and recalcitrance of a government bureaucracy allegedly impeding reform, in April 1992 then-Prime Minister Vagnorius unsuccessfully attempted to enact a measure permitting the dismissal of former Communist party members and of those unwilling to enforce government decrees.

Two deputies and a minister unsuccessfully tendered resignations in support of Vagnorius, but the rest of the cabinet wrote a letter to Chairman Landsbergis complaining of Vagnorius' confrontational governing style. Vagnorius unsuccessfully submitted his resignation in May. When a referendum in May to establish a permanent French-style office of president failed, Landsbergis also threatened to resign. Right-wing members of parliament boycotted legislative sessions to stall attempts to form a quorum and successfully forestalled Vagnorius' resignation until June, when a quorum passed a no-confidence motion. Landsbergis then chose Aleksandras Abisala as Prime Minister.

A constitution was approved by 53% of eligible voters (85% of those who actually voted) in an October 1992 referendum. The results of the October 25 and November 15 runoff elections handed the Democratic Labor Party (LDDP) headed by former Communist Party boss Algirdas Brazauskas a plurality of votes and a clear majority of parliamentary seats. February, 1993 presidential elections gave Brazauskas victory over a non-LDDP coalition led by independent candidate Stasys Lozoraitis, Lithuania's former ambassador to the U.S. Economic mismanagement and collapse, fueled by chronic energy shortages and political factionalism, played a decisive role in the election results.

Since then, the Lithuanian Government has worked steadily to improve relations with its neighbors and to implement necessary Western reforms. In August 1994, the Government, backed by the IMF, lobbied the public successfully to defeat a populist referendum backed by its own far left-wing as well as the opposition which called for the indexation of peoples' savings. However, LDDP candidates took a beating at the hands of the opposition in nationwide municipal elections held in March, 1995. Public perception that the government was not doing enough to promote prosperity and to combat corruption and organized crime again were significant issues.

Caused primarily by a lack of supervision and regulation over the banking sector, a long-simmering financial crisis boiled over in December 1995, leading to the resignation in February of Adolfas
Slezevicius as Prime Minister and LDDP Chairman. The new LDDP Prime Minister, Mindaugas Stankevicius, instigated an IMF-backed, comprehensive banking sector bailout plan.

These measures were not enough to persuade voters in the October 25 and November 10, 1996 rounds of parliamentary elections. The Landsbergis-led Conservative Party, gained 70 out of 141 seats, and another 16 seats went to its coalition partner, the Christian Democrats. The new coalition established a new government in early December and won a significant majority in nationwide municipal elections held in March 1997. Valdas Adamkus was elected president in December 1997 and will be sworn in on February 25, 1998.

The Seimas (parliament), a unicameral legislative body, is the highest organ of state authority. It initiates and approves legislation sponsored by the Prime Minister. The Prime Minister has full responsibility and control over his cabinet.

**Key Government Officials**

President--Algirdas Brazauskas  
Prime Minister--Gediminas Vagnorius  
Foreign Affairs--Algirdas Saudargas  
Defense--Ceslovas Stankevicius  
Interior--Vidmantas Ziemelis  
Justice--Vytautas Pakalniskis  
Finance--Algirdas Semeta  
Trade and Industry--Laima Andrikiene  
Economics--Vincas Babilius  
Admin. Reforms, Local Rule--Kestutis Skrebytis  
Communications/Information--Rimantas Pleikys  
Construction/City Planning--Algis Caplikas  
Transportation--Algimantas Zvaliukas  
Agriculture--Petras Knasys  
Education and Science--Zigmas Zinkevicius  
Health--Juozas Galdikas  
Social Security and Labor--Irena Degutiene  
Culture--Saulius Saltenis  
Environment--Imantas Lazdinis  
Seimas Chairman--Vytautas Landsbergis  
European Affairs--Laima Andrikiene

Lithuania maintains an embassy in the United States at 2622 16th Street, Washington DC 20009 [tel: (202)234-5860].

**ECONOMY**

The Soviet era brought Lithuania intensive industrialization and economic integration into the U.S.S.R., although the level of technology and state concern for environmental, health and labor issues sagged far behind Western standards. Urbanization increased from 39% in 1959 to 68% in 1989. From 1949-52 the Soviets abolished private ownership in agriculture, establishing collective and state farms. Production declined and did not reach pre-war levels until the early 1960s. The intensification of agricultural production through intense chemical use and mechanization eventually doubled production but created additional ecological problems.

Industry is Lithuania's largest economic sector. It is being privatized and most small firms are now under private ownership. Large industries, accounting for the bulk of Lithuania's capital investment, are still mainly under state control. Food-processing and light industries dominate but furniture, footwear, and textile manufacturing are important. Machine industries (tools, motors, computers, consumer durables) account for over one-third of the industrial work force but generally suffers from outdated plant and equipment. In agriculture, Lithuania produces for export cattle, hogs and poultry. The principal crops are
wheat, feedgrains and rye. Farm production has dropped as a result of difficulties with agricultural privatization and poor weather.

The transportation infrastructure is adequate. Lithuania has one ice-free seaport with ferry services to German ports. There are operating commercial airports with scheduled international services at Vilnius and Kaunas. The road system is good but border crossings may be difficult due to inadequate border facilities at checkpoints with Poland. Telecommunications have improved greatly since independence as a result of heavy investment. The banking/financial sector is weak but improving.

Lithuania recorded a $369 million trade deficit in 1994. Its main trading partners are countries of the former Soviet Union (FSU) and Central Europe, and the main categories of imported products are energy, vehicles for transport and machinery. Exports consist mainly of machinery and food products.

Trade with Western countries increased from 8% of the total in 1992 to over 24% in 1994. In 1996, exports to European countries accounted for 94.3%, and exports to countries of the EU stood at 33.4% of Lithuania's export total.

Although gross national product (GNP) accounts comparable to Western figures are not yet fully available, real GDP has been declining since 1990 and finally broke even in 1994. Inflation is also high due to price deregulation and higher costs of imported energy and other inputs from the traditional suppliers in the FSU. The spread of private sector activity, not always reflected in national accounts statistics, is creating productive jobs and boosting consumer spending. Approximately 50% of Lithuanian workers are in the private sector, which accounts for half of Lithuania's GNP. The introduction in summer 1993, of a stable national currency backed by a currency board and pegged to the U.S. dollar has stimulated investment.

The government focuses its efforts on stabilizing the economy, taking measures to secure supplies of energy and other vital inputs, providing a social safety net to alleviate the worst consequences of the economic depression and combating economic crime. It has enacted legislation providing a reasonably transparent and favorable regulatory regime for private investment.

In 1996, Lithuania exported $34 million in goods to the U.S. and imported $63 million. In 1994, the Government privatized 70% of its state property, and to date has registered 5,300 foreign/joint ventures, whose authorized capital exceeds $400 million. Philip Morris is a major investor. As of January 1997, American companies have invested over $166 million (over 24% of total foreign direct investment) in Lithuania.

Over 139,000 enterprises now exist in Lithuania. State companies are now authorized to sell up to 50% of their shares for hard currency without cabinet approval, and many of over twenty commercial banks offer a full range of international banking services. Monthly inflation in 1996 was about 1%. In acceding to its European Union Association Agreement, the Government removed some restrictions on foreign ownership of land.

DEFENSE

Lithuania's defense system is based upon the Swedish-Finnish concept of a "total," rapid response force composed of a mobilization base and a small group of career professionals. The defense ministry is responsible for combat forces, border control, customs, civil defense, search/rescue and intelligence operations. The "Iron Wolf" Brigade consists of eight battalions of about 200 men each. The "SKAT," or home guard, consists of over 50-60 units varying in size from company to platoon strength. Perhaps the most prestigious arm of the military, SKAT was born during Lithuania's struggle to regain independence in the early 1990's and consists entirely of volunteers. The 500-man navy and coast guard use patrol boats and former Russian corvettes and frigates for coastal surveillance; the 800-man air force operates 20-30 helicopters and 35-45 planes used mostly for reconaissance and border patrol. There is a mandatory one-year active-duty draft period, and alternative service for conscientious objectors is available.
The 5,400 border guards fall under the Interior Ministry's supervision and are responsible for border protection, passport and customs duties, and share responsibility with the navy for smuggling/drug trafficking interdiction. A special security department handles VIP protection and communications security.

FOREIGN RELATIONS

Lithuania became a member of the United Nations on September 18, 1991 and is a signatory to a number of its organizations and other international agreements. It also is a member of the Organization on Security and Cooperation in Europe, the North Atlantic Coordinating Council and the Council of Europe. Lithuania is unaffiliated directly with any political alliance but welcomes membership in NATO, EU, WTO, OECD, and other Western organizations.

Lithuania maintains Embassies in the United States, Sweden, Finland, the Vatican, Belgium, Denmark, the EC, France, Germany, Poland, the United Kingdom, and Venezuela. It also operates missions in Estonia, Latvia, Russia, the Czech Republic, Italy, Ukraine, and in New York City, to the United Nations and a Consulate. Honorary consuls are located in Argentina, Australia, Canada, Iceland, Korea, Greece, Norway, the Philippines, and in the cities of Los Angeles and Chicago.

Lithuania's liberal "zero-option" citizenship law has substantially erased tensions with its neighbors. Lithuania's suspension of two strongly ethnic Polish district councils on charges of blocking reform or disloyalty during the August 1991 coup had cooled relations with Poland, but bilateral cooperation has markedly increased with the holding of elections in those districts and the signing of a bilateral Friendship Treaty in 1994. A similar agreement has been signed with Belarus in 1995.

The United States established diplomatic relations with Lithuania on July 28, 1922. U.S. representation accredited to Lithuania served from the legation in Riga, Latvia until May 31, 1930, when a legation in Kaunas was established. The Soviet invasion forced the closure of Legation Kaunas on September 5, 1940, but Lithuanian representation in the United States has continued uninterrupted for over 70 years. The U.S. never recognized the forcible incorporation of Lithuania into the U.S.S.R., and views the present Government of Lithuania as a legal continuation of the interwar republic. Lithuania has enjoyed Most-Favored-Nation (MFN) treatment with the U.S. since December, 1991. Through 1996, the U.S. has committed over $100 million to Lithuania's economic and political transformation and to address humanitarian needs. In 1994, the U.S. and Lithuania signed an agreement of bilateral trade and intellectual property protection, and in 1997 a bilateral investment treaty.

Principal U.S. Officials

Ambassador--Keith Smith  
Deputy Chief of Mission--John Stepanchuk  
Political/Economic Officer--Jonathan Moore  
Administrative Officer--Susan Page  
Consular Officer--Debra Heien  
AID Director--Ron Greenberg  
Public Affairs Officer--Lisa Helling  
Defense Attache--Col. Michael Litwinowicz (USA)

The U.S. Embassy in Lithuania is located at Akmenu 6, 2600 Vilnius [tel/fax: (370) 670-6083/4].

TRAVEL NOTES

Customs: Lithuania does not require visas for American, Canadian or British citizens. Visitors are encouraged to register at the U.S. Embassy. Polish border crossings have expanded and improved, but one can expect major delays.

Duty-exempt items include humanitarian aid, foreign currency and securities, goods and valuables unsuitable for consumption, and items temporarily imported and re-exported without "reworking or
processing." Besides internationally banned or regulated items requiring special permission, import duties and restrictions are imposed on alcohol (40-100%), tobacco and sugar (30%), foodstuffs and metals (5%). Exports subject to duties are lumber, leather hides (10-15%) and metals (5%).

**Climate and clothing:** Vilnius’s climate is temperately continental, with seasons of almost equal length. Summers are pleasant, but winters inland are very cold and snowy.

**Health:** Medical care does not meet Western standards, facing a shortage of basic medical supplies, including disposable needles, anesthetics and antibiotics. Take along your own personal medication. Sometimes heat and hot water are unavailable because of the occasional disruption of energy supplies. Raw fruits and vegetables are safe to eat, but avoid drinking unpasteurized milk and tapwater.

**Transportation:** SAS, LOT, Malev, Swissair, Austrian Air, Lithuanian Airlines and Lufthansa provide service between Vilnius

Airport and European cities. Two trains depart daily for Warsaw without crossing into Belarus, but take 12 hours. A bus line connects Warsaw, Vilnius, Riga and Tallinn. Bus and taxi services within the capital and its environs are good. Taxis are inexpensive and available at stands or may be ordered by phone. Rental cars are available. Gasoline prices are at market rates.

**Telecommunications:** Improved telephone and telegraph services are readily available at standard international rates. Vilnius is 7 hours ahead of Eastern Standard Time.

**Work week:** 40 hours. Offices are open 9am - 6pm on weekdays, and factories open/close two hours earlier. Food shops are open Monday-Saturday from 8am - 8pm, while other shops open two hours later. Stores and shops are closed on Sunday.

**Tourist attractions:** Over 550,000 tourists visited Lithuania in 1989. As Europe's geographic epicenter, Vilnius is the leading attraction, featuring beautiful Baroque churches and estates, 16 museums, fortress towers, and historic medieval castles nearby in Trakai and Medininkai. The seaside resorts of Palanga and Kursiu Nerija are famous for clean beaches and natural sand dunes. Ethnographic parks and museums depicting Lithuanian life through the centuries abound, as do scenic national preserves. Historic churches and castles dating to Lithuania's Great Power era are also readily accessible.

**Currency, Weights and Measures:** The national currency, the litas, is convertible with major Western monies. Major credit cards can be used primarily at large banks and Western hotels in Vilnius, but traveler’s checks are not accepted everywhere. Lithuania uses the metric system.

**Crime:** By U.S. standards, Lithuania has a low rate of violent crime. However, the introduction of a market-oriented economy has resulted in an increase in street crime, especially at night near major hotels and restaurants frequented by foreigners. Take the same precautions that one would do in any major American city. Penalties for possession, use and dealing in illegal drugs are strict, and convicted offenders can expect jail sentences and fines.

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There are no legal or practical impediments to women's participation in government or politics. Women played a prominent role in settling Icelandic society, and the Icelandic sagas make it clear that women had a great impact on Icelandic society. Iceland also played a trail-blazing role in achieving women's rights in the 19th and 20th centuries, including the right to vote, own property, attend university, and hold public office. In 1980, Icelanders became the first nation in the Western world to democratically elect a female head of state. With the results of the 1999 parliamentary elections, women now account for 22 of Iceland's 63 parliamentary seats (up from 17), and head 3 of 12 ministries (up from 1 of 10). The culture of the ethnically homogenous population is strongly egalitarian and opposed to discrimination based on sex or any factors. However, there is some societal discrimination against women, which the Government has begun to address.

Increased governmental awareness of violence against women, resulting from extensive media coverage, has led to stiffer sentences for sex offenders. The tougher sentencing derives from improved action by the courts in more strictly enforcing existing laws. A police program to train officers in correct interrogation procedures in rape and sexual abuse cases appears to be addressing prior concerns that police indifference and hostility to female victims did not assure proper attention and consideration for victims of such abuses.

There also is a public women's shelter that offers protection to approximately 350 women and 200 children per year; these figures are virtually unchanged since 1995. There is a rape trauma center sponsored and operated by women's organizations; some 400 women and children seek assistance annually. National and municipal governments, as well as private contributions, fund both facilities. The Reykjavik City Hospital emergency ward has an all-female staff to care for rape victims. During 1998, the emergency ward reported 101 visits associated with incidents of rape or sexual abuse, 97 by women. Hospital officials estimate that only 51% of these victims press charges and only a handful of cases actually go to trial. Officials attribute this low percentage to fear of publicity in such a small, tightly-knit society.

With an increasing number of interracial marriages, mostly involving Icelandic men and Asian women, there has been concern that these new Asian immigrants are not assimilating well into Icelandic society. Concern that these women might be vulnerable to mistreatment led the city of Reykjavik to establish a special Center for Immigrant Women, which focuses on providing information on their legal rights, and an introduction to Icelandic society and norms, as well as language training.
Iceland's largest political party, the center-right Independence party, has begun addressing women's issues as a priority in response to growing public awareness stimulated by the Women's List political movement, and the efforts of the recently reelected female mayor of Reykjavik to put women's issues at the forefront. While major political institutions and businesses remain male dominated, the Government is taking steps to enforce legislation requiring equal pay for equal work. There remains about a 20% gap in earnings between men and women in comparable jobs nationally, although the gap in Reykjavik is only about 10%.

Since 1991 complaints regarding the Equal Rights Law have been referred to a special committee under the Equal Rights Affairs Office of the Ministry of Social Affairs. However, the committee has only advisory powers, and its recommendations to employers do not have the force of law. Few complaints are made to the committee.
Norwegian and Celtic settlers settled Iceland in the ninth century and by 930AD had established a republican constitution and an assembly called the Althingi—the world’s oldest parliament. After Iceland lost its independence to Norway and then Denmark in the 13th and 14th centuries, the United States was the first country to support and recognize Iceland’s independence in 1944. U.S. military involvement in Iceland (and World War II) can be traced to 1941, when Iceland invited U.S. Marines to land in Iceland to protect North Atlantic shipping lines from Nazi control and to replace British troops deployed there after Denmark’s surrender to Germany. Of the Nordic languages, Icelandic is closest to the Old Norse language and remains relatively unchanged since the 12th century. A center-right coalition and Europe’s currently longest-seated Prime Minister now lead the government.

Iceland is an important ally in NATO, the OSCE, the UN, the US' "Northern Europe Initiative," and in human rights, environmental, and trade issues. It complies unquestionably with all OSCE principles. The country benefits from a millennial tradition of parliamentary democracy and an outstanding record of support for human rights and for the OSCE process. Iceland plays a strong role in the “Arctic Council,” a high-level forum for countries with territory in the Arctic to address common concerns regarding environmental protection and sustainable development in the region.

Under a 1951 defense agreement, the United States is responsible for Icelandic defense and maintains a NATO presence of approximately 2500 military personnel. Given the island’s strategic and vulnerable location, Iceland follows security issues closely and abides by all its security commitments. The "Agreed Minute" governing our status of forces will be renewed in 2001.

To celebrate the 1000th anniversary in the Year 2000 of Leif Eriksson’s voyage to North America, the United States and Iceland are featuring many millennium activities to highlight shared culture, research and scholarship, scientific discovery and exploration, pioneer legacies, and strong defense relationship.

With U.S. encouragement, Iceland now is an important partner in operational multilateral security activities, despite not yet having a military. It consistently steps up and carries its fair share, proportionate to other major NATO members, in NATO-led operations in Bosnia and Kosovo, refugee assistance and resettlement, and Bosnia reconstruction. This year, it instituted an annual budget for international peacekeeping activities, opened a Vienna OSCE mission, and chaired the Council of Europe and Nordic Council.

Iceland has a mixed, open economy. The rights of contract, private property, and collective bargaining are fully protected. Iceland also takes an active role in addressing environmental issues (fisheries account for 70% of export earnings). Iceland maintains controls over fisheries and agriculture, but is loosening controls on banking and "green" [geothermal, hydroelectric] energy. Iceland has reservations about applying for membership in the EU, largely due to concerns about losing control of its fisheries. In 1993, Iceland implemented the European Economic Area (EEA) agreement liberalizing trade between the EU and members of the European Free Trade Area (EFTA). It currently is trying to negotiate a free trade agreement with Canada as a "back door" to NAFTA. This year, Iceland also finally resolved its longstanding dispute with Norway over Barents Sea fishing rights. Historically a whaling nation, Iceland left the International Whaling Commission in 1992; while it claims the right to resume scientific-based whaling, it has not done so. In 1998 Prime Minister David Oddsson approved the return to Iceland by "Keiko," the orca of "Free Willy" movie stardom.

Iceland is a leader in defending human rights and fundamental personal freedoms. Its record of living up to international obligations and cooperating with other countries is exemplary. Iceland’s support of the OSCE principles of sovereign equality, inviolability of frontiers, peaceful settlement of disputes, non-use of force, and non-intervention in internal affairs is consistent and strong. A high proportion of Icelanders (about 85%) participates in regular, fair and free elections. Human rights are protected by law, and the law and judiciary provide effective means of dealing with individual instances of abuse. Iceland also is proud to be the first state to formally re-recognize Baltic independence in 1990-1.
Dr. Sigridur Dúna Kristmundsdóttir
Director and Chairman of the Conference
Executive Board
Hverfisgata 4a
150 Reykjavik Iceland

Dear Dr. Kristmundsdóttir:

Thank you for your invitation to submit a proposal for the Conference on Women and Democracy at the Dawn of the New Millennium. I would be interested in speaking to the conference in the area of politics, and more specifically in the importance of women working to achieve equality in and through the political process, and the resulting enactment of policies which make a difference in women’s lives.

I have been active for more than twenty years in the political process, as Political Director of the National Democratic Party, as campaign manager for a number of candidates, including Deputy Campaign Manager and Director of Communications for the Clinton-Gore campaign in 1996, and as staff to elected officials, including chief of staff to then Congresswoman Barbara Mikulski, and now as Counselor to President Bill Clinton.

At the same time I have worked actively on behalf of the empowerment of women in politics, in maximizing the potential of women as voters, and encouraging women to seek elected and appointed office. I have served as national officer of the National Women’s Political Caucus and chair of the Commission of Women’s Equality of the American Jewish Congress, and as Vice President for Public Policy for the Planned Parenthood Federation of America.

As a fellow at the Institute of Politics at Harvard University’s John F. Kennedy School of Government, I led study groups on the new definition of family politics and on women as leaders. I have spoken and led workshops for women interested in politics throughout the years in this country and abroad.

Among the topics I would expect to discuss are:

- The importance of political activity, in order for women to achieve equality in decision making, including the role of political decisions in determining economic opportunity.

- Decoding the jargon and processes of internal political structures, so that they can be made more accessible.
The value of organizing around issues, both to increase women’s participation and to achieving women-friendly – and family-friendly – policies.

The development and use of “kitchen table issues” to frame the dialogue of political campaigns in language important to women.

The need for campaign workshops and training targeted specifically to women, to build confidence, overcome stereotypes, and teach the most useful and appropriate tactics.

The difference that women can make by organizing and networking on behalf of women candidates and continuing to support women after they are elected to office.

To implement these strategies, I believe it is important to build partnerships with local and community based organizations; to work with the political structure, by encouraging them to see the benefits of increasing the participation of women; and to design and carry out an effective communications plan which begins by framing the goals of the project in positive and inclusive terms, and continues throughout the campaign season.

The changes in political communication, reflecting the rapid changes in information technology, offer opportunities and challenges for women’s political participation. The growth of the electronic media offers new opportunities for women candidates, by enabling them to speak directly to potential voters without mediation by the existing political establishments. However, the new trends of more rapid news cycles and more personal coverage can present additional barriers to newcomers. Identifying these trends and how to adapt to them will be an increasingly important part of our 21st century agenda.

The partners for such implementation include issue based organizations, such as those supporting health, local community or environmental concerns; professional and labor organizations, especially those with a significant number of women members; women’s caucuses within existing political party structures; and new organizations, formed expressly for the purpose of supporting women candidates.

I appreciate your taking the time to consider my proposal. Please do not hesitate to contact my office at 202/456-2644 if you would like further information.

Sincerely,

Ann F. Lewis
Counselor to the President