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Lithuania

Their Security, Our Poverty: Militarization and the New Code of Labour in Lithuania

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In the last months the Lithuanian media has been rife with debates about the new labour legislation proposed for parliamentary vote on June 23. Not very different from the French reform proposals, and pushing for further deregularization of the labour market, the code has sparked a series of protests and actions throughout the country. Representatives of the trade unions protested yesterday in Vilnius, expressing their intention to continue the demonstrations the following week, while activists from Kaunas have occupied one of the main squares of the city. The occupation is still continuing. Published first on www.locomotive.press this article by Noah Brehmer tries to make sense of the new legislation, integrating it into the larger context of Lithuanian post-socialist neoliberalism. [1]

All are familiar with the New Labour Code being pushed through in France and the massive uprisings unfolding against it. Not so many heard about the new labor code and cross-sector restructuring that was pushed through in Bosnia last year and the massive, yet "sadly" short lived expression of rage that followed. [2] Very few heard anything about the new Labour Code that is simultaneously being pushed through in Lithuania and the not so massive opposition to it "as of yet."

Is there a broader tendency to be recognized here? My hypothesis would be that there is. These three instances seem to appear within a much broader and deeper constellation of assaults on our working class life, our ecology, our existence. I will argue that this deeper constellation is essentially characterized by a dual movement of the devastating liberalization of economic interest and the explosive expansion of national security budgets to regulate it; an expansion that has taken tangible form in border fortification, militarization of internal policing, prison & military expansion, and so on. The global crisis of economic governance has given way to what many have been calling the turn toward an "authoritarian neoliberalism" or, in some cases, ala Latin America, a "turn back."

What is the relation between militarism and economic deregulation, and on what basis do I have to believe these movements are converging in "authoritarian-neoliberalism"?

The violent process of the privation of our social-securities (labour rights, housing, unemployment benefits, education) has necessarily been backed by explicit authoritarian might and fantastically delusional nationalist appeals which have been relatively successful in constructing the "enemy from outside" narrative. Fear-mongering militaristic nationalism that establishes and "us v.s. them" mythology inside and outside the state combined with draconian social policy is what authoritarian-neoliberalism is all about.

In the following article you will find my attempt at a more or less thorough analysis of this tendency from the standpoint of Lithuania. I will begin with a basic historical overview on the origins of neo-liberal restructuring in 1970's, their effects during the independence period (91'-03') and their current manifestations in the post-EU accession (04-16'). Going from this starting point I will then address how the particularities of the Lithuanian context fit within a much broader policy direction in the EU. I will argue this point through an analysis of the labor code reforms affecting France, Bosnia, and Lithuania simultaneously. Following this tendency analysis I will turn toward militarism. How and why the militaristic thrust in Lithuania is directly connected with broader social policy direction in the EU and beyond.

A starting point

The former Soviet Republic of Lithuania went into a deep economic crisis by the 70's. This crisis was shared by the entire Soviet Union. Industry was going stagnant and the Baltic States were up to their chins in debt. By 1972 political agreements were made with the West to bail the Soviet Union out in return for economic reforms and civil rights amendments. It is commonly called the 'soft period.' By the 80's these loans had accumulated into massive debts. Although there were certainly variations from country to country, the general approach of the 'nomenklatura' class (as advised by International Monetary Fund and World Trade Organization) was to strategically shed some of the responsibility onto the workers through controlled privatizations which took the forms of cooperatives. By the late 80's, the Glasnost period, independence movements popped off which demanded full transference of property and the Western civil privacies that would accompany them. Some have called the chain of revolutions that followed the 'eggshell' revolution; the narrative being that the capitalist nomenklatura broke the egg from the outside to provide a controlled liberation of the bird who would soon find the outside to be another cage.

The Lithuanian capitalist and political class received helpful information from Swedish and American free Market economists for the restructuring policy to be implemented. It is rather humorous that the first mass produced popular economics book *From Planned to Market Economy* published by well established Libertarian Institute, politely suggested the need for the birth of a new subject, 'homo economicus.' The Baltic States, as you may imagine, went with an iron fist liquidation approach, privatizing the entirety of the housing stock within a few years and the entirety of industry in a few more.

This gave way to a cycle of brute primitive accumulation. A telling example is the police. The police and military budgets were heavily cut. The withdrawal of the security budget coinciding with the newly forged market economy provided ideal conditions for large networks of informally organized Private Protection Organizations (PPOs) which nicely combined security force with economic interest. By 1993 the informal economy made up 48.5% of the whole national economy—the PPOs created their own taxation systems for enterprises. They went so far as training a whole labour force of accountants to watch internal company bookkeeping as to ensure they were receiving their full dividends on profits. This changed drastically during the Rouble Crisis, which gave Western markets an opportunity to take over exports. With Foreign Direct Investment (FDI) capital pouring in, new financial and security regulations were enforced to secure the Western market interest. How this whole story unfolds would be a separate text.

The situation vastly mirrors that of Greece—on the books [3] To the delight of the new political-employer class, however, working people in the former Soviet States went along with the radical restructuring methods with open eyes to a better future in the mythologized market economies of the West. And that's of course not to view the Soviet State through the rosy-red looking glass in return. Various aspects of the Soviet era social policy—such as yearly paid vacation to a resort in Nida, free education and housing, cultural centers in remote countryside—were arguably worth defending regardless of their 'economic efficiency' and contradictory social status. The point concerns throwing out the baby with the bathwater—the fight for social rights is in no way equivocal with the fight for an authoritarian socialist state, no?

Lithuania and its Baltic neighbors have since been viewed as the model examples of neo-liberal austerity. The country was labelled as the 'Tiger economy' for its (nominal) fast recovery from a hard line austerity policy following the 2009 crisis and internationally applauded for its 'open border' policy for FDI. As my comrade recently remarked, "There is no need to analyze FEZ's (Free Economic Zones) in Lithuania because Lithuania is a Free Economic Zone."

To give one example of the deployment of this mythological Baltic Tiger economy, I share a statement from a Bosnian economist who refers to the Baltics as a triumphant model of neoliberal austerity against the backdrop of mass opposition to the new labor codes in BiH:

[Working-people] defended the country [i.e. their social rights], while others carried out comprehensive economic

reforms, such as Estonia, whose former Prime Minister Mart Laar, later admitted that the only book he read on the economy was “Freedom of Choice”, by the Nobel Prize winner Milton Friedman and champion of economic liberalism of the twentieth century. [4]

The reality is, of course, a tad bit more grim.

The new codes of labour in local and global contexts

The Labour Code reform in Lithuania and elsewhere has unfolded within these broader tendencies of neoliberal restructuring that began in the 80's. [5] The aim of these reforms being labour flexibilisation. The progressive push toward labor flexibilization over the years is attractive to capital. This is valid insofar as the insecurity of labor is generally mirrored in the security of profit margins for enterprise, and also given that other factors such as the policing of property relations are to be thought in the equation. In ‘criminalizing’ working people’s resistance to employer exploitation through measures such as the banning of collective bargaining, capital is given the power to direct social relations towards its own interests. Weak labor is cheap labor.

On June 16th 2016, Lithuanian Parliament should vote through the New Labour Code reforms. The reforms, like those of Bosnia, France, and Spain, have been drafted under the advisory of the EU commission and IMF. The narratives around these reforms have all been the same, basically. Flexibility of labour – the offering of greater choice to enterprise – will relieve an ‘unnecessary administrative burden’ [6] on employers and in doing so will offer better conditions for “job creation” and “GDP growth” [7]

The Lithuanian narrative of the reforms are particular insofar as targeting the demographic crisis, which is not such a concern in France, for example. In the “2016 EU Commission Report of Lithuania,” the demographic crisis is given a central position. Half of the total population of the country has migrated in the past two decades. By 2030 “a cumulative loss of 35 % of the working age population is estimated”. Between the 2008 financial crisis and 2012 there was a 9.8% increase, the highest in the EU. Last year alone 25,000 youth left the country (a 20% increase). [8] The problem of employment ‘possibilities’ is being surpassed by the problem of employment desires; it does not so much seem to be the problem of the creation of more jobs but the problem of who will take the jobs created.

According to the EU Commission, the goal of the New Labor Code is job growth. Job growth at what cost? The cost of a total assault on job security – a thorough-going privation of almost every right. Total flexibilisation of labor via the offering of ‘choice’ to the employer via zero-hour contracts and liberalization of dismissal regulation. [9] A choice to do what they please with us and with little to no consequence. These reductions to “administrative burdens” are projected to “encourage the creation of approximately 85,000 new jobs.” [10] This fantastical statement on job growth conveniently leaves out a description of what these jobs will be. We can only imagine more shitty jobs with the added bonus of extra-precarity – democracy is full of choices.

The situation in Bosnia-Herzegovina vastly mirrors that of Lithuania. In July 2015 the BiH government agreed to a set of reforms ‘advised’ by the EU and IMF for labor code liberalization in return for the ‘prize’ of taking out more loans for a collapsing and indebted economy, as well as possible entrance into the holy EU. The labor code reforms were part of a broader “Compact for Growth and Jobs” the EU developed as a guideline for entrance. [11] Cuts across the public sector were demanded with the following efficiency improvements being suggested: “cuts in the health and pensions systems; increase in sales taxes; elimination of seniority in labor contracts; ‘harmonizing’ labour legislation; ‘reforming’ collective bargaining; improving the business climate by ‘streamlining tax procedures;’ ‘stronger insolvency framework to make resolution faster and restructuring easier,’ i.e., allow for even

faster criminal privatisations; and raising the effective retirement age.” [12]

The argument boils down to a simple formula: union power, social rights, and all those “artificial barriers” [13] for hiring and firing employees are the cause of economic stagnation. The real consequences of these reforms is simple: more money for the politicians and companies, worsening of the conditions for working people, and yes, the old promise, a.k.a. “in the future there will be more shitty jobs for you.” In reaction, thousands of people took the streets in BiH in an attempt to halt the reform and they were even joined by workers from a Republika Srpska (that would not be directly affected) in solidarity. [14]

Is this a familiar story?

The Lithuanian employer-politician class seem to be playing the same games with our lives. They believe the new Labour Code will make Lithuania more attractive for foreign capital (FDI) as well as for the expansion of local enterprise. This will all be done on our backs. The logic is quite simple: employers are always looking for the cheapest and most insecure workforce, this is how they beat their competition. Lithuanian employers may hire Belarusians, Ukrainians, and Russians; while German, American, Norwegian, etc., employers may set up their companies in Lithuania (or BiH) in order to take advantage of the legendary small salaries. Lithuanian employers and politicians “like their friends in BiH” stick to the simple formula: our lives, their profits. The unfettered pursuit of profitability over human well being reigns.

The French reforms connect with the problematics of FDI in this broader context insofar as a central amendment concerns the removal of French regulation on multinational corporations outside of France. However, this removal of regulations will equally affect French working people. As one Lithuanian-born comrade in Paris explained to me,

The relationship between the patron and the worker will no longer be directly mediated by the labor code—the later will almost be directly exposed to the will of the former. The goal, once again, is flexibility of the market so that it would move freely between and through the exploited body. [15]

Militarization: “It’s not just a job, it’s a calling”

To provide a proper standpoint on how Lithuanian militarism is connected with a broader political and economic tendency of global governance I will need to share a brief history of its development in Lithuania. My essential argument is that the particularities of Lithuanian militarism in what we call “the post-euro Maidan’ era are linked to much deeper tendencies in the policy directions of EU, NATO, and IMF.

In the early 90’s there was a process of military and state security withdrawal. This process was in part mobilized by the practical reality of a decimated state budget and on other hand out of a politically principled reaction against the heavily centralized security and military apparatus of the Soviet States. Lithuanian independence movements targeted the centralized State as its primary object of fear and hatred. “Civil society (a.k.a. civil property) against the state” was a popular banner.

This regime of security and capital accumulation was active until the Rouble Crisis of 1998. In consequence Russia lost its hold as the primary export market and within 2 years the EU became the dominant market force. The 2004 membership to NATO and EU partner status consummated these shifts. Following the market dominance of the West, the mode of regulation is re-institutionalized under the protocols of EU/US regulations. This regime of

regulation corresponds with the rise of “neo-liberal authoritarianism” [16] a mode of capital accumulation characterized by the dual movement of a new cycle of the withdrawal of social infrastructure and the rapid expansion of military and policing budgets. In 2016 the national defense budget was increased by 35% while the promised budget for education fell 90 million short of expectations. [17] The priorities are clear. [18]

The recent surge in militaristic activity has definite economic motive: war is a politics by other means. In what way does the expansion of militarism confront the social-economic contradictions I have pointed to? The state, having lost its capacity to make a class deal on the basis of material resources turns in confident desperation toward the nation. “It’s not just a job, it’s a calling” one military recruitment billboard proclaims on my way to Vilnius. The return of military conscription (as but one example) is suggestive of a broader attempt, by the political-employer class, to maintain a docile and loyal labouring class in the absence of real material incentives in return. The conscripted citizen is called upon to defend the country against an imaginary Other. An Other of which they are the true living embodiment – insofar as their greatest threats to wellbeing are the state, the boss and the politicians that they are now heroically defending in the phantom unity of nation. [19] Conscription, as a mechanism, presents itself as the fantastical embodiment of nationalist ideology – everyone is equally obliged to sacrifice themselves, their labor, for the common good of the nation. Yet, as it goes, it’s not the children of politicians you find dying on the infantry lines. The youth holding professional prospects are spared from good old military disciplining. The ones with prospects are valuable resources for a growing economy, of course. Second and third rate human-resources are what you more or less find joining the ranks.

Militaristic nationalism is in this sense reproduced by a complex matrix of varying social institutions, varying engines of hegemony. The repressive imposition of unity on blazing social contradictions also shows its face in the workplace, as just another example. The now ubiquitous managerial politics of the “family business” is a case in point. From small to large companies employers deploy the rhetorics of the “family”, the “team”, and the ‘common’ good. Workplace conflicts are conveniently neutralized by such appeals. As my boss so well said after I started a workplace struggle over my wage: “we are a family here. We all need to do our part and make sacrifices for the common future of the company. But you come in here and make these demands. We no longer consider you a part of our family culture.” [20]

This appeal to a common good is in direct contradiction with the reality of the class division, of course. The boss speaks of the common, of the sacrifice we must all make for the good of the company, but who is it that takes the profits and controls our futures? What is this common sacrifice our bosses and our masters call upon us to serve in the name of? Nationalist ideology essentially involves the repressive imposition of unity on irreconcilable class contradictions. We sacrifice ourselves to an institution controlled only by the rulers. In reality I have more in common with a worker in a Indian textile company than I could ever have ‘in common’ with some boss of the same citizenship.

To summarize the crystal clear direction of militarism in Lithuania I conclude this section with a chronology of developments: the formation of a para-military riot control squad (2008), a mandatory nation-wide training day for all low level managers to respond to an “invasion situation” (2014); NATO brings standing army four hangars, aircraft shelters, emergency arrestor gear on the main runway, and auxiliary runways stretching to the main landing strip have been built to ensure the infrastructure necessary for conducting NATO’s Air Policing mission; the part of financing covered from the Government Budget amounted to 3,7 million and from the NATO funds – .3 million respectively (2013); the arming of police with assault rifles (2015); the re-introduction of mandatory conscription (2015; previously abolished in 2008); the theatrical public performance of military interventions in public spaces occupied by armed “dissidents” (2015); acquisition of water cannons to control future protests (2016). The continuous deployment of “the russian scare” to crush all forms of “destabilizing” opposition to state policy, e.g. teachers strike being repressed by the state because of its possibly destabilizing capacity for national security. [21] The military took their “concerns” with the teachers a step further; choosing the strikers as targets in a simulated riot control drill for the cadets. [22]

Conclusion: a refusal to serve

The ambition of my article was to develop clear theoretical contours for the concept of Authoritarian-neoliberalism. I pursued this task through a somewhat thorough analysis of its development in Lithuania. In connecting this particular history with broader geo-political movements of capital I showed how local context unfolds within global process.

If this analysis has merit, the question would be how to oppose the situation presented and for what ends. In some sense, I believe the rank-n-file strikers from the national teachers mobilizations provided a quite clear answer in taking their luggage to the protests. [23] Their statement was simple: ‘We will leave the country (the enterprise) if you don’t give us what we want.’ Here the state is nothing more than a boss of a higher order. The national protest in Vilnius featured the slogan ‘we will not serve’ simultaneously meaning we will not serve the state, the military, and we will not serve our employers. There was also the direct attack of the expansion of the military budget as central to our participation in the strikes. “Your Security (with image of tank) “our poverty”(with image of a destroyed house).

I propose to search out the common struggles against these bonds of tutelage—an uprising beyond and against borders because poverty does not know them.

While it’s not so simple, or so useful, to make simplified generalizations about ‘what working-people think’ of the new labor codes and ‘how they will react,’ you can see the beginnings of something I would hesitantly call ‘a movement’ forming in Kaunas. This movement (as I will semi-wishfully call it) started in May with national supermarket boycotts against price-hikes and made its first collective appearance, in the streets, on May 14th. In Kaunas assemblies were formed by a diverse spectrum of people, students, pensioners, activists, service-workers, etc.—a clear departure from the close-knit activist circles of the past. The assemblies are now the collective organs for future demonstrations and media. Having made my attempt locating common threads that link our conditions internationally, I propose to search out the common struggles against these bonds of tutelage—an uprising beyond and against borders because poverty does not know them.

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[LeftEast](#)

[1] [see also here](#)

[2] Uzunovi?, Agan (2015) “Bosnia: Workers in Banja Luka Protest Against New Labour Law.” Revolution News, 28 December. Viewed on 15 June 2016, from: <http://revolution-news.com/bosnia-w...>

[3] The point of an “on the books” comparison is to say that in both situations immense amounts of debts are accumulated before crisis and then in both cases a hard-line neoliberal austerity plan was advised by the core lending states.

[4] ?avali?, Admir (2015) “Vizija bolje Bosne i Hercegovine: Å ta nam donose ekonomske reforme?” FAKTOR Magazine, 2 August. Viewed on 15 June 2016, from: <http://faktor.ba/vizija-bolje-bosne...>

[5] In the case of Lithuania, labor reforms started in 1992 and there has been continuous push for restructuring to create favorable conditions for Western based FDI capital and local entrepreneurship. In 1998, following the Rouble Crisis, FDI began to surge in the Baltics. In Lithuania, the FDI inflows as a percentage of the GDP were 8.6%. This compares to 0.4% Russia and 4.5% Poland. (See Woolfson, Charles and Beck, Matthias (2003) “The Right to Strike, Labor Market Liberalization and the New Labor Code in Pre-Accession Lithuania.” Review of Central and East

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European Law, No. 1., Vol. 28, pp. 77-102. Also for a comprehensive analysis of neoliberal policies see Harvey, David (2005) A Brief History of Neoliberalism. Oxford and New York: Oxford University Press.

[6] See the European Commission Recommendations for 2016: "Lithuania: The National Reform Program of 2016." Viewed on 15 June 2016, from: <http://ec.europa.eu/europe2020/pdf/...>

[7] Ibid., p.4.

[8] Pal?iauskie?, Liucija (2016) "Åiuolaikin? Lietuva (1991–dabar)." Oficialiosios statistikos portalas. Viewed 15 June 2016, from: <http://osp.stat.gov.lt/web/quest/st...>

[9] V?I pradedamas svarstyti naujas darbo kodeksas." AukstasisMoxlas.lt, 23 April 2016. Viewed on 15 June 2016, from: <http://www.aukstasismoxlas.lt/blog/2016/4/23/vi-pradedamas-svarstyti-naujas-darbo-kodeksas>.

[10] Lithuania: The National Reform Program of 2016" (see footnote 6).

[11] Antic, Marina (2015) "The Movement Needs No Commemoration." Left East Magazine, 13 February. Viewed on 15 June 2016, from: <http://www.criticatoc.ro/lefeast/t...>

[12] Ibid

[13] ?avali? (2015); see footnote 4.

[14] Jukic, Elvira M. (2015) "Thousands Protest Against New Bosnian Labour Law." Balkan Insight, 30 July. Viewed 15 June 2016, from: <http://www.balkaninsight.com/en/art...>

[15] For a full description of the labor code changes in France check out his summary for us here: <http://static1.squarespace.com/static/571a12e92eeb8157703ca847/t/571e1f4ba3360c282c6ead66/1461591884225/Frenchlaborcode.pdf>]

[16] Harvey (2005)

[17] Caffrey, Craig (2015) "Lithuania Plans 35% Increase in 2016 Defence Budget." IHS Jane's 360, 1 October. Viewed 15 June 2016, from: <http://www.janes.com/article/54928/...>

[18] Abromaitis, Adomas (2016) "Lithuania Chooses Priorities." International Policy Digest, 11 January. Viewed 15 June 2016, from: <http://intpolicydigest.org/2016/01/...>

[19] Looking back at a text produced by a UK collective during the 2010 movements against austerity, a quite a prophetic glimpse of the pattern seems to be captured by Salt Collective: "Police and police ideologies are disposed of as the secondary weapons for a state which has lost the ability to make a class deal on the basis of material resources. The public is assured "if you've got nothing to hide you've got nothing to fear", while continuously being instructed to be fearful of "others' from outside "our community", a fear only the state can quench. It's not privacy that needs to be protected, an equally idiotic response to the above riposte, but people's position as protagonists in civil war. We are the "others' – so long as we aren't the bourgeoisie, who own the cameras and who bid for the contracts to install more of them. (Escalate Collective 2012 pamphlet "Salt", p.49. Viewed 15 June 2016, from: <https://libcom.org/files/Salt.pdf>).

[20] In one of the negotiations during the wage dispute, the boss screamed: "I want you out of this country, I want you of this business. You're not even Lithuanian." After me asking "where should I go?" she responded: "there's the same salaries everywhere, leave the country."

[21] Po A. Butkevi?iaus pareiÅikim? visus iÅitiko Åiokas." delfi.lt, 23 February 2016. Viewed 15 June 2016, from: <http://www.delfi.lt/news/daily/educ...>

[22] Kursant? mokymai: pedagog? mitingas baig?si riau?mis." delfi.lt, 7 April 2016. Viewed 15 June 2016, from:

<http://www.delfi.lt/news/daily/crim...>

[23] "Mokytoj? mitinge – vaikai ir lagaminai: ?sp?ja apie rimtus ketinimus" delfi.lt, 15 January 2016. Viewed 15 June 2016, from:

<http://www.delfi.lt/news/daily/educ...>