

Acceptance Speech by Ms. Ingrida Šimonytė, the Prime Minister of the Republic of Lithuania

At the Friedrich-August-von-Hayek- Stiftung

The International Prize Ceremony

September 4, 2022, Berlin.

Dear Professor Köhler, Professor Gerken, Chancellor Schüssel, dear Kaja and Krišjanis, esteemed guests,

It is a great honour to receive the International Prize of Friedrich August von Hayek Stiftung together with my Latvian and Estonian colleagues and dear friends, Kaja and Krišjanis. Thank you!

I take this award as a recognition of our countries' – of my country's – inspiring success story. Some called our peaceful struggle for Independence – and our success in it – a miracle by the Baltic Sea. And maybe it was – a miracle. But one made by the people – their bravery, resolve, endless idealism, devotion, and readiness for an ultimate sacrifice. Still the reason of our success – is that the miracle of independence was followed by a less poetic but almost equally important economic and governance miracle.

The former was driven by a dream and achieved by the whole nation. The later – driven by necessity and achieved thanks to the wisdom of the founding fathers of our restored state, and a hard work and devotion of our new-born public sector.

In slightly over three decades we transited from the ruins of centrally planned economics of the Soviet occupation – to a modern, open, free-market and high-value added economy, a country of rule of law, and a member of the EU, NATO and most recently, the OECD.

With all my Lithuanian modesty, I will never tire repeating: Yes, we - Estonia, Latvia, Lithuania - the Baltics - are true success stories.

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Friedrich August von Hayek was more than just an economic thinker to Lithuanians and other nations taken hostage on the evil side of the Iron curtain. In our eyes, he was the doomsayer of the inevitable demise of the Soviet regime and therefore an intellectual inspiration for the hope and resistance against everything soviet.

3 decades ago, after regaining our independence, we had to deal with the hangover effects of the centrally planned economy. We had an economy, based on agriculture and some huge factories that produced goods of a quality no one would want and in the quantities no one would need. We had no functioning financial institutions, no currency, inflation of up to 1000 percent, almost no natural resources to tap in. On top of that - the Soviet Union introduced an economic blockade aimed to crush our independence.

The lesson that we learned then and that is still relevant today - no matter how big economic hardships are, nobody can crush the will of the free people.

We have successfully overcome extraordinary economic challenges because we have been building our state and economy on the foundations of individual freedom and economic liberty. And... we have always been suspicious about economic dependencies on autocratic regimes.

Today, I can indeed say proudly that we have emerged stronger, more resilient, energy independent state, oriented towards green growth, with an open economy, sound budgetary and sustainable social policies.

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When Lithuania was rebuilding its independent state in the early 90s, I was finishing high school and was in the process of making up my mind what studies to pursue in the university. The economic challenges of rebuilding an independent state played a vital role in my decision to seek degree in economics. My dream was to build Lithuania's economy to the likes of Sweden. Well, it is still a project in making, but we are getting closer.

It is believed that Friedrich August von Hayek got interested in the science of economics because of the belief that fixing states' economics would help to prevent wars.

Unfortunately, some countries, even today, still try to substitute fixing of their economies with a war. As a result, Europe of the 21st century is facing the most brutal and meaningless war since 1945. And there is only one reason for this – the imperialistic, colonialist ambitions of Russia and Mr. Putin, who wants to reassemble the Soviet Union (or the Russian empire) and still sees democracy as the biggest enemy.

It seems incomprehensible that in the 21st century Ukrainians are forced to defend their right to exist as a nation, as a country, which wants to make its own choices. But let's make no mistake - the challenge is much broader and deeper. The challenge is to the whole democratic world and to the very way of our living.

This is a moment when free and democratic nations must show unity and perseverance in defending the shared values and rules-based international order.

I hope that the success stories of the Baltic states will give us strength to carry on with the fight for the world, where individual and economic liberties flourish. Ukrainians are not showing any signs of fatigue in their fight. And neither shall we.

With our resolve and foresight, the wheel of history will keep turning forward, not backward. And many more success stories – like the sisters by the Baltic Sea – will emerge. With our support and help, but most importantly, – with our faith in inevitable victory of the good over the evil. In the miracles of our own doing – sometimes, against all odds.

Thank you very much.