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The First Round Enlargements – Implications for Baltic Security 2(19)/3(20)

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THE LATVIAN INSTITUTE OF INTERNATIONAL AFFAIRS

The Latvian Institute of International Affairs (LIIA) was established on May 20, 1992 in Rīga as a non–profit foundation charged with the task of providing the people of Latvia with information about international events and Baltic security issues. The LIIA is an independent public service institution that organizes lectures, seminars, exchange programs, issues publications, maintains a specialized library, and conducts research relevant to Baltic security interests.

The views expressed by the authors do not necessarily reflect those of the Institute.

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INTRODUCTION

The reader is holding a special issue of the journal "Humanities and Social Sciences. Latvia", published together with the Latvian Institute of International Affairs, which is devoted to Baltic foreign and security policy. The issue contains four chapters written by researchers from the Latvian Institute of International Affairs and Professor D. Loeber from Germany. The LIIA has conducted research on Baltic security policies since 1992, and these projects have looked at these policies from a variety of perspectives. In previous work*, authors have mostly looked at the influence of the international environment on small countries, as they have analyzed the security of the Baltic states. This has preserved a certain continuity in their work, but it has also allowed the researchers to choose specific areas of study depending on the most important international context at the given time.

In 1997 the institute decided to turn to a very important issue in terms of Baltic security. That issue is the integration processes which are occurring to the East and the West of the Baltic region, as well as the question of how they affect the Baltic security situation. The specific matters which are discussed were selected by the authors and are based on the spectrum of their research interests.

Needless to say, integration processes are a dynamic phenomenon, one which cannot be surveyed in its entirety by a single year of research. The articles in this issue of our journal represent only one part of a wider research project. The important events which occurred in Europe over the course of the last year dictated the central issue of our research – the fact that 1997 will go into history as an era of "major expansion". At the beginning of the 1990s two of the most important organizations of Western countries — the EU and NATO — announced that they would open their doors to the post-socialist countries. Latvia, Lithuania and Estonia, for their part, announced that the goal of their foreign and security policy is to join both organizations as full members. It was only in the summer of 1997, however, that the first of the chosen were

announced and the true process of enlargement begun. NATO remained closed to all three Baltic states, while the EU chose to begin membership negotiations only with Estonia. This means that if until 1997 the EU and NATO viewed the three Baltic states as a single geopolitical unit, then now they are applying different scenarios to the integration of the three.

The onset of EU and NATO enlargement is changing the overall face of Europe, and it is encouraging to take a fresh look at the relationship between the Baltic states and Russia. These political processes have also affected the overall direction of research, because we feel a need to answer two questions: What does this first round of enlargement mean for the Baltic states, and specifically for Latvia? What will be the legacy of the expansion and its effect on the Baltic countries?

The article by Atis Lejiņš is devoted to the overall problem. He looks at what EU and NATO enlargement will mean in terms of European and Transatlantic security, as well as the future of new countries. Even though the results of the first round of expansion are not particularly satisfactory for Latvia, it is necessary to assess the resources which must be used on the way to membership in the two organizations, as well as the national strategies which must be elaborated to ensure that when the next round of enlargement arrives, the Baltic states are prepared for it.

EU and NATO development is occurring in a specific international context. The security situation of the Baltic states is improved considerably by the fact that it is part of the Baltic Sea region, which includes both EU and NATO member countries and candidate countries. Among the latter are countries which will join the two organizations quite soon. There is also Russia, which is an integral part of the Baltic Sea region and is also playing a major role in establishing the security-related future of the entire European continent. The article by Žaneta Ozoliņa is devoted to an evaluation of this regional context and to a look at the policies of our important northerly neighbors in their approach to the Baltic states and their movement toward the EU and NATO.

Three Central European countries – the Czech Republic, Poland and Hungary – are the ones which will be able to gain experience in integration as full members of both institutions. Daina Bleiere seeks to evaluate the way in which the accession of the three countries to the EU and NATO will influence the situation in Central and Eastern Europe, especially in terms of the international situation of the Baltic states. She also addressed the issue of how the Baltic countries, including Latvia, should develop relations with the three countries.

Aivars Stranga has spent several years in analyzing the relationship between Russia and the Baltic states. Russia is an important player in global and regional political processes. The present and future of EU and NATO enlargement are also influenced by Russia's approach to the expansion processes and to the two organizations as such. The pace of domestic political reform in Russia is of critical importance here. Baltic prospects for EU and, especially, NATO membership are in large part dictated by the way in which Moscow's relations with the two organizations develop and the attitude which Russia develops vis-a-vis the overall processes of European integration.

It is too early to predict when the Baltic states will become full-fledged members of the EU and NATO. But it is the right time to evaluate various obstacles which exist in the process and the opportunities which the Baltic states have to exploite in order to speed up their movement toward Western European structures. We hope that these articles by our researchers will make at least a small investment in this process.

N. B. The chapters by LIIA researchers were finished between January—March 1998.

* The Baltic States: Search for Security. Eds. A. Lejiņš, D. Bleiere, Riga, 1996. Small States in a Turbulent Environment: The Baltic Perspective. Eds. A. Lejiņš, Ž. Ozoliņa, Riga, 1997.

Atis Lejiņš

THE "TWIN ENLARGEMENTS" AND BALTIC SECURITY

The aim of this chapter is to explore the various aspects of developments in NATO-Baltic relations since 1996 with the aim of offering insights to the various scenarios facing the Baltics and possible future developments. This will be preceded by a brief review of the security aspect in Baltic-EU relations and the key American role in enhancing Baltic security. A study of the security of the Baltic states and the twin enlargements now reshaping the Transatlantic space bring into poignant relief the particular "security problem" of the Baltics as independent states before the Second World War, "former republics of the Soviet Union" yesterday, and neighbors to Russia today.

Introduction

The year 1997 was a momentous year for Baltic security: the EU decided to enlarge by inviting one Baltic country — Estonia — to accession negotiations while at the same time ensuring that the accession process also included the other two Baltic states, Latvia and Lithuania; NATO decided to enlarge eastward by inviting three central European states to join and, while not setting the date for the next enlargement round, nevertheless left the door open for other aspirant states: the three Baltic states were indirectly referred to in the NATO Madrid summit declaration.

The EU and NATO concluded partnership relations with Russia; while the character of the EU-Russian relationship is mainly political and economic in substance, with only indirect security implications, the NATO-Russian Founding Act and the Joint NATO-Russian Permanent Council is "hard" security by definition alone and has direct bearing on Baltic security. The NATO-Russian relationship can be

positive if it averts an East-West confrontation and facilitates Baltic membership in NATO; or negative, if it does the very opposite.

Membership in the EU and NATO are the top foreign security policy priorities of all three Baltic states and these goals have been pursued with equal force by each successive national government since 1991.

At the same time the Baltics, driven by pre-war experiences when they found themselves to be disunited on the eve of World War Two and easy prey to Hitler and Stalin in 1939-40, have been successful in fostering cooperation between themselves: Baltic cooperation has become the most successful example of regional cooperation in Central and Eastern Europe after the break-up of the Soviet empire.

The security implications of Baltic regional cooperation in a wider regional context are examined in other chapters of this book; I will restrict my analysis to the impact of EU and NATO enlargement on Baltic security. It is the thesis of this analysis that the Baltic states are firmly engaged in the EU integration process but less so with respect to NATO. After the EU Luxembourg summit in December 1997 the roadmap to EU membership has become clearer with the "Russian factor" receding in the background; in the case of NATO membership the "correlation of forces" (to use a Marxist term) both in the West and Russia does not presently favor the Baltics. Russian opposition is still strong and the Baltic "lobby" in NATO is basically restricted to that of the USA and Denmark. The role of the USA is key to Baltic membership in NATO.

However, the insecurity of the Baltics is also the insecurity of Europe in the sense that Russian foreign and security policy toward these "former republics of the Soviet Union" is also a barometer of Russia's ability to distance itself from the Soviet past. If Russia considers these states her special domain, and that the incorporation of them into the Soviet Union in 1940 was legitimate, then the European security model based on cooperative security for the next century will become wishful thinking and interstate matters can revert to those that prevailed throughout this century.

This will happen because, as pointed out by Stephen Blank in his

study on NATO enlargement and the Baltic states, any "threat to the Baltic states or acceptance of their diminished security also endangers the other littoral states and thus Europe."[1] Blank cites Volker Ruhe, Germany's Minister of Defense as saying "the Baltic states are the practical testing ground for meeting the challenges of reshaping NATO's missions, territorial scope, the relations between the United States and its European allies, the hoped for partnership with Russia, and, in general, for building the Europe we want to see."[2]

The US-Baltic Charter signed on 16 January 1998, the NATO Madrid declaration, and continual reference to the principle of the open door by NATO member states with reference to the right of the Baltic states to join NATO and Russia's offers of security guarantees to the Baltics in October 1997 attests to the validity of the above cited observations. But recognition of the legitimacy of Baltic security interests is only one part of the Baltic security equation which must add up to the desired end — as aptly put in the Latvian Foreign Policy Concept — "the irreversibility of restored independence:" The missing part is reconciling the hesitancy of most NATO states to actually include the Baltic states in the second enlargement round.

If at the Madrid summit it was vital for the Baltics to get a foot into the doorway, then in the next round it is just as vital to step right through. If the situation arose that the Baltics were to be excluded again then it clearly would be in the interests of the Baltic states that NATO enlargement be postponed until a consensus can be reached over Baltic membership. Here an "unholy alliance" may develop between the anti-enlargement forces in the West and Russia on the one hand and the Baltics on the other hand which desire NATO enlargement.

The second round of NATO enlargement, for a variety of reasons, may in any case not take place again until 2002-2003 as will be examined later, but at that time it is crucial that the Baltics be included for two main reasons: NATO membership would then be possible by 2005 which could quite possibly coincide with Baltic membership in the EU. Second, the credibility of the open door would be overstretched if membership is deferred to a later date after 2005 and after the south-

eastern European states are admitted. Such an imbalance in NATO's enlargement strategy could upset stability in Europe in the sense that NATO's attention would not be focused on the Baltic sea region.

The imbalance could then only be resolved if, as proposed by the Finnish statesman Max Jakobson, Finland and Sweden would join NATO earlier than the Baltics and NATO's security umbrella would be indirectly extended over Estonia, Latvia and Lithuania in a manner similar to the protection of Finland and Sweden during the Cold War.[3]

This option, however, would be very risky for the Baltics; the present indecisiveness of Finland and Sweden with regard to NATO membership as well as the popularly held conviction among NATO states that the Baltics are "indefensible" — meaning that the nuclear umbrella cannot be extended over the Balts — leaves the Baltics in a situation which may result in the end in finding themselves isolated and hence vulnerable.[4]

There are two other possible scenarios: Sweden and Finland together with the Baltic states join NATO in the second round, which would probably also include Slovenia and Rumania; the latter countries alone join NATO in the second round on condition that the two Nordic countries and the Baltics join in the third enlargement phase.

Belonging to the EU Family

Finding themselves placed in the unenviable "Soviet ghetto" — a condition for which the Baltic states themselves are not responsible — initially delayed the Baltics from integrating into the EU. The European Agreements with all three Baltic states were ratified by EU members states only by late 1997 and came into force on 1 February 1998. This was a consequence of the collapse of the Soviet Union in 1991: the other Central and East European EU candidate states broke away from the still-existing USSR already in 1989.

This historically determined timetable, however, does not mean that the Baltics lag behind the other CEE states today. An internal EU Commission note grading the ten CEE states in late 1996 showed that the Czech Republic, Hungary, Slovenia, Slovakia and Estonia were in the first, most economically advanced group. Poland, Lithuania and

Latvia were placed second, while Romania and Bulgaria were deemed to be far behind in meeting membership criteria.[5]

Without the energetic lobbying of her Nordic neighbours the Baltics may have dropped "out of Europe" altogether. On 4 October 1994 the EU foreign affairs ministers meeting in Luxembourg decided to admit CEE ministers responsible for foreign affairs, finance, interior, transport and environment to take part in the so-called "structural dialogue" with the EU. The Baltic states, however, were not on the agenda and hence faced the very real prospect of being split off from the rest of the CEE states into a distinct "former republics of the USSR" category.

Due to the intervention of the Nordic countries (even before their formal admission to the EU) the Balts were put back on the agenda. The then Finnish foreign minister Heikki Haavisto said that "by zeroing in on six countries that have already signed association pacts, the EU risked excluding Lithuania, Latvia and Estonia, which share so much tradition with Scandinavia."[6]

As a result, the EU Trade Commissioner, Sir Leon Brittan, promised to speed up EU association agreements with the Baltics in order to pave the way for membership negotiations. He "hoped that the three Baltic states would all be in a position to sign the so-called European Agreements and thus join the Central European six by the end of the year."[7] Sir Brittan proved over optimistic — the European agreements were signed in June 1995 — but a dangerous strategic gap between the seven central and south eastern and the three north eastern CEE countries was averted from developing.

Mr. Douglas Hurd, the then British foreign minister in his remarks at the meeting indicated the geopolitical disadvantage that the Balts faced. According to diplomatic sources, he said that the proximity of the Baltic countries to Russia gave rise to security problems which could make their membership in the EU hard to accept. After the meeting he explained "we all have great sympathy for the Baltic states, not only in words. But we do not know how the security arrangement will be solved."[8]

The reluctance to admit the Baltic countries into the EU by Germany, France and Great Britain has also been noted in what has now become the classical *treatise* on the Baltic security challenge to the EU and NATO by the RAND analysts Ronald Asmus and Robert Nurick *NATO Enlargement and the Baltic States*. They point out that after the December EU summit in Madrid "Chancellor Helmut Kohl argued that the Baltic states should not be considered in the first wave of EU enlargement because to do so would encourage their desire for a defense guarantee."[9]

The "security arrangement" within the EU membership framework became clearer in the following years and to the benefit of the Baltic states because shifting coalitions spearheaded by the Nordics within the EU acted to the advantage of the Balts. As made clear in the RAND report this position was also supported by the USA. However, the Nordics have not always been united and have themselves shifted sides when perceived national interests have so demanded.

When it came to the question of leaving out the Baltic countries from the first EU enlargement round altogether due to the negative attitude of the major powers in Europe, Finland and Sweden departed from their policy of a common start for all ten candidate states and pushed to have at least Estonia included in EU's first enlargement phase.[10] They succeeded as reflected in the EU Commission Agenda 2000 opinion on Estonia.

Only Denmark, Portugal and Italy maintained the struggle for a common start for all CEE candidates until the "bitter end." According to Agenda 2000 enlargement was to proceed in graded "A" and "B" groups, but the Baltics were not to be in one group. Latvia and Lithuania appeared to be placed in the same group as the south-eastern CEE states Bulgaria and Rumania.

The rationale advanced by the Finns to support their position was that countries such as France and Germany preferred to admit only the three that were being admitted to NATO. "There was no reason to sink the membership project of all Baltic states by insisting on all three."[11] This was foreseen by Asmus and Nurick — if the choice was presented to the Nordic countries of only admitting one Baltic state or none at all, they would opt for the first choice. Germany's support would be crucial,

after which France and Great Britain would follow suit. They also argued that "ultimately" it was in the interests of all three Baltic states if one of them is included in the first EU enlargement round.[12]

After the Amsterdam Commission report, however, the danger immediately arose that only Estonia would break out of the Soviet ghetto. Latvia and Lithuania appeared to fall into a grey area between Poland and Estonia. Furthermore, there was the likelihood that, because of the institutional reform impasse in the EU, Latvia and Lithuania may slide into the "Turkish trap" and wait forever for invitations to begin accession talks. This state of affairs ignited a frenzy of diplomatic activity on the part of Latvia and Lithuania and compelled Sweden to switch sides back to Denmark calling for a common start for all CEE candidates.

The EU Commission recommendation carried the potential possibility of knocking out the corner stone of Baltic security — Baltic cooperation — and throwing the Baltics back to the disunity of the thirties when each Baltic state pursued separate foreign and security policy objectives. This contradicted the EU's professed strong support for regional cooperation schemes — the Barents, Baltic and Black Sea areas, Central European Initiative, various initiatives in the Balkan region, etc., "as factors promoting stability and security in Europe, as well as European integration."[13]

Baltic sea regional cooperation is impossible without close cooperation between the three Baltic states. A free trade agreement, including agricultural goods, is in force and non-tariff barriers were abolished by the end of 1997.

Joint border controls are being built between Latvia and Lithuania and the same are scheduled to be set-up between Latvia and Estonia. No visas are required for Baltic residents travelling between their countries and a common visa regime for third parties is being implemented. The ideal of a Baltic common market leading to an eventual Baltic Customs Union has not been abandoned despite the strains in pursuing security guarantees in the wider EU and NATO context. Baltic cooperation remains the "general rehearsal" for EU membership.[14]

The EU Council in Luxembourg, although it did in the main follow the Commission's recommendation, vindicated in principle the common start approach by deciding "to launch an accession process compromising the ten Central and East European applicant States and Cyprus" which "will form part of the implementation of Article O of the Treaty on European Union."[15]

The EU enlargement scenario will apparently unfold as follows: the accession process will be launched with all ten plus Cyprus on 30 March and accession negotiations with the five "ins" at a later stage. These, however, will in fact mean negotiations on the conditions for their entry, known as *acqui* screening which, albeit on a slower track, will also be done with the five "pre-ins." "Real" accession negotiations for the "ins" may only begin in 1999 unless political ambitions of Great Britain or Austria, which will hold the presidency in 1998, dictate otherwise.

This resembles the "stadium model" compromise proposed by Germany between the competing Swedish and Danish common start or regatta and the "five only" accession model as proposed by the EU Commission.

The significance of the Luxembourg decision is that it made accession of new states an on-going process. With regard to the first five it is significant to note that the "decision to enter into negotiations does not imply that they will be successfully concluded at the same time." The decision continues to say that their "conclusion and the subsequent accession of the different applicant States will depend on the extent to which each complies with the Copenhagen criteria and on the Union's ability to assimilate new members."[16] It does give certain basis for the "B" group of candidates to be able to overtake the "A" group. Hence no state is left isolated in a grey zone.

However, if the first group does hold together — and it probably will since it is not likely that Germany or France would accept Poland or the Czech Republic to be replaced by Latvia or Lithuania — the first five cannot in any case become full members until 2004-5. By then enough pressure should have been built up to fulfil institutional reforms in the EU which should enable it to absorb more than 5 new states. The EU's

main priority — monetary union — will also have been resolved, which should release more energy for Brussels to concentrate on enlargement.

The Luxembourg decision was hailed as a victory by Latvia and Lithuania but left hurt feelings between Sweden and Finland. It also left some hurt feelings between the Baltic states, needless to say. Latvia expressed fears that Baltic cooperation would suffer if only Estonia were to be admitted to the negotiation table. In addition, this would be a signal for Russia and she would try to increase her political and economic influence in Latvia and Lithuania.[17] This ruffled feathers in Tallinn since Estonia protested that she had no intention of abandoning Baltic cooperation.

When the EU Commissioner for Industry and Telecommunications Mr. Martin Bangemann expressed concern about possible rivalry among the Baltic states over prospects for joining the EU and NATO on a visit to Tallinn, the Estonian Prime Minister Mr. Mart Siiman assured him that Estonia's admission would boost the membership prospects of the other two.[18]

Lithuania's relations with Estonia appeared to be more strained. Latvia, though admitting that the Commission's opinion was a "cold shower" for her, never claimed that she was ahead of Estonia except in some areas, for example, pension reform. Lithuania appeared to give the impression that she was, in fact, better than Estonia all across the board. At the close of the summit in Luxembourg the Lithuanian Prime Minister Mr. Gediminas Vagnorius reacted to the offers of help from the Estonian Foreign Minister Mr. Toomas Ilves that Estonia needed as much help as Lithuania. He claimed that Lithuania showed better macro economic data than Estonia and Latvia.[19]

Yet all states should feel satisfied since the Luxembourg Council reaffirmed the basic rationale for the eastward enlargement as determined by the 1993 Copenhagen Council — the consolidation of European security: "The best long-term method of ensuring peace and stability in the region ... lay through bringing this swathe of ex-Communist countries into the EU family, however inconvenient and costly the process might be."[20]

The decision has practically secured the simultaneous or near-simultaneous admission of the Baltics in the EU. Certainly class "B" states will benefit from the lessons of the first five and save valuable energy to better prepare themselves for accession negotiations. East Germany's economic collapse after reunification, despite massive money transfers from West Germany, underscores the need for a long-term solution to CEE backwardness and the need for careful and successful pre-accession preparations.[21]

The Transatlantic Link — NATO

The Baltic states from the very beginning of restored independence quickly made known their enthusiasm to join NATO. The former "enemy" was seen as the sole guarantor of independence against Russia, which was mistrusted and which had troops in all three states inherited from the Soviet era until 1994. Relations with Russia were strained not only because of the presence of the Russian troops which were viewed as symbols of the long occupation, but also because all three Baltic states, particularly Latvia, had to accept that a large number of retired Soviet army officers remain living in their countries as part of the deal in securing the withdrawal of the Russian army. Even worse in the eyes of the Balts, Russia waged an intensive campaign against the Baltics in the international fora alleging gross human rights violations in the Baltic states singling out particularly Estonia and Latvia; the latter, unlike Lithuania, did not grant automatic citizenship rights to the large Russian numbers that had settled in Estonia and Latvia during the occupation.

Much fewer Russians came to Lithuania and hence could not influence national voting results. Only Russians and other minority members who were citizens of Estonia and Latvia before the war were granted citizenship — new-comers had to undergo a naturalization process not unlike that obtaining in the mature democracies.

Two outstanding factors effecting the security of the Baltic states have emerged as a direct result of the Soviet heritage and Russia's chosen Baltic policy: Russia links the signing of border agreements with Estonia and Latvia with citizenship rights for Russians in these coun-

tries and, though she has signed (but not ratified) a border with Lithuania, transit rights to the Kaliningrad enclave (formerly East Prussia) remain dormant in Lithuanian-Russian relations.

Although Russia's procrastination in signing border agreements with Estonia and Latvia cannot hinder these countries from joining the EU as evidenced by the Luxembourg summit to start accession negotiations with Estonia, the case of unsigned or unratified borders with Russia with regard to NATO membership is more problematic.

In addition to the paramount Russian opposition per se to Baltic membership in NATO unsigned borders merge into the larger, rather diffuse image the West has of the Baltics as "indefensible," which, when compounded by the problem of Kaliningrad and transit rights through Lithuania make Baltic accession to NATO a much greater challenge than it was in the case of Poland, Hungary and the Czech Republic.

NATO, until the launching and implementation of the Partnership for Peace Program in 1994, demonstrated a very cautious attitude to the Baltics not unlike that of the EU. An attempt to gain support for a common start for NATO partner countries floundered in 1996 at a meeting of the Nordic and Baltic defence ministers in Lithuania because of divisions between the Nordic ministers. A paragraph in the draft press statement essentially calling for a common start which "would allow NATO to tackle security problems in a comprehensive manner, without creating "grey zones," was deleted from the statement released to the press.[22]

Until 1996 when a number of Swedish anti-tank shoulder-fired rockets were delivered to BALTBAT, the Baltic Peace Keeping Battalion, an unofficial arms embargo was upheld against the Baltics.[23] The Western powers were very careful in their relations with the Baltics: a careful balance appears to have been struck between supporting Yeltsin and his reform policies in Russian internal politics and the nascent Baltic states. The Russian national elections in 1993 and 1996 showed the precarious position of Yeltsin. His victory over the communists and other reactionary forces was, needless to say, also in the interests of the Baltic states.

By the beginning of 1998 the security situation for the Baltic states had nevertheless improved considerably. This is the year when the last Russian military base in the Baltic states, the Skrunda ABM site in Latvia with several hundred military specialists will cease operations on 31 August.[24]

Photographs of Kohl and Chernomyrdin — leaders of the two countries which carved up the Baltic states into spheres of influence on 23 August 1939 — shaking hands with the Baltic prime ministers in Riga on 23 January 1998 at the Council of Baltic Sea States (CBSS) summit projected a mirror image of the improved security climate for the Baltic states.

Yet — parallel to this sense of achievement the question remained unanswered in the Baltic and German mass media why it took the Chancellor so long to come to any one of the Baltic states — and when he finally did come — only within the context of an international conference during which time he held lengthy talks with the Russian prime minister Mr. Chernomyrdin. The obvious answer is, of course, Germany's sensitivities to Russia, but no Baltic politician dared say this — all praised Kohl for coming and stressed that relations with Germany were excellent.

Yet the observation made by Asmus and Nurick in 1996 in the very first sentence of their RAND report that the Baltics and NATO enlargement is "one of the most delicate questions facing the Alliance" is still valid today.[25] Deputy Secretary of State Strobe Talbot during his visit to the Nordic countries in January 1998 affirmed the validity of this observation by saying that ultimately, the Baltic States are "the litmus test for the success of NATO enlargement and for our European policy as a whole."[26]

The Baltic question is delicate because the three states — Poland, Hungary and the Czech Republic — that were invited to join NATO in 1997 were the states least facing a possible threat from a revanchist Russia and are, in addition, not militarily as weak as the three states that need a collective defence insurance policy most of all — Estonia, Latvia and Lithuania.

Yet the logic of winning support for NATO enlargement in the West demanded, as pointed out by President Clinton, that "Enlargement had to start with the strongest candidates or else it would not have started at all." He said that the Baltics will be invited but in the meantime their security would be increased by the initial enlargement because "stability was expanded to their borders."[27]

A Poland in NATO will increase Baltic security simply by bringing NATO's center of gravity closer to the shores of the Baltic countries and hence diminish the isolated "outer edge" or *rand* status of the Baltics. Yet this is not the same as membership. The pressing question for the Balts is to become part of the NATO collective defence system that will dominate Europe in the next century. The attraction of NATO is demonstrated by the desire of its existing members not to leave the organization despite the fall of the Soviet empire. France, after leaving the military committee during the Cold War, wishes to be militarily reintegrated in NATO.

In the wake of the media coverage that followed the signing of the Baltic-American charter a senior U.S. State Department official "rejected a media report in the Baltic states that NATO would not invite the three at that (1999) time."[28] Such statements show that the Baltics are still on the NATO agenda even though they may have been issued to deny that the Baltic-American charter was a substitute for NATO membership and also perhaps as a parrying thrust against France and her allies which are pushing for Romania and Slovenia.

The July Madrid summit communiqué states: "At the same time, we recognise the progress achieved towards greater stability and cooperation by the states in the Baltic region which are also aspiring members."[29] There is no doubt who these states are since Poland is no longer an aspiring member and Finland and Sweden are not yet aspiring members.

Though Romania and Slovenia are named specifically, the wording leading up to them reflects a subtle difference in the perception of these countries: "With regard to the aspiring members, we recognise with great interest and take account of the positive developments towards

democracy and the rule of law in a number of south-eastern European countries, especially Romania and Slovenia."[30]

Undoubtedly Slovenia, holding accession talks with the EU, is an attractive candidate since the geostrategic logic of embracing it into NATO after Hungary becomes a member state is very compelling. Only an Austrian vote to join NATO would perhaps dilute the imperative of admitting Slovenia to NATO. Romania, strongly backed by France, has the perceived disadvantage of being a "Balkan" country.

The Madrid declaration was a "victory" for the Balts brought about by Denmark, Germany, the USA and Great Britain after a protracted struggle between France and her allies on behalf of Rumania and Slovenia. A replay of this scenario may reoccur in the next summit in 1999 with France the main obstacle to the Baltics among the NATO members.[31]

Further, if Russia's opposition to the initial NATO enlargement was a smoke screen for the real battle — stopping the Baltics from joining, then the stakes have been raised now that the three central European states are in. The Russians have now fallen back to their main "line of defence."[32]

Apart from overriding geopolitical considerations, Baltic membership in NATO hinges on two more factors: participation in the Partnership for Peace program and the development of effective national defence forces.

The Partnership for Peace (PfP) program launched by NATO in January 1994 was enthusiastically embraced by Tallinn, Riga and Vilnius. There was no initial scepticism as in the other CEE capitals; in the words of the Estonian ambassador to the EU Mr Clyde Kull, the PfP was an "elegant solution to a complex and evolving problem, or, in other words, the right step in the right direction at the right time (R3)."[33] The reason was, of course, a feeling in the Baltics that they were much more disadvantaged than the Poles or Czechs because of their geopolitical vulnerability.

Interaction between NATO and the Baltic armed services quickly set standards which the latter had to meet in order to comply with the

Individual Partnership Programs (IPP) within the framework of the PfP program. Though the Baltic armed forces had to be organized from scratch, ingrained habits from service in the Soviet military, especially among senior officers, could only be broken by Western training and acclimatization in the Western military environment.[34]

Balts now regularly participate in PfP exercises and in September 1997 the first PfP exercise "Cooperative Best Effort" took place in the Baltic states in Latvia. However, military exercises on Baltic soil with foreign participating countries involving all three Baltic states preceded "Cooperative Best Effort:" since summer 1996 American marines take part in annual "Baltic Challenge" exercises together with national units from the Baltic states now involving over 1000 troops.

Military assistance and training to the Baltic countries comes from individual NATO and non-NATO states coordinated by several steering committees. The latter are made up of defence attaches and other military personnel mainly from Scandinavia, the USA, Great Britain, Germany and, to a lesser extent, France. The steering groups, with overlapping membership, and working together with Baltic military representatives, are responsible for the three joint Baltic military projects. They are BALTBAT, the Baltic peacekeeping battalion, BALTRON, the Baltic peacekeeping naval squadron, and BALTNET, the Baltic air-surveillance and control network. Their headquarters are located in Latvia, Estonia and Lithuania respectfully. But this does not mean that military assistance is limited to these three projects — there are individual assistance programmes for the development of each Baltic country's armed forces.

Many of the countries contributing to the development of these three structures do so in "the spirit of PfP" as part of their commitments as spelled out in their Presentation Documents within the PfP framework, for example, Sweden and Great Britain. The main foreign contributors are the Scandinavian countries, the USA, Great Britain and Germany. Training of BALTBAT began already in 1994 and the three national companies have already participated in SFOR in Bosnia (Lithuanian and Latvian companies) and Lebanon (Estonian company)

separately attached to their hosts — the Danish, Swedish and Norwegian battalions respectfully.

BALTBAT as a unit is in principle ready for operations if assisted by staff elements from other countries. Its problem today is lack of money and lack of a mission as NATO reduces its forces in Bosnia. While more time will be needed to train and equip BALTBAT as a light infantry battalion meeting all the standards of any similar war-fighting unit in the West, it is now the only battalion in the Baltics that meets Western standards and could well fit into any NATO or West European Union (WEU) armed task force. If the concept of CJTF become a reality, BALTBAT could be the Baltic contribution.

Though the steering group for BALTRON began work only in 1996, the squadron nevertheless will be ready in 1998 because the naval personnel have already been trained in various Western schools and exercises, including the yearly BALTAP naval exercises organised by the USA in the Nordic and Baltic seas. Germany's very cautious profile in assisting the Baltic military came to an end in 1997 when she wrested the chairmanship of the BALTRON steering group away from another country which wanted it — Sweden — and refitted the ships she had previously donated to all three Baltic navies after stripping them bare of weapons as previously described.[35]

The easing of the unofficial weapons embargo on the part of the West against the Baltic states was signalled in the summer of 1996 when BALTBAT received older generation Swedish Carl Gustav anti-tank shoulder rockets and when the USA supplied BALTBAT with M16 rifles in 1997, together with 10.000 M14 rifles and ammunition to the Latvian National Guard.

BALTBAT, a Baltic invention and the first Baltic military cooperative endeavor, played a key role in the lifting of the arms embargo: Baltic soldiers could hardly be sent to Bosnia or any other peace keeping or peace enforcing mission without arms.The Israeli willingness to sell modern infantry weapons to Estonia in 1994 and sales of Russian, Polish, Czech and Rumanian weapons to the Baltic armed forces contributed to overcoming the West's hesitancy to arm the Balts. In

addition, by not arming the Balts, the Western democracies faced the prospect of loosing their influence in three small, but strategically important countries.

A new project, BALTDEFCOL was implemented in 1997 with the aim of establishing a defence college in Tartu, Estonia for Baltic middle level officers in 1999. The distinguishing feature of this college will be that officers from other countries may also enrol.

The military aid programs within the framework of the four Baltic integrated regional military projects have approached levels where more coordinated donor efforts are called for. Piecemeal and haphazard assistance in the form of bits and pieces consisting of leftover military equipment is already creating a problem for the fledgling Baltic military services. Maintenance and the growing need of reserve parts for the bewildering array of older generation equipment received from different donor states is becoming a nightmare for the cash-strapped Baltic military.

In order to offset this, BALTSEA, the Baltic security assistance body has been established by the donor states, which, in future, will coordinate military aid programmes for the Baltics. Furthermore,

individual studies by the USA and Sweden have been conducted on the needs of the Baltic states in planning and developing their embryonic defence institutions in order to meet NATO standards. Particular attention must be paid to the development of command structures, tactics, administrative procedures and military doctrine in the Baltic armed forces, areas which have been neglected in the PfP programme.

There is very little point in holding PfP exercises which, no matter how successful, nevertheless do not effect the above-mentioned areas in the Baltic national armed services.[36]

BALTSEA and advanced studies by donor states is a reflection of how, in the space of a few years, an increasingly complex military assistance program on the part of the NATO and non-NATO countries to the Baltic states has developed and grown in scope.

Nevertheless, notwithstanding military assistance to the Baltics on the national level, no Baltic state can yet field one, fully equipped and

trained infantry battalion. Donor states, as a rule, spread their aid to all three Baltic states; Finland, however, has diverted most of her aid to Estonia, while Lithuania has received the bulk of Polish arms and equipment.

A new aspect in the evolution of relations between NATO Partner countries and NATO is the Euro-Atlantic Partnership Council (EAPC). This institution, which supersedes the NACC (the North Atlantic Cooperation Council) has the potential of giving an increased say to Partners in NATO affairs as in the planning of PfP exercises and peace keeping tasks, and may also become a forum for debating NATO defence policy and strategy matters. The Partner Staff Elements (PSE) concept, authorising NATO partner officers to be stationed at the NATO command at Mons and on the regional level could be further developed to open up NATO command structures on the subregional level in Denmark.[37]

If non-NATO Sweden and Finland were to do join the Balts in Denmark, the "strategic home" concept advocated by Ronald Asmus and Stephen Larrabee in *Foreign Affairs* and offered as an interim solution to the problem of the "have-nots", i.e., the Baltics who want, but cannot presently join NATO, would become a reality.[38] After NATO reformed its command structure system, the new subregional North-East Command in Denmark for the first time will be responsible for the whole Baltic sea region. This was proposed by Asmus and Larrabee in 1996 when they said that the Danish command post "would be responsible for security in the region as a whole, not only at NATO's borders."[39]

Sweden and Finland now cooperate with NATO through the Euro-Atlantic Partnership Council and PfP and both states plan to increase this cooperation with NATO in the future. According to the Finnish foreign minister Ms.Tarja Halonen Finland, Sweden and Austria, by not joining NATO can have a significant role to play in the interplay between NATO and aspiring NATO states.[40]

Another aspect of new developments in NATO which have a potential for augmenting Baltic security is an extension of the military

cooperation agreement between Denmark, Germany and Poland to the Baltic states. This agreement was implemented before Poland was invited to join NATO in 1997 and now, in anticipation of Poland's membership in NATO in 1999, the headquarters for the established joint Danish-Germand-Polish corps will be located in Poland.

Military aid is essential if the Baltic states are to qualify for NATO membership. Even though a future invitation to join NATO will be based on political considerations, underdeveloped defence will be a strong card for anti-enlargement proponents in the USA and Europe who will exploit the "indefensibility" argument. Today one can only speculate what the effect on the development of the Baltic armed forces had been if the NATO states most interested in the Baltic region together with Sweden and Finland had stepped in with a considered and coordinated military assistance program already in 1992.

If one takes the positive results of British military training for the Latvian National Guard begun already in that year, then the Baltic states have lost several years in developing their defence, which can now be counted against them in their quest for NATO membership.

The readiness or non-readiness status of the Baltic states to meet NATO membership criteria has already been used in deferring their membership to a later date and influenced political decision making in the Baltic capitals. After the speech given by the then Secretary of Defense William Perry in Copenhagen on 24 September 1996, where he said that the Baltic states are "not yet ready to take on the Article V responsibilities of NATO membership"[41] each Baltic country, in the words of the Estonian Foreign Minister Hendrik Ilves, made a strategic decision: Estonia made joining the EU her main foreign policy goal while Lithuania opted for the very opposite — she doubled her efforts to join NATO. Latvia's position was "not clear."[42]

The author agrees with this assessment except that for Latvia the EU remained the main priority which, however, was not translated into the same level of intense diplomatic activity as carried out by Estonia until after the Amsterdam "cold shower" as already described. Reform of the Latvian armed services was delayed until a new defence minister was

appointed in 1997 and Latvia plans to increase her defence budget, unlike Estonia and Lithuania, which have already done so, only in 1999 after reforms have been implemented.

Estonia achieved her goal but not Lithuania. Unlike the other two Baltic countries, Lithuania waged a full-scale diplomatic initiative eliciting the support of Lithuanian parliament and even the Baltic Assembly to convince NATO that Lithuania should be included in the first enlargement round. The *Seimas* (parliament) issued an appeal to all NATO member state governments "to invite the Baltic states or at least one Baltic state to start NATO accession negotiations together with the first Alliance candidates."[43]

Similarly, the Baltic Assembly at its tenth session accommodated Lithuania's wishes and passed a resolution two days later urging NATO governments and the North Atlantic Council in Madrid to "invite at least one Baltic country to start the NATO accession negotiations together with the first new members of the Alliance," and "to block the way to any attempts to isolate the Baltic states from the full-fledged participation in the processes of Euro-Atlantic integration."[44]

The Lithuanian thrust toward NATO was based on the "Landsbergis doctrine." Formulated at the beginning of 1997, it signalled a shift toward central Europe away from the Baltic states and the perception that Lithuania stood a better chance to join NATO than the two other Baltic states. It was recognised that Estonia's close ties with Finland would help her to join the EU therefore Lithuania, as a central European state with a "strategic relationship" with Poland, would stand a much better chance to join NATO if she would not be considered as an integral part of the Baltics. This was also the viewpoint of the Lithuanian Foreign Minister Algirdas Saudargas who evolved the theory of the "Baltic ghetto" that was hampering the national interests of each Baltic state.[45]

There never was any doubt that the formula "at least one Baltic state" applied only to Lithuania. The Lithuanian parliament when debating its appeal to the NATO states, was unable to answer the question raised by the former prime minister of Lithuania Ms. K.

Prunskiene as to what would happen if, instead of Lithuania, Latvia or Estonia would be nominated first to join NATO? She proposed that taking into account the common Baltic strategic aim of securing stability in the region all three Baltic states should be included in the first round.[46]

After the failure to gain NATO membership, Mr. Landsbergis was subjected to much criticism in Lithuania yet it appears that there has not been a debate on how realistic such a strategy was. Although questions about its validity have been raised, emphasis is put on such negative factors as insufficient time to lobby NATO states, the U.S. Senate and public opinion. In addition, there is a residual hope that Lithuania's "special activeness" will bring "certain dividends in the future."[47]

Earlier the Baltic Assembly in 1995 also had voted for the resolution tabled by Lithuania that "the achievement of one of the three States shall be regarded as the achievement of all three indicates that at least Mr. Landsbergis, who headed the Lithuanian delegation, had already formulated his doctrine.[48]

The Lithuanian thrust was matched by the highest defence expenditure increases in 1997 among the Baltic states. Compared to 1996 Lithuania increased her defence budget by 216%, Estonia by 159% while the Latvian defence budget remained unchanged. The percentage of the GDP was 0.92, 1.22 and 0.68 respectively. Lithuania, unlike Estonia and Latvia, had a better base for her budget since she bought considerable military hardware from Russia before the Russian troop pullout in 1993. In 1998 Estonia's defence spending remained at1.22%, Lithuania was able to increase her defence expenditure to 1.5% of the GDP (augmented by a $35 million loan) but Latvia will only increase her defence expenditures to 1% in 1999 after the military reforms are completed. However, the reforms have released more financial resources for the armed services and improved somewhat defence efficiency. Neither Estonia nor Lithuania were able to gain the support of their parliaments for larger defence expenditures as requested.

Latvia's present minimal defense spending is, however, raising concern in Estonia and Lithuania, as this may negatively reflect on

prospects for the Baltic states to join NATO. The Estonian Foreign Minister Mr. Toomas Ilves noted this concern in a speech on 10 March, 1998 at the University of Latvia in Riga. He based his views on the assumption that in the politics of security, the Baltic states are considered to be a united block and hence not likely to be invited to join NATO on a one-by-one basis. One Baltic country's strong points will work in favour of the other two — and vice-versa.

The American Connection

In his speech at the Latvian Freedom Monument in downtown Riga on 6 July 1994 President Clinton said — "And as you return to Europe's fold, we will stand with you."[49] Subsequent events have borne out this promise. The Clinton administration is more sensitive to the needs of the Balts than was the Bush administration. After his meeting with U.S. secretary of state Warren Christopher on 8 April 1993, Latvia's foreign minister, Georgs Andrejevs, went away with the understanding that Clinton had departed from the previous administration's insistence on siding with Russia, for example, over the "automatic citizenship for Russian speakers" issue.[50]

America played the decisive role in persuading Russia to pull out of the Baltic states. In the talks between Clinton and Yeltsin over the question of Russian troop withdrawal and bases in Latvia the lease of the Skrunda ABM radar base was reduced to four years. Initially Russians wanted to keep Skrunda until 2003, the Liepaja naval base until 1999, and the electronics listening station in Ventspils until 1997. At President Clinton's insistence Russia was left with only a reduced term for Skrunda.[51]

America became involved in the three Baltic military cooperation endeavors already described, becoming the largest contributor to BALTBAT. More significant has been America's assistance in the design of the Regional Airspace Initiative (RAI) leading to BALTNET which will, after implementation, will link the surveillance of Baltic air space to the NATO civil-military air traffic system through Poland. U.S. bilateral assistance to the Baltic states evolved from the internal policy document" *Baltic Action Plan* (which may have its origins, at least

in name and philosophy from the EU Action Plan) and led to the "Charter of Partnership and Cooperation Between the United States of America and the Republics of Estonia, Latvia, and Lithuania."

This document, known popularly as the Baltic-American charter, was signed by President Clinton and the three Baltic presidents in Washington on 16 January 1998. It's essence can best by illustrated by the opinion expressed by the US ambassador to NATO Mr. Robert Hunter at an international conference in Riga: "... the freedom and independence of this country and its sister republics is critically important for the United States. We are not about to stand still for another 51 year period of the violation of the independence of Latvia and its two sister republics."[52]

This sentiment is formulated in the charter as follows: "Europe will not be fully secure unless Estonia, Latvia, and Lithuania each are secure."[53] This is a strong commitment on the part of the United States but it also underscores America's continued commitment to European security and that the best way not the repeat the past experience of sending troops and treasure to Europe when either a hot or cold war has broken out is to achieve, as stated in the charter, a Europe that is "whole and free."

The recognition of the principle that the Baltic states belong to a united and free Europe is an enormous security gain to the Balts: residual Cold War thinking based on the Yalta line that divided Europe in half which had its pedigree in the infamous Molotov-Ribbentrop Pact of 1939 still influences the thinking of important segments of the political elite in the mature Western democracies. On occasion this gives rise to statements that the Baltics belong to Russia's spheres of "concern" or influence.[54] When such attitudes dove tail with thinking in Russia, which sees the Baltic states as a buffer zone between Russia and NATO, the results could be disastrous for the Baltics. As the history of Europe shows, buffer zones are a recipe for disaster.

America, despite a certain degree of domestic scepticism and even opposition, supports the integration of the Baltic states into European and transatlantic institutions and, in addition, also undertakes cooperative bilateral relations with each Baltic country in security and economics. As stated in the Charter, if a Baltic state feels that its "territorial

integrity, independence, or security is threatened it can consult the USA either bilaterally, or, together with the USA, use multilateral mechanisms that already exist for consultations. In the latter case, this could be, for example, Paragraph 8 of the Partnership for Peace Framework Document.

Undoubtedly, the opportunity of security consultations on a bilateral basis with the USA is a significant security asset for three small states that have been more than once pawns in big power politics. Such consultations can weigh more that consultations within NATO's PfP framework. Europeans have a residual tendency not to trust each other. After the inability of the major European states in reaching a common stand during the Bosnian conflagration there is a generally held perception in the CEE states that an enhanced U.S. military presence is more important than any Europeanisation of NATO.

At the same time, the economic dimension should not be undervalued — considerable American investments in the Baltic states will greatly enhance Baltic security. Despite the many opinions expressed that America is turning to China and the Pacific basin countries at the expense of Europe the very elementary truth that Europe is by far America's greatest trading and economics partner assures America's presence in Europe.

The signing of the charter received tremendous international press coverage which by itself alone is a security building element for small and weak states as the Baltics presently are. Future developments will depend on the review mechanism, the Partnership Commission, which will be established to ensure the viability of the principles espoused in the document. The Commission will be represented on the American side by Deputy Secretary of State Strobe Talbot, which signals the importance the Clinton Administration attaches to the Charter.

If historical comparisons must be made, then America is playing a similar role to that which Great Britain had in 1917 and the early twenties in defending Baltic independence. The USA sees the three Baltic states as key to regional cooperation based on the concept of the old Hansa trading area covering North-eastern Europe. Latvia, which processes the

bulk of goods shipped from East to West has dubbed this concept the Amber Gateway; the USA calls it the Northeast Europe Initiative.

This is a new diplomatic initiative launched by the USA at a meeting of the Nordic and Baltic foreign ministers in September 1997. The Initiative has three purposes: "first, reinforcing the U.S.'s own ties with the countries of this region; second, helping the new democracies of the region become stronger candidates for membership in European institutions; and third, increasing cooperation with, and the integration of, Russia."[55] If successful, through trade and commerce Russia, the USA and Europe can compete in a spirit of cooperation in a vast area where the Nordic-Baltic region is the cross-roads. This would finally make the old concepts buffer states and spheres of influence obsolete.

Conclusion

The Baltic states, after a generation of occupation and almost fifty years of life as Russian provinces have done well in building their security since the fall of the Soviet empire in 1991. As reported in the Agenda 2000 Commission opinions all three countries are democracies with stable institutions; Estonia has already a functioning market economy while Latvia and Lithuania show considerable progress toward this end. These are data for 1996. The 1998 report might bring Latvia and Lithuania up to Estonia's level or further. In any case this is a very positive image for "former republics of the Soviet Union," especially when compared to the situation in Russia and the other CIS states.

Though there are few people who would say Russia presents a military threat to the Baltics today, Russia is also the only possible source of threats to Baltic security. The enormous power asymmetry between the three small Baltic countries and Russia predetermines the need for Baltic integration into transatlantic and European institutions.

The Baltic states are now well on their way towards integration into the European Union which would bring about the desired "soft" security guarantees. Membership in NATO is much more problematic and will, in the end, depend on three factors: Russia's readiness to acknowledge Baltic membership in NATO; the Baltic peoples' readiness to accept the policy priority of their elites and costs of membership;

and the readiness of NATO member states to pay for the inclusion of the Baltic states into NATO.

The most serious challenge is that posed by Russia. However, this factor in turn depends on the ability of the West to integrate Russia into Western modes of thinking and behavior, which, needless to say, contrast sharply with Russia's acquired Soviet and Tsarist Russian imperial behavioral code. The crisis that is presently clearly evident in the Commonwealth of Independent States (CIS) has arisen due to Russia's inability in treating her weaker neighbours as equals. Time will tell if the Russian-NATO Permanent Council will be a test of wills between representatives of two different mental paradigms or whether it will lead to cooperation in building a cooperative security regime for Europe in the next century.

The test of wills has already been played out to a considerable degree in the Baltics for the past seven years. Although it is too early to say whether Russia has changed her behavior from threats of economic sanctions, various discriminatory trade measures and coercive diplomacy applied selectively against each Baltic state at different times to a genuine desire to settle issues on the basis of good neighbourly relations, there does appear to be a growing realisation in Russia that the Baltics, as integral parts of the "new West," better serve Russia's interests than weak, unstable frontier states.[56]

The NATO — Baltic issue could be diffused if Russia simply "let the Baltics go" and wished them every success in the quest of NATO membership. This would take off the pressure on the Baltics to rush NATO simply for the reason that Russia opposes it. More energy and treasure could then be devoted to the building of a middle class in these countries, the very backbone of democratic and secure states and the foundation of a credible defence.

The next NATO enlargement may well be carried out one year after the next American presidential elections in 2000. There appears to be a strong case that the NATO summit in 1999 in Washington , which will mark the 50th anniversary of the Washington treaty, will be a "celebratory affair, with the crowning act being the induction of three

new members into the Alliance — Poland, the Czech Republic, and Hungary."[57] Seeing enlargement through was not easy for the Clinton administration and it "will not want any cloud of controversy to be seen or be heard."[58]

Furthermore, the new member states might need to be "digested" in order for NATO to evaluate how it operates with 19 instead of 16 members. If so, the danger for the Baltics might arise that this stage of NATO enlargement could turn into a very long pause, dubbed by some commentators "apausement," which could lead to appeasement, i.e. surrendering to the anti-enlargement lobby in the West and Russia. "Apausment" (with a double 'p') could lead to the end of the open-door concept and thereby "slam" the door shut to Baltic membership as warned by the American commentator William Safire.[59]

However, the 1999 summit is managed, a measured NATO enlargement process may contribute more to the security of the recognised aspirants Estonia, Latvia, Lithuania, Slovenia and Rumania through the "third party deterrence" idea than a hastily mismanaged second enlargement round with only Rumania and Slovenia admitted as members. "Third party deterrence" is a new concept in the Alliance's doctrine which is, in the words of Air Chief Marshall Sir John Cheshire, " the effect that NATO's deterrence posture may have on the thought processes of a would-be aggressor who was contemplating military action against a European country which is not actually a member of NATO ... The more so if his target nation was adjacent to NATO's borders and a participant in the PfP Programme."[60]

In commenting the U.S.-Baltic charter, the *Washington Post* noted that the most important aspect of the charter was the recognition that Estonia, Latvia and Lithuania were not problems to be managed but partners to work with.[61] The question now is whether Russia is ready to recognise them as such not only in word but also in deed? If so, Baltic membership in the "new" NATO, resting on the twin pillars of collective defence and collective security, should not be very hard to accept either in the East or West.

NOTES

[1] Stephen J. Blank, "NATO enlargement and the Baltic States: What Can the Great Powers Do,? Strategic Studies Institute, U.S. Army War College, Carlise, 1997, p. 5.

[2] Ibid, p. 4.

[3] Ann-Sofie Dahl, "Not if but how: Sweden's future relations with NATO," NATO Review, Nr. 3, May/June 1997, p. 22. Ms. Dahl is Secretary General of the Swedish Atlantic Council. She cites Jacobson's proposal as a possible scenario for Swedish NATO membership.

[4] The "indefensibility" of the Baltics has become almost axiomatic and is referred to by many critics of NATO enlargement to the east. See, for example, Lucy Amis and Tasos Kokkinides, "Baltics Pose Wider Issue: Question of NATO Ties Unsettles Russian Relations," *Defence News*, 15 Sept. 1997. They state that "NATO's security guarantee to the Baltics would not be credible. Their geographical location means the alliance could only honor its Article V committments if the Baltics were attacked from the east by threatening to use nuclear weapons." Increasingly, however, analysts are beginning to question the validity of the Baltic "indefensibility" concept. See for example, Robert Dalsjo, "Are the Baltics Defensible?" European Security Studies (Tesla), Defence Research Establishment (FOA), 9 Feb. 1998 (Draft), and Bo Hugemark, "Kan Baltikum foersvaras?" (Can the Baltics be defended), in *Tidningen och vaerlden: En vaenbok till Olof Santesson*, Stockholm, 1998.

[5] Peter Ludlow, *Preparing Europe for the 21st Century: The Amsterdam Council and Beyond*, Centre for European Policy Studies, CEPS 3rd IAC Annual Report, Brussels, 1997, p. 83.

[6] C. Goldsmith, "North Stars: Scandinavians' entry as EU member states could effect policy," *The Wall Street Journal Europe*," 12 Oct. 1994. Also I. Hedstroem, "Svenskt inlaegg fuer oest" (The Swedish contribution for the East), *Dagens Nyheter*, 5 Oct. 1994.

[7] "EU takes step towards admitting Eastern Europe," Reuters, 4 Oct. 1994. Also Hedstroem, Goldsmith, note 6.

[8] Hedstroem, note 6.

[9] Ronald D. Asmus and Robert C. Nurick, "NATO Enlargement and the Baltic States," Survival, vol. 38, no. 2, 1996. With regard to Chancellor Kohl's position they cite (p.128) "Kohl snubs the Baltics," *Financial Times*, 15 Dec. 1995.

[10] Editorial, *Helsingin Sanomat*, 6 Aug. 1997. The paper is a leading Finnish daily and according to the editorial, Estonia is closer to Finland and Sweden than Latvia, not to speak of Lithuania.

[11] Olli Kivinen, "Sweden and Denmark are wrong," *Helsingin Sanomat*, 11 Sept. 1997.

[12] Note 9, p. 134.

[13] Agenda 2000: For a stronger and wider Union, European Commission, Bulletin of the European Union, Supplement 5/97, p. 105.

[14] For an analysis of Baltic efforts toward unity see Atis Lejins, "The Quest for Baltic Unity: Chimera or Reality?" in Atis Lejins and Zaneta Ozolina (eds.), *Small States in a Turbulent Environment: The Baltic Perspective*, Latvian Institute of International Affairs, Riga, 1997.

[15] Luxembourg European council 12 and 13 December 1997 Presidency conclusions, Luxembourg, 13 Dec. 1997, DOC/97/24, Paragraph 10.

[16] Note 15, Paragraph 26.

[17] See, for example, an interview in a Swedish daily with the Latvian Prime Minister Mr. Guntars Krasts; Elisabeth Crona, "EU-osaekerhet splittrar balter" (EU uncertainty splits the Balts), *Svenska Dagbladet*, 21 Oct. 1997.

[18] EU Official Concerned about Possible Rivalry among Baltic States, *Baltic Security: News and View*, RFE/RL 12 May 1997.

[19] Ola Hellblom, "Persson optimist efter EU-toppmoetet" (Persson an optimist after the EU summit), *Dagens Industri*, 15 Dec. 1997. Also Latvian TV reporting on the summit. Previously, the Lithuanian Minister for European Affairs Laima Andrikiene attacked Germany, especially Helmut Kohl for drawing new lines in Europe and claimed that Lithuania and Latvia were not invited to the negotiation table because of Kaliningrad. Her argument was that Germany bowed to Russia's interests not to isolate Kaliningrad from "mother Russia." See L. Andrikiene, "Ne seimynine nuotrauka, o realios deribos" (Not a family foto, instead real negotiations), *Lietuvas aidas*, 29 Oct. 1997. This criticism was tempered by the Foreign Minister Mr. Saudargas which produced strains within the Lithuanian government.

[20] Peter Ludlow, note 5, p. 86.

[21] The problem of CEE backwardness has been highlighted by John Eatwell, Michael Ellman, Mats Karlsson et all, "Not 'Just Another Accession': The Political Economy of EU Enlargement to the East," Institute of Public Policy Research, London, 1997, p. 29. The authors particularly warn against the "East German effect" and need for successful preparations and point out that even if Poland achieves a growth rate substantially higher than the existing members, it will be two or three decades before it catches up with the relative position of Greece today.

[22] Press Statement of the Nordic-Baltic Defence Ministers Meeting, Trakai, Lithuania, 28-29 May 1996. This statement has only 9 paragraphs compared to the 10 paragraphs in the press statement drafted earlier titled Nordic-Baltic Defence Ministers Meeting Communique, same date and place. The missing paragraph reads: " discussed the opportunity to start negotiations between NATO and partners at the same time. Such an approach would allow NATO to tackle security problems in a comprehensive manner, without creating 'grey zones'."

[23] For an analysis of the embargo see Atis Lejins, "Latvia," in Axel Krohn (ed.) The Baltic Sea Region: National and International Security Perspectives, Nomos, Baden-Baden, 1996, pp. 40-60. Navy ships and patrol boats donated by Germany, Norway, and other states were stripped of everything resembling war-fighting capabilities, including mine-sweeping equipment and modern navigation systems. This policy was described as "striptease" by the Latvian naval commander to George A. Joulwan, SACEUR, during his visit to Latvia in June 1995. In 1997 Germany recalled the ships she had donated to Latvia and fully reequiped them, including fire-power systems.

[24] After the radar is shut off, Russia must dismantle the site in 18 months. During this time it will continue to pay USD 5 million for leasing the base.

[25] Note 9, p. 121. Mr. Asmus is now Deputy Assistant of State for European and Canadian Affairs.

[26] Strobe Talbott, "Opening Doors and Building Bridges in the New Europe," Address by the Deputy Secretary of State, The Paasikivi Society, 21 Jan. 1998, Helsinki. The quotation is from an answer to a question about the vulnarability of the Baltic states posed after the lecture. Source, <pv@mfa.gov.lv>, US Baltic/Russia policy: Talbott@Oslo&Helsinki. See also Mr. Talbott's speech with the same title presented to the Nobel Institute in Oslo on 19 Jan. 1998.

[27] "Clinton Responds to Senators' Questions on NATO Enlargement," The White House, Washington, D.C. 12 Sept. 1997, Home, NATO. The answers were addressed to Senator Kay Bailey Hutchison (R-Texas) who led a group of 20 Senators wishing to know how the enlargement of NATO would increase U.S. and European security. See also, "NATO Enlargement: The American Viewpoint," U.S. Foreign Policy Agenda, United States Information Agency, Vol.2, Nr. 4, Oct. 1997.

[28] The offical was unnamed. See Paule Goble,"Baltics: Analysis from Washington — Charter Proves Two Different Patterns Become a Reality," RFE/RL, 19 Jan. 1998.

[29] Paragraph 8, "Madrid Declaration on Euro-Atlantic Security and Cooperation Issued by the Heads of State and Government," NATO Press Release, 8 July 1997.

[30] Ibid.

[31] The role of the four countries in championing the Baltic states was widely written in the press coverage after the Madrid summit. Information about the internal politics in hammering out the declaration was explained to the author by a diplomat taking part in the deliberations.

[32] This view, for example, was formulated by Dmitri Trenin at a conference in Tallinn:" A lot of sophisticated Russians are waging a political battle on the banks of the Vistula river and risking a medium political confrontation with the West with one thing in mind — to avoid having to fight a major confrontation along the banks of the Narva river." The Narva river separates Estonia from Russia. Speech by Dmitri Trenin, "Baltic Security: Taking Stock Before the NATO Summit," Conference organized and proceedings published by the North Atlantic Institute and the International Advisorary Board to the Baltic States, Tallinn, 19–21 February 1997. Unmarked page.

[33] C. Kull, 'Partnership for Peace: where do we stand?' Paper presented at the 10th Annual Strategic Studies Conference "NATO in the 1990's: moving from theory into action," Knokke-Heist, Belgium, 15-18 Sep. 1994.

[34] A. Einseln., Interview with author, Tallinn, 11 Oct. 1994. General Einseln, a former US army colonel, was at that time commander of the Estonian armed forces. According to his experience as Estonian commander-in-chief, only Western Baltic officers or Baltic officers educated in the West could eradicate the particularly cruel Russian brand of hazing and ingrained habits of theft. The former Latvian Defence Minister Mr. Valdis Pavlovskis (a former exile from America) told the author that he discharged in 1994 alone 43 officers and 151 NCO's for this malpractice and other unacceptable conduct, from a total of 6400 men.

[35] According to sources close to the BALTRON steering group, Sweden lost the bid because she was not a NATO country.

[36] The Latvian National Armed Forces (in Latvian NBS) are extremely top-heavy. If a commander of a platoon wants to switch assignments for two machine gunners he must have his order countersigned by the commander of the NBS.

[37] Valdis Birkavs, Minister of Foreign Affairs, Latvia, Intervention at the Meeting of the Euro-Atlantic Partnership Council in Foreign Ministers Session, 17 Dec. 1997, NATO HQ, Brussels, natodoc@hq.nato.int.

[38] Ronald D. Asmus and F. Stephen Larrabee, "NATO and the Have-Nots: Reassurance After Enlargement, *Foreign Affairs*, vol. 75, no. 6, 1996.

[39] Ibid, p. 19.

[40] Speech by Minister for Foreign Affairs Ms. Tarja Halonen, Finland at a think-tank seminar, "Hard and Soft Security in the Baltic Sea Region," organized by the Aaland Islands Peace Institute (Finland) and the Olof Palme International Centre (Sweden), Aaland Islands, 29-31 August 1997.

[41] Remarks as prepared for delivery, William J. Perry, Secretary of Defense, Seminar on the Future of Defense Cooperation Around the Baltic Sea, Copenhagen, 24 September 1996. The then Latvian Minister of Defence Mr. Krastins wrote to Secretary of Defence noting his concern. The Latvian papers widely published the wider context of Mr. Perry's speech,i.e. the Baltic states "are making very good progress in that direction (meeting Article V -author), and that "we should all work to hasten the day that they will be ready for membership," which took much of the sensationalism away from the original reporting from Copenhagen. The remarks were also delivered in Norway, Bergen, at a meeting of NATO defence ministers shortly after.

[42] Response by the Estonian Minister of Foreign Affairs to questions at the conference "The Northern Dimension of the CFSP," organized by the Finnish Institute of International Affairs and the Institut fuer Europaeische Politik, 7-9 Nov. 1997, Helsinki.

[43] Appeal to the Parliaments and Heads of State and Governments of the Member States of the North Atlantic Treaty Organisation, Seimas of the Republic of Lithuania, 24 April 1997, Vilnius.

[44] Final Document, Baltic Assembly, Tenth Session, 26-27 April 1997, Paernu.

[45] The author listened to an expose of the "Landsbergis doctrine" in Vilnius during the seminar "The Baltic Case in European and Trans-Atlantic Integration: Maintaining and Going Beyond a Tri-Baltic Approach," organized by the Institute for EastWest Studies, Institute of International Relations and Political Science Vilnius University, and the Lithuanian Ministry of Foreign Affairs, 26-27 April 1997. Mr. Landsbergis, Speaker of the *Seimas*, gave the keynote dinner address, "The Baltic Identity: its meaning, limits and potential." Mr. Algirdas Saudargas, Lithuania's Minister of Foreign Affairs, gave the opening address. At the seminar the author argued with high ranking Lithuanian MFA officials on the impossibility of admitting only one Baltic state to NATO in the initial enlargement round. For a more detailed analysis of the Lithuanian perspective see Gediminus Vitkus, note 47.

[46] Private communication to the author by an observer attending the Lithuanian parliamentary session.

[47] Gediminas Vitkus, "In the Trap of Alternatives: Lithuanian Security Policies in 1995-1997." Paper for forthcoming book *Baltic Security: Looking Towards the 21th Century* to be published by the Latvian Institute of International Affairs and the Swedish Defence College in 1998.

[48] Resolution on the Principles of Unity of the Baltic States, Baltic Assembly, Seventh Session, 1-2 Dec. 1995, Tallinn. The author attended the session as an observer. The resolution also stated that the misfortune or threat to any one of the three States wouald be regarded as the misfortune and threat to all. At that time, delegates joked that this was a declaration of love between the Baltics.

[49] "US president Bill Clinton visits the Baltic states," *Current Latvia*, special supplement, Latvian Ministry of Foreign Affairs, 11 July 1994.

[50] Atis Lejins, "Latvia in a Post-Cold War Europe (note 2), p. 44. This was the general feeling in the Latvian MFA. The then Foreign Minister Mr. G. Andrejevs, explained the change in the US attitude to the author in a private communication.

[51] There has been no scholarly study of the Russian troop withdrawal from the Baltic states. The author bases his views on informed sources and from the better quality press at that time. The CSCE/OSCE also played an important role in adopting the formula proposed by the Swedish Prime Minister Carl Bildt in 1992 in Helsinki: "rapid, complete and orderly troop withdrawal." However, it was at the meeting between Clinton and Yeltsin in Moscow in January 1992 that Yeltsin agreed to back down on the Russian bases in Latvia. Except for the submarine base in Paldiski, Estonia, which was closed down in 1996, the Latvian bases were the main strategic issue in the Baltic states.

[52] "Round Table Discussion," in P. Apinis and A. Lejins (eds.), *NATO and EU Enlargement: the Case of the Baltic States*, Conference Proceedings, Konrad Adenauer

Stiftung/Latvian Institute of International Affairs, Riga, 1996, p. 78.

[53] See Appendix.

[54] See, for example, Colin S. Grey, "NATO and the Evolving Structure of Order in Europe: Changing Terms of the Trans-Atlantic Bargain," Hull Strategy Papers, No.1, University of Hull, 1997. "For the time being, at least, the Baltics, and other former Republics of the USSR must be regarded within Russia's security space, or sphere of concern (rather than influence)," page 86. Mr. Grey is the former assistant director of the International Institute of Strategic Studies.

[55] Talbott, note 26.

[56] Dr. Andrei Fedorov, head of the Political Studies Foundation in Moscow, surprised participants at the conference, "The Northern Dimension of the CFSP," (note 42) that Russia would learn to live with the Baltics in NATO. Dr. Dmitri Trenin, representing another institute, writes: "If Russia openly campaigns against NATO membership for the Baltic states, it will only encourage their desire to join the alliance, undermine its own relationship with NATO and, in the long run, force Russians to either admit another political defeat or try to implement their threats of confrontation with the West, which is as dangerous a possibility as it is fruitless." Dmitri Trenin, "Baltic Chance: The Baltic States, Russia, and the West in the Emerging Greater Europe," Carnegie Endowment for International Peace, Moscow, 1997, p. 30.

[57] Andrew C. Winner, "An American Perspective," in P. Apinis and A. Lejins (eds.), *After Madrid and Amsterdam: Prospects for the Consolidation of Baltic Security*, Conference Proceedings, 6 Dec. 1997, Riga, to be published by the Konrad Adenauer Foundation and the Latvian Institute of International Affairs in 1998.

[58] Ibid.

[59] William Safire, "The Real NATO Issue," *New York Times*, 16 March 1998.

[60] John Chesire, CINC, AFNORTHWEST, Remarks made at an international conference "Security and Prosperity in the Baltic Region," organised by the Latvian Ministry of Foreign Affairs, Baltic Stability Foundation, International Defence Advisory Board to the Baltic States, and the Latvian Institute of International Affairs, 16-17 Nov. 1997, Riga. The proceedings will be published by the Latvian Institute of International Affairs in 1998.

[61] The Washington Post, Editorial, "Three Baltic Partners," *International Herald Tribune*, 16 Jan. 1998.

Žaneta Ozoliņa

THE IMPACT OF EU AND NATO ENLARGEMENT ON BALTIC-NORDIC COOPERATION

Baltic Sea cooperation is a key to economic and social stability in the new democracies and, by extension, in the whole region.
(Gerard Walter)

Introduction

In previous articles about Baltic-Nordic relations under the framework of the Baltic Sea Region (BSR), I have tried to find answers to several questions that are of importance to the Baltic states. First of all, I have wanted to find out whether a heterogeneous region is being established around the shores of the Baltic Sea — one in which the unifying basic principle is not only geographic location, but also economic, political, social, security and ecological interests. In 1995, when the first processes of the BSR began to emerge, it became important to determine whether the new region consisted only of reciprocal elements, or whether there were signs of cooperation and integration that would signify the establishment of a stable community of nations operating in concert with the leading trends of Europe and thus helping the region's countries to draw closer to the European Union. As the result of research done in 1996 I concluded that the BSR did at that time demonstrate certain trends which signify deeper and broader cooperation, but the level of full integration had not yet been reached. Right now, however, all kinds of reciprocal activities exist in the BSR — activities of various manifestation and various intensity. First of all, the region is seeing stable and increasing integration in which Denmark, Finland and Sweden are involved through their direct participation in the EU. Iceland and Norway, even though they are not

closely involved in EU processes, are nevertheless involved through their participation in the European Economic Area. The integration of these Scandinavian countries and the EU is proceeding at the same time as integration among the Nordic countries themselves. Estonia, Latvia, Lithuania and Poland are currently observers of the integration process and are at the starting line, but there are many types of cooperation among these countries at the regional level, at the tripartite level (the three Baltic states), and at the bipartite level. Russia is a permanent reciprocal partner in the BSR.

There is another trend that has been emerging, however. There are countries in the BSR which are becoming involved in the European integration process more quickly. These are Estonia, Latvia, Lithuania and Poland through their efforts to join the EU, as well as Iceland via its increasing readiness to become involved in the programs of the Council of Baltic Sea States.

The dynamics and the pace of BSR cooperation and integration have been affected (and will continue to be affected) by the major political events of the summer of 1997 — the beginning of EU and NATO enlargement. These are parallel but not identical processes, and they will have a seminal effect on the relationship between the Baltic states and the Scandinavian countries. In this article, therefore, I will try to analyze the changes which have occurred as the result of the first wave of EU and NATO expansion — those which in the near future will affect the bilateral and multilateral relationships that are occurring under the auspices of the BSR. I will also look at the way in which these changes will affect the security situation in the Baltic states.

In the first chapter, I will look at the current level of intensity in cooperation among BSR countries and the future prospects for this cooperation, bearing in mind the various contradictions which exist in the way countries are transforming and integrating in the region, as well as the efforts to adapt to a new and more expanded Europe. Here I will also look at the positions taken by various BSR states vis-a-vis their changing region in a changing Europe.

In the second chapter I will look at the relationship between the

Baltic states and the Nordic countries in the context of EU enlargement. Today the European Union is the most important element in the internal and external political debates that are going on in both groups of countries. The destiny of the Baltic states with respect to possible membership in the EU is largely dependent upon the support of Denmark, Finland and Sweden as the Baltic countries undergo the integration process. This is particularly true with respect to Latvia's and Lithuania's hopes of drawing even with Estonia, which will be the first of the Baltic countries to begin EU membership negotiations.

In the third chapter I will analyze the attitude of Balts and Scandinavians toward the expansion of NATO. Even though the European Union is the dominant topic in the BSR, the future of the military alliance is becoming an increasingly important issue under the framework of Europe's security structure. The Baltic states have said on more than one occasion that they see the future of their own security policies as depending on membership in North Atlantic structures. In Finland and Sweden, meanwhile, there have lately been debates among the public and at the level of the political elite about the links between security policy and NATO. The first wave of expansion in the alliance has brought to accents to the security policies of the Baltic states and the Nordic countries alike.

One indicator concerning the intensity and effectiveness of integration is extent to which there are organized expressions of these processes — i.e., the creation of institutions. For that reason I will devote the fourth chapter to an assessment of existing BSR institutions and the role which they play in the ongoing consolidation of the region and in efforts to draw nearer to European structures.

1. The dynamics of Baltic Sea Region development in 1997

The attitude of BSR countries vis-a-vis the region as such has undergone several periods of increasing and decreasing enthusiasm. The logic of events in this part of the world shows that interest in regional cooperation usually declines at the point when countries find an opportunity to become involved in broader and more significant

entities such as the EU and NATO. When the activities of such institutions recede, however, countries look for opportunities to pursue their national interests under the framework of other unions of countries. I think that at this time the BSR is undergoing its first phase of stability, because all of the political actors involved in the process have accepted the significance of the region on the global scale (the presence of the United States and Russia), on the regional scale (the European Union), on the sub-regional scale (the BSR, cooperation between the Baltic and the Nordic countries), and on the national scale (investments, markets, promotion of democracy, etc.). The attitude of the BSR countries toward participation in a tighter or looser region is no longer dependent upon changing external circumstances, because the formulation of the interests of the various countries is happening in concert with the laws of regionalization and institutionalism.

So why are the 267 political (both governmental and non-governmental) actors in the BSR showing increasing and stable interest in the nearest international environment. One explanation lies in the fact that the BSR is a completely new project, one which did not exist before the collapse of the USSR.[1] If after the Baltic states and Poland saw the region as a "window to Europe" when they first established democratic regimes, then now it has become a "window of opportunity" for all eleven countries in the region, and no country wishes to miss that opportunity.[2]

In terms of ***economic*** development, the BSR is one of the most dynamic regions in the world. According to data from the European Union's second general directorate, in 1997 Poland experienced GDP growth of 6% in 1996, and in 1997 the three Baltic states forecast economic growth of 3.1% in the case of Estonia, 3.5% in the case of Latvia and 5.0% in the case of Lithuania.[3] Even those fairly optimistic predictions were exceeded. According to World Bank forecasts, the true level of GDP growth in the three countries will turn out to be 7% in Estonia, 6% in Latvia and 4% in Lithuania. Interregional trade already amounts to more than USD 100 billion, and it is expected that the volume may triple by the year 2000, then triple again by the year 2010.[4]

One example of the process is the fact that over the last nine years, Danish exports to Eastern Europe have increased by 357%, while imports have increased by 140%. The trade surplus last year was DKK 5.5 billion. If in 1982 exports to Eastern Europe provided 8,000 jobs in Denmark, then now the figure is 28,500.[5]

Let us illustrate the increase in foreign trade through the example of one Baltic state — Latvia. The reader can easily see the overall trend of growth in the process (Table 1).

Table 1

Foreign trade turnover with countries of the Baltic Sea Region

(,000 lats)

Country	Exports	Exports		Imports	Imports	
	I-X 1996	I-X 1997	%	I-X 1996	I-X 1997	%
EU	289,174	397,223	49.6	506,091	675,689	53.4
CIS	236,995	232,259	29.0	247,758	247,718	19.6
Denmark	23,286	30,456	3.8	40,213	44,497	3.5
Estonia	23,296	32,270	4.0	59,525	75,361	6.0
Russia	149,293	163,062	20.4	191,234	194,378	15.4
Lithuania	49,936	59,378	7.4	63,335	81,445	6.4
Norway	4,345	4,754	0.6	13,888	18,892	1.5
Poland	9,203	9,969	1.3	25,834	41,091	3.2
Finland	16,624	12,764	1.6	96,797	124,959	9.9
Germany	90,9753	111,770	14.0	143,110	200,838	15.9
Sweden	42,314	66,095	8.3	82,492	99,633	7.9

Source: Latvijas statistikas ikmēneša biļetens (Monthly bulletin of Latvian Statistics). Rīga: Latvian State Statistical Committee. No. 11(42), 1997, p. 111.

Economic relations are blossoming at all levels. The Union of Baltic Cities, for example, brings together 65 cities around the Baltic

Sea. They participate in a number of projects amongst themselves, or under the umbrella of the Council of Baltic Sea States, dealing with economic, environmental, cultural and other issues. Financing is received from the EU, and this helps the various cities in terms of economic development, as well as in terms of practical movement toward the European Union.[6]

The significant economic potential of the BSR on the global level has been described pointedly by Latvian Foreign Minister Valdis Birkavs: "When I was in Southeastern Asia, I said that I was not inviting people to a market of two-and-a-half million people. I was not inviting them to the Baltic market of 8 million people. I was inviting them to the market of the countries of the Council of Baltic Sea States with 115 million people. The Baltic Sea is a very active region which is continue to develop actively. Many business people feel that the economic potential of the Baltic Sea is greater than that of Southeastern Asia. For that reason, we need a macroeconomic identity in order to convince investors to participate in regional projects, to convince them that there are great future prospects here."[7]

We can say that ***politically*** the Baltic Sea Region has become an area of high stability, if we compare the situation with what was happening two years ago. This is indicated by processes in the various individual countries, as well as by Russia's increasing involvement in the region and Moscow's growing interest to participate as a true partner in the process. There is also the involvement of the European Union in the BSR, which has become real through various concrete projects, programs and financing schemes. The BSR has become a fairly attractive region which has drawn expressions of interest from a variety of countries which are not part of the geographical territory — the United States, Belarus and Ukraine among them. New countries are increasingly being called to political cooperation. During a visit to Paris in October 1996, for example, Finnish Prime Minister Paavo Lipponen expressed the hope that France might play a greater role in the BSR in the future. On the one hand, this can be seen as the internationalization of the BSR, but on the other hand, it can also create the impression that

responsibility for the processes which are occurring in the BSR is being shifted from the shoulders of countries which are involved to the shoulders of some that are not.[8]

Security issues were left off the table for a long period of time. This was partly because of the initially fragile nature of the emerging region at a time when there were fears against threatening the dialogue that had been undertaken and the atmosphere of trust that was being created, and partly because of the security interests of the various countries in the context of an uncertain future for European security. However, since 1992, when formal dialogue began among BSR countries under the auspices of the Council of Baltic Sea States, there has been a harmonization of interests and a search for points of common interest. This has been accompanied by a transformation of the international, and especially the European security system. As a result of this, the security of the BSR has become a permanent issue on the agenda of the region. This has occurred on the basis of several considerations. First of all, the adaptation of European institutions to the new situation on the Continent took place through the opening of these institutions and the involvement of new partners in various events and programs. The Partnership for Peace program, for example, brings together all of the countries of the BSR. Second, the increase in interdependence — something that is a result of globalization and integration — has created a situation where many issues that have normally been considered national in nature have now become regional, and this implies a need for regional solutions. Examples of such problems include the environmental crisis in the Baltic Sea, organized crime, efforts to limit the uncontrolled flow of refugees, control of air traffic space, etc. Third, there have been efforts to create a more favorable international environment in the region, and because this leads to more positive developments in each country individually, this is a process of interest to all of the political actors in the process. This has been noted in *Danish Security Policy*, a document prepared by the Danish Foreign Ministry. The document states that if Denmark is to be able to carry out all of its national interests, it must find itself in a favorable international

environment. The same holds true of all of the countries in the region. The newly open Europe which has emerged since the end of the Cold War offers new opportunities to develop economic, political and security policy which promotes stability in the international environment in which individual countries develop. This is especially true in the Baltic region.[9]

Various ***external factors*** have always played an important role in the creation and development of the BSR. The influence of these factors has not been uniform; it has depended on each specific structure in the international environment.[10] In the early 1990s, it was undeniable that geopolitical considerations in particular brought the countries around the Baltic Sea closer together. As we come toward the end of the century, however, very much different factors are dominating. The intensity of cooperation is dictated by institutional changes in the region itself, as well as by the overall triumph of institutionalism in Europe. The expansion of the EU and its links to the BSR provide evidence of this, as does the fact that the Council of Baltic States has been transformed from a debating forum to a structured organization which finds the EU to be an active participant in various regional projects.

Undoubtedly, however, the most important factor which is stimulating regional cooperation is the **European Union** itself, as well as the prospects for the EU's expansion. The Union has many roles to play in stimulating the integration of the BSR.

First of all, the EU sets a good example in terms of various aspects of regional cooperation. The lesson taught by the EU is that the name of the game in present-day Europe is cooperation and integration. This begins on the sub-regional level and then merges into regional and global patterns. In other words, a sub-region can serve as a necessary precondition for integration into other regional frameworks. The best example of this is provided by the Benelux region, which at one time served as the initial stage for the Western European integration process that eventually turned into the European Community. Ongoing integration processes at the end of the 20th century require the elaboration of new channels of interaction for eligible countries. Regional development has been accepted by the international community as one of the most effective of these channels.

This can be seen as an important reason for why the importance of regional and sub-regional cooperation in post-Cold War Europe has been on the rise. A region is usually defined as an area of geographically proximate states which form mutually related units in the area of foreign affairs. One of the basic underlying principles is the awareness of each participating state that it cannot reach success elsewhere until it has engaged in activity with other members of the region. This means that countries in the region can benefit from cooperation and integration with respect to goals that have been proposed, and they can ensure both their own development and that of the entire region.

Second, from the perspective of the EU, the BSR is an important region — the one in which the next round of expansion will take place. Understanding the existing differences in the economic and social development of the various countries, as well as the fact that institutions in many of the countries do not correspond to democratic traditions, the EU sees its possible contribution to the development of the region as being on two levels. first, the EU will contribute to regional cooperation on the basis of bilateral relations. Second, it will support cooperation among the region's countries themselves. In the area of bilateral relations, the EU has already established lasting and stable relations with those countries which have applied for membership, while at the same time bearing in mind the special role of Russia in the region. The EU's Partnership and Cooperation Agreement with Russia is seen as a resource for the optimization of relations with Moscow.[11]

In the eyes of the EU, the promotion of relations among the countries of the BSR can develop most effectively with the help of the Council of Baltic Sea States. In addition to existing and well-known programs in economic development and strengthening of democracy, the EU is also devoting serious attention to regional development as such. PHARE cross-border cooperation programs, which are meant to stimulate cooperation across borders between the EU and the transition countries are a concrete example of this.

In 1997, for example, the EU awarded ECU 3.2 million (Ls 2.1 million) to Latvia from PHARE program funds for the promotion of cross-border cooperation in the BSR. In a projects competition, 235 proposals were received, and funding was granted to seven: improvement of traffic safety in the Bauska segment of the Via Baltica highway; education of local government employees in regional planning, project management and EU integration; creation of a territorial planning development zone Tampere-Helsinki-Tallinn-Rīga; restoration of lighthouses and pilot lights at Latvian ports; establishment of an air pollution monitoring network in Liepāja, Daugavpils and Rīga; investments in water management and sewage systems in Ainaži and Sigulda; and fostering of cooperation among the Alūksne and Balvi districts in Latvia, the Viru and Pilva districts in Estonia, and the Pechori, Pliskau and Palkin districts of Russia.[12]

Regional cooperation is also being promoted at the city level, something that could help to even out differences in the welfare of towns on the northern and southern shores of the Baltic Sea. The EU has granted financing to the project "UBC Member Cities and the European Union", and this is important in two ways: it is an affirmation of interest in the Baltic region, and it is an affirmation of interest in regional development among cities. The project is supposed to promote cooperation of such towns as Sczeczin, Panevezius, Liepāja, Tallinn and Kaliningrad with such cities as Copenhagen, Rostock, Tampere, Kalmar and Kristiansand, to foster the strategic thinking of officials in these cities in concert with the thinking stereotypes of EU member countries, to promote a deeper understanding about the EU and the opportunities which participation in EU structures can afford, and to provide information about the roughly 200 programs in which candidate countries can become involved, accruing benefits not only for themselves, but also for the region as a whole. This project will allow Baltic cities to harmonize legislation, to compare governing structures in various areas and to assess the effectiveness of these structures, and to consider ways in which local government institutions can affect the EU and vice versa.[13]

Third, the EU is working out its future strategies and operational

priorities with respect to the BSR, and this, in turn is helping the Nordic countries to develop policies in support of the Baltic states, and the Baltic states to harmonize their operational plans to those elements of the EU's Baltic Sea policy which can help the Baltic states eventually to become members of the Union.

What might be the EU's activities and strategic plans in the BSR? EU representatives have accented three major areas of activity in the near term: first of all, the implementation of the European and Free Trade Agreements. These documents have schedules for the effective implementation of mutual concessions in the trade of goods and services; for granting national treatments for the establishment and operation of enterprises; for liberating the transfer of payments; for aligning competition rules and approximating legislation in general. Second, there must be progress in the pre-accession process, gradually leading to an alignment of local legislation, regulations and practices to those of the EU. In order to implement new legislation and regulations, public administration and institutions must be strengthened. Third, on the basis of the European Commission's report on the readiness of countries to undertake negotiations with the EU, the Union wants to help countries to speed up the integration process.[14]

The direct and indirect involvement of the EU in the BSR has affected the views of countries in the region with respect to the region's possibilities and future prospects. Before we come to conclusions about the significance of the region in terms of Baltic security, let us look at how the BSR is seen by the more important actors in the region.

The most important changes in terms of attitudes vis-a-vis the BSR have occurred in **Russia**. For several years, Russia's attitude toward the BSR was dominated by unbalanced and unclear policies which sometimes emphasized a desire to cooperate and other times demonstrated a yearning to dominate the process and to dictate rules of the game. 1997, however, was a year of positive change, and during the case of the year Russia gradually began to demonstrate a desire to establish partnerships with the countries of the region. Of course, the reason for this change is still an open question. We can specify both internal and external

factors which steer Russian policy. Undeniably one of the most important internal factors is the fact that democratic reforms are proceeding, albeit slowly. But a much greater role here is played by external factors. One is the fact that America ha made clear its presence in the region — through the US-Baltic charter, through dialogue with the Scandinavian countries, through a high volume of investment in the Baltic states, through the various aspects of the PFP program, and through NATO expansion into Poland. It is also true that participation in the region opens a wide variety of possibilities for Russia — it is the only region in Europe in which Russia can hope to be an equal partner. Third, the region really is a gate to Europe, both economically and politically, and this allows Russia to integrate into international processes and, to a certain extent, to influence them. Because the BSR is the territory closest to Russia's borders where EU and NATO expansion are taking place, participation allows Moscow to influence the process and to squeeze out as much advantage as possible.

The fact that Russia's interest in the BSR has increased recently is demonstrated by two very important but not identical events:

1) In October 1997 Russia called for a discussion of Russian proposals for a "regional security and stability pact" in the BSR. This came along with offers of security guarantees for the Baltic states. This was an unsuccessful package: there was no doubt that Estonia, Latvia and Lithuania would reject Russian security guarantees, and this overshadowed the larger question of regional cooperation. The proposal remains worthy of attention, however, at least because it is multilateral and open-ended, because it proposed cooperation in a variety of fields (the document contained five economic proposals, six in the area of social concerns and human rights, three in the field of environmental issues, and 11 which are military or political), and because it was based on the principles of the UN and the OSCE — no use of force, respect for the inviolability of sovereignty and frontiers, and the norms of international justice.

2) Russian President Boris Yeltsin's visit to Sweden, which was different from other visits in a number of respects. First of all, this was

the first official state visit at so high a level. Second, the visit took place shortly after the Baltic states learned of the proposed Baltic security and stability pact, which meant that reactions would be forthcoming. And third, during his visit Yeltsin made a series of new offers, among them, that Russia would unilaterally reduce its land-based and naval forces in Northwestern Russia by more than 40% by the beginning of 1999. Yeltsin also proposed various trust-enhancement projects in the frontier regions and waters of the Baltic region. One step, he suggested, could be the establishment of direct telephone lines between the headquarters of the Kaliningrad military region and the headquarters of the Baltic militaries. Russia also proposed mutual inspection of military objects, the establishment of unified air traffic control systems over the Baltic Sea, and to organize joint military transport aviation training. Yeltsin also said that in the future the BSR could become a region of trust, stability and security.[15]

Positive accents in Russia's approach to the Baltic states were largely meant to demonstrate to Sweden that Moscow's democratic orientation was on course and that Sweden could, therefore, continue to develop its relations with Russia. Undeniably, the two countries have interest in each other: Russia needs Sweden's support in international institutions, as well as Swedish investments and transit. Sweden is interested in the Russian market and in the country's internal stability.

Germany has a unique role in the BSR. Bonn was the initiator of regional understanding and cooperation in 1992, when Germany, along with Denmark, issued the first call for the establishment of the Council of Baltic Sea States, thus creating hopes that Germany might be a leading actor in ongoing developments. In the event, however, Germany's links to the region have been mostly economic and cultural in nature. Political and security-related participation has been less active than that of the Scandinavian countries. This may be partly because Germany chose to focus on the countries of Central Europe as objects of integration into the EU and NATO, determining that those states are more important in terms of Germany's national interest. It is also true that Germany is not involved in the BSR so much at the federal level

as it is at the regional level through such political actors as Hamburg, Schleswig-Holstein, Mecklenburg-Western Pomerania, Berlin and Brandenburg. It is precisely from these *Laender* that the BSR receives the most assistance. There is a Baltic Information Office in the Rhineland Palatinate which coordinates these activities, and there are branch offices which promote investment cooperation with the three Baltic states. The state of Hesse contributes through the organization of a large-scale health and industrial safety project. Mecklenburg-Western Pomerania runs an office in Tallinn from which all three Baltic states receive legal advice. Schleswig-Holstein, for its part, has an information office in Tallinn which focuses on environmental protection projects. The German business community, meanwhile, has seen expanding trade with a growth rate of between 30% and more than 50% in various areas of exports and imports, as well as considerable investment potential.[16]

Poland is the only one of the new democracies in the BSR which has been offered membership both in the EU and in NATO. It is a country, in other words, that will be affected by both enlargements. Logically, we can ask whether full links with the two institutions will reduce Poland's interest in participation in the BSR. There are two possible scenarios. The more pessimistic (and less likely) of the two is that Poland's interest in the BSR will decline because geographically it is close to Central Europe, and because it does not want to participate in groups which involve Russia and where conflicts or factors that hamper the implementation of Poland's Europe policy might arise. Poland has been the country which most actively promotes security discussions at the Council of Baltic Sea States, but it has not managed to carry the debate beyond societal security. The fact that the CBSS and other institutions in the BSR simply cannot resolve security problems in any practical way may reduce Poland's interest in regional cooperation.

The second, more optimistic and, in my view, more likely scenario is that Poland's interest in the BSR will remain level or even increase, because Warsaw will have greater influence in the region, as well as in the various countries of the region. There will be an opportunity to

participate in activities which are closely linked to NATO expansion, including the PFP program. The BSR has become a European region, so by merging with the European Union it becomes a region of various opportunities for Poland.

Since very beginning of regional cooperation, the **Scandinavian countries** have been the most active participants in the process. On some occasions they have been more interested in establishing the BSR than have the Baltic states, preoccupied as they are with expansion of the European Union and NATO. After Finland and Sweden joined the EU, pessimists forecast that Scandinavia's activities in the area of regional cooperation might recede, something that would be threatening to the Baltic countries for whom the Scandinavians are the largest investors and most active supporters.[17] In the event, however, quite the opposite happened. Membership by the two Scandinavian countries in the EU enhanced regional cooperation. That happened for several reasons: multiplication of power, as well as financial issues (EU membership provides countries with an opportunity to obtain EU funds for cooperation with eligible countries, especially in terms of cross-border cooperation and regional development).

The EU's Baltic Sea Region Initiative itself is being carried out mostly through the offices of the Scandinavian countries. The interest of the Scandinavians in the region is also dictated by the presence of Russia in the Baltic Sea — something which during the Cold War was the primary issue in Nordic security policy. As European structures are opening up, therefore, it is important to establish rational relations with Russia, which is drawing nearer to Europe rather than distancing itself. In this situation, the Baltic states are very useful as a buffer against Russia's occasionally unpredictable policies. This has become particularly important since NATO's Madrid summit, where NATO announced its expansion plans. The issue concerns how to keep the Baltic states from slipping into the Russian sphere of influence if they are not admitted to the Western alliance. Russia respects the Scandinavian countries, because they provide a bridge for involvement in Western institutions. Other countries, except for Germany, are not as interested

in bringing Russia into Western integration processes. For the Scandinavians, the most complicated question which surrounds efforts to improve the Baltic security situation is how to merge two goals — ascertain that the Baltic states are not left behind the gate in terms of European security structures, while simultaneously integrating Russia to the point where it would no longer be advantageous for Moscow to take any steps against the Balts, as that would destabilize the situation in Russia, as well as in the region.

If we look at the Scandinavian countries as a group, however, we must beware of being too mechanical in seeing them as a single block. In fact the investment of the Nordic countries in the region has been considerably varied. The involvement of Denmark, Finland and Sweden cannot be compared to that of Norway and, especially, of Iceland. I would like to note, therefore, that even if Norwegian activities in regional projects are on the rise, then Iceland's links to the region are very weak. This is indicated both by the volume of investment and by the volume of trade and tourism. The last few years, however, have seen a small but positive increase in Iceland's desire to integrate more actively into the Baltic Sea Region. Preparing for a visit to Finland, Iceland's president, Olafur Grimsson, expressed a few fundamental positions in his country's foreign policy. He said that first of all, small countries must be integrated into European security structures, thus admitting that the Baltic states should be in NATO. Second, Iceland is planning not only to draw closer to the other Nordic countries, especially now that Finland and Sweden have joined the EU, but also to strengthen contacts with the Baltic states. In an interview in the newspaper *Hufvudstadsbladet*, the president said that "... now Iceland wants to emphasize that the Balts are our closest relatives in the Nordic community. Therefore I shall not plan any more visits to European countries until I have visited all three Baltic states."[18]

The **Baltic states** themselves, of course, have the most to gain from regional cooperation — economically, politically and in terms of multilateral security. This is proven by the rapid increase in investments, if nothing else, and I shall illustrate this rise by pointing to Latvia

(Table 2), which among the Baltic states is somewhere in between Estonia with its particularly favorable position and Lithuania, which is lagging somewhat behind its Northern neighbors. For comparison, let us choose 1994, when after the withdrawal of Russian armed forces from Latvia, a more favorable climate for investment flow was created.

Table 2

Direct investment of Baltic Sea countries in Latvia
(,000 lats)

Country	1994	VI 1997
Denmark	45,689.8	99,157.0
Norway	36.1	1,865.0
Finland	3,817.6	11,364.4
Germany	12,002.1	28,002.7
Sweden	5,001.3	16,317.4
Russia	10,288.6	47,573.3
Total	76,835.5	204,279.8

Source: Latvijas statistikas ikmēneša biļetens (Monthly bulletin of Latvian statistics), Rīga: State Statistical Committee of the Republic of Latvia, No. 11(42), 1997, p. 40.

According to statistics, investments from all of the countries in the BSR have been on the rise, and countries which at one time were passive have become more active. The interest of Norway, Finland and Sweden in Latvia has increased to a particularly large extent, and if we look at the dynamics of these developments, then we can conclude that as

Latvia draws closer to the EU, the investment activities of the Nordic countries will increase. Although investments are only one indicator of cooperation, they do represent a significant factor for the promotion of stability, one which provides overall improvements in the security situation of the country and its regions.

One of the specifics of the Baltic Sea Region policies of the Baltic states is that they have all three been fairly cautious in this area so far. There are two main reasons for this. First, there has been no clear sense about Russia's activities and possible policies from Moscow which could hamper the efforts of the Baltic states to draw nearer to European structures. Second, the Baltic states have been careful not to demonstrate an excessively active interest in the BSR, lest this be perceived as a signal in the West that the Balts might accept a new but insufficient security solution in place of the EU and NATO. This is why the Baltic States had regional policies which consumed what was available but were not particularly active in the process. Changes in the attitude toward the BSR emerged in 1996, when Latvia became the presiding country of the Council of Baltic Sea States, and in the summer of 1997, when Denmark, Finland and Sweden lobbied on behalf of the Balts at the Amsterdam summit. This was particularly true of Latvia and Lithuania, because more rapid integration in the region will shorten their path to the EU. Speaking at the conference "The Baltic Sea Region and the European Union" in Rīga on 22 May 1997, Latvian Foreign Minister Valdis Birkavs illustrated this change in policy which has led to new accents in Latvia foreign policy — accents with a bit of modification would also be applicable to the other Baltic countries. If until 1997 integration was a concept that was seen as a fairly abstract process which is taking place in the EU, leaving candidate countries to act as passive observers who want to join the process but do not have the resources for it, then as the actual enlargement process began to develop, Latvia, too, undertook a special responsibility toward the integration process, understanding itself not only as a national unit in international processes, but also as a part of the political processes in the region and even in Europe as a whole. In Birkavs' words: "First, we are

responsible for direction our internal reforms towards the context of Europe and accurately fulfilling all membership criteria. Second, we are involved in Europe's relations with Russia, and as a part of this relationship we are equally responsible for the further development of these relations. Third, we are responsible for cooperation among the states of the Baltic Sea rim."[19]

The Baltic states are currently undergoing a self-identification process in terms of the region in which they are located. Estonia already considers itself to be part of the Nordic group of countries, and it does not have particularly active BSR policies as a result of this. Lithuania is at a crossroads between Central Europe and the union of the Baltic states, and it sees participation in BSR projects as a necessary element in foreign policy, but not as a major priority. Latvia, which is located in the center of the southern shore of the BSR, is actively seeking to be involved in the region and even to search for new development models. The Latvian ambassador in the United States, Ojārs Kalniņš, proposed the idea of Latvia being an "Amber Gate". The idea is based on a suggestion from American officials that the Hanseatic League could be reestablished. A formal proposal to that effect was made in the spring of 1996 by then the American ambassador in Finland, Derek Shearer.[20] Once the enlargement of EU and NATO strategy got underway, however, any regional initiatives were postponed, because as long as it was unclear whether the Baltic states would be invited to start membership negotiations in the first round, any other policies were seen as obstacles on the path to the two institutions. It was only after the historic events of the summer of 1997 — events which were only partly pleasing to the Baltic states — that new consideration was given to the evaluation of expanded opportunities for regional cooperation. The proposal to renew the Hanseatic League, as set forth by the Balts and the Americans, drew a certain amount of responsiveness, but the reinstatement of the old name — the Hanseatic League — was unacceptable to the Nordic countries. It was at that point that the name "Amber Gate" was suggested. The very idea of finding a new name for BSR cooperation was seen as something positive — an attempt to make regional coopera-

tion more active. In fact, however, there is no real clarity about the content of this idea. For the time being, it would mean nothing more than implementing a new and more colorful name for the Council of Baltic Sea States. The Latvian ambassador in America himself feels that the "Amber Gate" could be established on the basis of the CBSS, giving that organization a new mission. It is not clear, however, what exactly that mission might be. Ojārs Kalniņš has emphasized the promotion of economic cooperation and the development of transit routes, as well as the fact that the project would help to establish a regional identity.[21]

Latvia's uniquely great interest in regional projects is linked to two factors. First of all, among the three Baltic states, Latvia is the most oriented toward regional cooperation. Second, it was the presiding country in the CBSS in 1996 and 1997, which obliged it to act as a regional initiator. Latvia wanted to leave something as its legacy, as Sweden did during its presidency via the Visby and Kalmar documents which awarded Sweden a leadership role in the region.

The only new nuance in the "Amber Gate" idea which would set it apart from existing forms of cooperation is that the plan is to involve in the region countries which do not belong to the region in terms of geography, but which have expressed interest in participation. Chief among these is the United States, which is already an observer in the Council of Baltic Sea States. There is nothing to prohibit America from becoming a fully fledged member of the CBSS.

Even though the **United States** are not directly involved in the region, they have an undeniably increasing and significant role. This has been affirmed by politicians of various levels, and America's practical presence in the region has come through investments, participation in the establishment of security and military structures, and, finally, the signing of the US-Baltic Charter. At a seminar organized by the Swedish Institute of Foreign Policy in November 1997, US Deputy Secretary of State Ronald Asmus announced that America had began to implement a new Nordic initiative which involves three of the basic principles of American policy in terms of promoting regional security: help for the Baltic states in their efforts to become powerful candidates

for integration into Western structures; promotion of relations between Northern Europe and Northern Russia — something analogous to the old Hanseatic tradition, when the Baltic Sea was open for free trade — and increasing contacts between the United States and Northern Europe in the form of an all-encompassing coalition. America has invited France and the United Kingdom to participate in the coalition, because the Baltic Sea Region is not solely the responsibility of the Nordic countries.[22]

America unveiled a new element in this initiative in January 1998 through the person of Strobe Talbott, who was then on a visit to Finland.[23] He said that the essence of the new element was to link Russia into European integration processes. The rational nucleus of this policy is to ensure that factors which would hamper or even halt democratic reforms in Russia are not given the opportunity to come to the fore, as well as to promote Baltic efforts to implement their Europe policies — something that until now has been hindered by the unsettled relationship between the Baltic states and Russia, as well as by Moscow's implacable opposition to any steps which the Balts take toward Europe, and especially toward NATO. The BSR is the favorable environment in which Russia could be involved in highly varied and mutually advantageous forms of cooperation — a process which would be supported by the United States by all possible means.[24]

According to Gerard Walter, who is the speaker of the Baltic Sea States Sub-regional Conference and Minister for Justice, Federal and European Affairs of the Land of Schleswig-Holstein, the BSR will have to face up to five major tasks in the near future: "region-building" will have to be built through three action programs; EU member states in the region will have to organize their interests in Brussels in a way which better supports the interests of the BSR when it comes to enlargement, making certain that Baltic Sea cooperation will be supported in the future, when the EU's financial policies and structural funds are reformed, and forming interest groups to promote further integration; support for EU membership for all three Baltic States will have to be given; the idea of an EU Baltic Sea policy will have to be promoted

further; and an approach will have to be found toward security matters in the widest sense of that word.[25]

Closer integration in the region helps to establish the international environment in which the more narrow dialogue between the Baltic and Nordic countries can take place, along with the political process which involves EU expansion and more active cooperation with NATO. Because both sides in this process are organic components of the BSR, they must consider not only their own political interests, but also, to an equal extent, the international setting in this area. As can be seen from the foregoing analysis, there is consensus among the countries of the BSR with respect to two important conditions for Baltic security: a common understanding on the significance of the region at the national, European and global level, and an understanding of the need to increase mutually advantageous cooperation in all areas, including the security sector, as well as of the positive influence of EU enlargement for all individual countries, irrespective of whether they are in or out of the Union, and for the region as a whole.

2. The beginning of EU enlargement and its impact on the relationship between the Baltic and the Nordic countries

The onset of EU enlargement was a test of the claims which had been made in various political forums to the effect that the Baltic states are one of the main foreign policy elements of the Nordic countries. If we look at the brief history of the restoration of Baltic independence, and at the reaction of the Scandinavian countries toward that process, then we see several changes in attitude, beginning with very careful initial attempts to establish bilateral relations (the exceptions here were Iceland and Denmark, which supported the Baltic states even before the restoration of their independence and which did not hesitate to offer them international recognition), and then proceeding gradually toward a much greater interest which eventually went so far as to include the claim that Baltic security is also Nordic security.[26]

EU enlargement was not only a test of political rhetoric, however. It was also linked to a whole range of purely practical issues. First of all, two

of the Nordic countries became members of the EU only in 1995. This meant that Finland and Sweden themselves had to integrate into the institutional system of the EU and to adapt to the various economic, social and other processes which this entailed. Simultaneous national adaptation and the involvement of new candidates in the EU meant the first real step in the move from simpler forms of cooperation to a process of all-out cooperation. The decision by Denmark, Finland and Sweden to help the Baltic states to become members of the EU was the result of the regionalization policies which had been begun earlier and which were expressed by the political elites of these countries in various foreign and security policy documents. In my opinion, a good explanation of the role of the Baltic states in the foreign and security policies of the Scandinavian states — a role which also dictates the increased interest of the Nordic countries to support Baltic membership in the EU — is given by the Swedish security issues expert Ingemar Dorfer, who has used a classification of national interests that was first elaborated by RAND researcher James Thomson to divide interests into vital interests, essential interests and general interests. This distribution helps the Baltic states to avoid any excessive and unjustified illusion that they are the center of the BSR, and it also helps to remind actors in the region that the interests of countries lie above any sympathies which they might have toward freedom-loving small nations. In the Nordic countries this is expressed in the following way: Vital interests are the defense of the nation and of Nordic neighbors; the US presence in Europe; and the preservation of a viable NATO. Essential interests are the security of the Baltic states and Poland; the cohesion and integrity of the European Union; and the expansion of the EU to include Central Europe and the Baltic states. General interests are peace, liberty and prosperity in Europe, including Russia, and non-proliferation of weapons of mass destruction anywhere in the world.[27]

In other words, the Baltic states are part of the essential interests of the Nordic countries, as is support for efforts by the Baltic three to join the European Union. This is a complicated task, at least compared to the process whereby Finland and Sweden joined the Union. It is worth

noting that their path to the EU was relatively smooth, given the level of democracy, welfare and social development in the two countries, as well as the fact that they had had links with the EU since the 1960s. Both factors prepared the way to the European Union long before 1995. The latest wave of expansion, which will include 11 countries, will be very much different from the previous one, and not in any better sense either. This enlargement will involve countries that are not fully formed in terms of their economies, their policies, and their societies. In terms of some statistical indicators, they are far behind existing EU member countries[28], and the enlargement will be considerably more expensive than the previous one, in which countries basically paid for their own admission. The overall cost of the expansion is difficult to calculate, given that there will be enormous social and agricultural expenditures and that there is no clear understanding of the future of the EU's cohesion funds, its regional development promotion funds, etc. It is also true that the previous enlargement did not involve any fundamental institutional reform in the EU. Now it is very difficult to foresee what changes might have to be implemented, how the process will proceed, what might be its overall outcome. During the last round of enlargement it was clearly known that the result of the negotiations would be positive, but now it is difficult to predict the results. An important role will be played by the development of domestic policies in each of the candidate countries, and that means that the expansion will take a long time. Finland submitted its application in 1992 and was admitted in 1995; the experience of Spain, however, proves that a long period of time can pass between the start of negotiations and a country's admission to the Union. Spain first expressed an interest in joining the EU in 1977, but joined only in 1986.

In the previous chapter we discussed the high level of mutual dependency among the countries in the BSR. As EU expansion began, some people asked whether the rapidly developing Baltic states might not become competitors of the countries which are located in the North of the EU. A group of Finnish researchers conducted a comparative analysis of the economic development levels of Finland and the Baltic

states in the broader EU context and concluded that from the perspective of the EU, accession by the Baltic states would not cause significant economic problems for European countries, even small ones such as Finland. In 1995 Finland's gross national product amounted to USD 126 billion; the overall GNP of the three Baltic countries was only 11.3% of the Finnish level. Baltic imports amount to only 28% of Finnish imports, while exports are at only 15.5% of Finland's exports.

These comparisons show that with their low level of GNP, and with their rather modest volumes of foreign trade, the Baltic states cannot cause any major disturbances in the EU framework. Estonia, Latvia and Lithuania have overall exports of some USD 6 billion a year, which is about one-sixth of the Finnish export performance.[29] The volume of Baltic exports to Western Europe is very modest. With an annual export amount to the EU of less than USD 3 billion, the Baltic states can hardly cause any market disruptions.[30] One of the most sensitive issues in the EU, including its approach to candidate countries, is the issue of agriculture. In the Baltic states, the agricultural sector accounts for a fairly large share of GNP, and some think that this will be a controversial issue in the context of EU enlargement. Agriculture, forestry and the fishing industry have a total value of USD 1.15 billion in the three Baltic states — again, a very modest figure when compared to Finland's. In 1995, in Finland, agriculture represented 1.7% of GDP, which represents a value of USD 2.1 billion, while forestry represented 2.7% and USD 2.5 billion. In other words, the total value of agriculture and forestry in Finland is four times higher than the analogous value in Estonia, Latvia and Lithuania taken together.[31] If we put these figures into a wider EU context, they look even more modest. The combined GNP of the three Baltic states is approximately equivalent to 0.15% of the combined GNP of the 15 EU countries. Therefore, close economic cooperation between the Baltic states and the EU can hardly cause any substantial disruptions in the EU region.[32]

The enlargement could have some negative influences on cooperation among the Nordic countries with respect to the Baltic states, and a lack of coordination is already visible. Before July 1997, when the

enlargement became a true political process, the Scandinavian countries which are EU members (Denmark, Sweden and Finland) maintained a unified position vis-a-vis Baltic membership in the Union. Since the Amsterdam summit, however, the unified position, as well as the overall attitude toward enlargement, have proven to be an illusion which collapses as soon as the primary interests of the respective countries come into play.

After the European Commission announced its conclusions about which candidate countries are ready to begin membership negotiations in the EU (Estonia, as we know, was the only one of the Baltic states to make the list), there were the first signs of a split in views in the Nordic countries. In September, the Baltic and Nordic foreign ministers met at Bergen, and during negotiations over the final communiqué of the meeting, Finland took a different position from Denmark's and Sweden's. Finnish Foreign Minister Tarja Hallonen stressed the need to support rapid accession for Estonia, while the other two countries, accusing Finland of diverging from the common stand, emphasized a necessity to put political pressure on the EU and its member countries to encourage a simultaneous start of negotiations for all three Baltic states.[33]

The fairly strict position which Denmark and Sweden took against Finland was criticized in a variety of press publications. One of Finland's most influential newspapers, *Helsingin Sanomat*, commented that "Sweden has good reason to look into the mirror and ask whether the result is more important than its internal political reason or image."[34] Offense was also caused by Norway's clearly stated position that the Baltic states must be kept together. *Helsingin Sanomat* sniped that a country which itself voted down a referendum on EU membership has no moral right to push views upon EU member countries.[35] Finland based its arguments on the idea that Latvia and Lithuania are not as prepared for EU membership as is Estonia, and unrealistic pressure on the EU might hamper early membership for the one Baltic country which is more highly developed. Finland sought to portray its own position as a consistent implementation of *realpolitik*, while arguing that its two neighboring countries were idealistic in their approach. The result of the Luxembourg summit, however,

proved quite the contrary — that even in a seemingly hopeless position, a country which implements balanced and farsighted policies can reach their intended goals. Thus Denmark and Sweden scored a victory over Finland's cautious approach to the idea of putting all three Baltic states on an equal starting line. Even though after Luxembourg Finland claimed that it had never wavered from the idea of a unified start, Helsinki's statements between Amsterdam and Luxembourg testify to the opposite. In an interview with the Latvian newspaper *Diena*, for example, Finnish President Marti Ahtisaari said that the European Commission had stated its views, and Finland agreed with those views. "Those countries are closest to membership, and negotiations, therefore, must be started with them," he said.[36]

A lack of coordination and unified policies has appeared in other areas, too. In the summer of 1997, for example, the Nordic countries could not reach agreement on whether to recognize non-citizen passports from Latvia. Only Denmark recognizes these passports for travel into Denmark under the auspices of the visa-free regime. There is also competition in the trade area. Swedish exports to the Baltic states amount to SEK 3.5 billion, while Denmark's exports amount to SEK 1 billion less. Swedish imports from the Baltic states amount to SEK 6 billion, while Danish imports tally up to only one-third of that sum. Development trends, too, indicate that Denmark will not succeed in reaching Sweden's levels any time soon.[37]

There have also been several instances of conflict between individual ministers. The Norwegian and Danish defense ministries, for example, have been unable to agree on coordinating military cooperation with the Baltic states. In 1996, when Sweden was establishing an international Baltic Sea Council under the auspices of the prime minister's office, it drew complaints from Finnish officials that it was Finland which first started to establish such an institution.

At the 48th session of the Nordic Council, Finland's minister for Nordic cooperation, Ule Norbak, accused Swedish Prime Minister Goran Persson of wanting to grab all BSR policies for himself by claiming that Sweden could coordinate the cooperation.[38]

The process of cooperation and competition among the Nordic countries in their relations with the Baltic states have been characterized by Norwegian specialist Olav Knudsen as follows: "Prevailing in all of these various Nordic policy-making contexts in 1996-1997 were exceptionally strong national competitive tendencies between the Nordic states, rarely seen before in inter-Nordic relations: There was competition to be perceived as the 'leading nation' in organizing Baltic Sea cooperation, competition to be seen as the most solid aid provider for the Baltic states, competition to maintain the Nordic link to the United states, etc., etc. The combined effect of these frictions was to make Nordic cooperation more chaotic in 1997 than at any time in living memory."[39]

There are problems not only with the competition among the Nordic countries, but also with conflicts among various government structures within a single country. This has been noted by British expert Clive Archer, who has written with respect to Scandinavian involvement in the Baltic states that "complementary elements and those of overlap are stronger than those of competition in the Nordic policies. But within the Nordic countries there is some indication that ministries of defense that cooperate with other defense ministries on Baltic matters have not always been in harmony with their own foreign ministries. There can even be differences between the operative element in defense — the defense command — and the policy side in the ministry."[40]

EU enlargement may have a consolidation effect, because as a political and regional institution the EU is linked to the desires of each individual country or group of countries to maximize its resources in the achievement of various goals. If Denmark, Finland and Sweden operate within this system as a unified bloc (which eventually might also include the Baltic states), they have more significant political power. That is the reason for Nordic efforts to use EU enlargement as a cause for consolidation. At a meeting of Nordic and Baltic foreign ministers in Brussels in March 1997, a cooperation plan for this year. The Baltic states will receive DKK 51 million for the implementation of 31 projects in such areas as upgrading of legislation to meet EU standards, support

for non-governmental organizations, and help in the educational, cultural and scientific fields. Each Baltic states will also receive bilateral support. Analyzing the abilities of the Scandinavian countries to consolidate, we see that the EU and the Baltic states both are causative factors in the process. Denmark, Finland and Sweden are playing the decisive role in the integration of the Baltic states with the European Union, and that is impossible without coordination of operations. It is in this way that the Baltic states have become a factor in unifying the Nordic countries and in creating a new identity for Nordic cooperation.

How is Nordic assistance in promoting Baltic strategies for eventual EU membership occurring now, and how might it intensify in the future? The most important element is assistance in preparing the Baltic states for membership negotiations. The Baltic states do not have the necessary knowledge and experience in this area, but Denmark, Finland and Sweden do. If the Baltic states have "Europe policies" which are six years in the making, the Nordic countries can look back on 20 years of experience. The next level involves the expression and defense of Baltic interests at the bilateral level between Nordic countries and other EU member countries, as well as in such EU structures as the European Council, the European Commission and the European Parliament. It is also important to continue to increase investments and to develop multilateral cooperation forms, including in the field of security and military issues. At the political level, it is important to maintain regular dialogue among themselves and with other Baltic Sea Region countries, demonstrating that stability, security and economic welfare in the BSR (a region which is becoming an inseparable part of the EU) is an important issue in terms of Scandinavian interests.

As can be seen from the foregoing analysis, the Nordic countries have made an important investment in helping the Baltic states to draw nearer to European structures. We must also, however, look at the investment which each individual country has made in implementing the European policies of the Baltic states.

Denmark, which is the only Nordic country that is a member of both the EU and NATO, has helped the Baltic states in their efforts to join

both institutions from the very beginning. At the same time, however, we must note that Denmark has not had equal opportunities to support Baltic interests in the EU and Baltic interests in NATO. Looking at Denmark's support policies, we see that they have been more active in the direction of NATO; this is logical, given that Denmark is the only country among the immediate neighbors of the Baltic states which is involved in that organization.[41]

Denmark has helped the Baltic states to draw nearer to the EU in several ways. First of all, Denmark has consistently increased its presence in the Baltic states with economic, political and cultural methods. This is affirmed by the overall volume of Denmark's investments, as well as the regular nature of the investments and their even distribution among the Baltic states. Danish assistance to the Baltic states in 1996 amounted to DKK 2 billion.[42] Assistance has been granted in several areas, starting with joint business ventures, continuing with military assistance, and ending with ecological and educational programs. In environmental protection projects alone Denmark invested DKK 650 million in 1996, and over the next two years the investment will increase to DKK 2.5 billion.[43]

An important new element is financial assistance aimed directly at bringing the Baltic states nearer to the EU. In 1997 Denmark granted DKK 100 million to promote the involvement of the Baltic states and Poland in the EU.[44] Proof of the special status which the Baltic states enjoy in Danish foreign policy is the fact that in 1997 Denmark offered a total of DKK 1.8104 billion in aid to Central and Eastern Europe. In 1995, 44% of assistance went to the Baltic states (7.47% for Estonia, 12.43% for Latvia and 18.68% for Lithuania; for comparison's sake — 17.27% went to Poland and 14.63% to Russia), while the rest was divided by the other countries. In 1997 the percentage increased.[45]

Secondly, assistance is also being granted at the political level. This was reflected most directly by events associated with EU expansion, starting with Amsterdam and ending with Luxembourg. It was Danish Foreign Minister Niels Helveg Peterson who, in commenting on the European Commission's decision to invite only one Baltic state, Estonia, to begin membership negotiations, said that Denmark, Finland and Sweden are in total disagreement with the "Agenda 2000" document. Quite a while before the Commission report, in March 1997, the Danish embassies in the three Baltic states released a report on the condition of the Baltic states and their readiness to integrate with the EU. The document offered precise and in-depth information about processes in the three countries, and the aim was to help the European Commission in preparing its own report. It was stated that Brussels devotes too much attention to shortcomings and to the minorities issue, while economic achievements are given short shrift. Denmark's representatives in Brussels maintain regular and effective contacts with Baltic diplomats. Close contacts have been established at all levels, starting with ambassadors and continuing through various officials at other levels. The result is the Balts have an opportunity to follow what is happening in EU structures. The Baltic states are also invited to participate in Nordic meetings in Brussels.[46] Undeniably, however, the main indicator of effectiveness and success in Danish and also Sweden's policies vis-a-vis the integration of the Baltic states with the EU is the compromise decision that was taken at Luxembourg with respect to two types of membership negotiations — a process which will also involve Latvia and Lithuania in the integration process. The six-month diplomatic marathon that occurred after Amsterdam ended in Denmark's and Sweden's favor, and the greatest benefits of this will accrue to the Baltic states.

Sweden has been able to aim its Baltic states policies directly at the EU, because the future prospects of NATO are still a matter of domestic political debate in Sweden. Sweden's activities in the EU enlargement question correspond to Denmark's position, but the activities have been more single-minded and purposeful. This apparently is the result of Sweden's desire to become a leader in the BSR — something that Sweden has sought to achieve ever since 1996. An orientation toward the EU gave this process true content. One way in which Sweden has supported the efforts of the Baltic states to draw nearer to the EU is promotion of economic activity in the Baltic states

which would help them to reach a higher level of welfare. On the one hand, it might not be worth emphasizing this particular aspect of cooperation, but given the caution which Sweden displayed during its slow entry into the region in 1995 and 1996, the activities in the last year can be seen as an increasing and long-lasting interest in the region and in the Baltic states.

Although economic support has increased, however, Sweden's desire to serve as a leader is difficult to reconcile with the way in which processes have been developing. Only 4% of Swedish exports end up in Eastern and Central Europe (the figure for the EU is two times larger). 1,700 Swedish companies are registered in the Baltic states, but considerably less than one-half of them were actually in operation in 1996. Of large companies, only some 50 have dared to enter the new democracies that exist around the Baltic Sea. Despite political signals, Swedish business circles are hesitating with investments in the Baltic states, Poland and Russia. Swedish investments account for only 3% of total foreign investment in Latvia.[47]

Recently Sweden has changed its investment policies to resemble those of Denmark. Swedish assistance to Eastern Europe, which has been approximately SEK 1 billion a year in the years up to and including 1998, and now the assistance is aimed mostly at helping the Baltic states to prepare for EU membership. What's more, the aid has been focused on programs which seek to enhance security — cooperation among customs departments, police agencies and armed forces. Of interest is a comment by Pierre Schori that assistance to Eastern Europe is a good deal for Sweden, because 90% of the money ends up back in Sweden via the purchase of goods and services.[48]

If in the economic sector there has been a move from caution to active operations, then in the political sector Sweden's support for the Baltic states on the road to EU integration has been just as significant as Denmark's. It should be noted that it is more difficult for Sweden to implement the active support policies, because Sweden's political forces are not as unified as Denmark's on the issue of beginning membership negotiations with all three Baltic states simultaneously. At a meeting of

Sweden's EU Council in September, for example, representatives of the Moderates supported the European Commission recommendation that negotiations be started with Estonia. It is significant that among those to agree with this position is Carl Bildt, who has been a great supporter of the Baltic states. Swedish Foreign Minister Lena Hjelm-Wallenn has said that she cannot understand the position and rejects it. She has gone so far as to complain that Bildt's party colleagues in Germany and Spain are those who are most active in objecting to simultaneous negotiations with all candidate countries.[49] The Baltic states feared that when the Social Democrats came to power, Sweden's favorable policies toward the Baltic states might change, but the enlargement of the EU has provided affirmation that the governing party is not only maintaining the same overall policy course, but it has gone even further — maintaining a strict position in lobbying on behalf of the need to start membership negotiations with all of the candidate countries at once.[50]

Sweden's official position in favor of simultaneous membership negotiations will all of the candidate countries is based on the following arguments: If the Baltic states are split up and some countries are raised above others, this will not promote the pace of reform and will cause some countries to fall behind. For them it will be practically impossible to catch up with the countries that have been put in a more favorable situation This, in turn, will facilitate the creation of first-class and second-class countries, and this will promote a negative attitude toward the EU, as well as increased social tension. This is despite the fact that the decision taken at Luxembourg, which theoretically allows for a unified starting position for all candidate countries, should make all of the candidate countries more active in dealing with various EU-related issues. In 1998 Sweden will establish a special working group at the level of civil servants which will aim to improve Latvia's and Lithuania's situation in the negotiations and to speed up the reform of legal systems in the two countries. It is significant that Sweden is convinced that with its help, all three Baltic states will make considerable progress in a comparatively short period of time. After 1998 Sweden is planning to shift aid from the Baltic states to Northwestern Russia, the Kaliningrad

province, and the northern part of the Barents Sea. That will be done because after a year the 5+3 relationship should turn into normal trade relations, and help will be needed only in specific sectors.[51]

In order to help the Baltic states intensify their policies on the way to the EU, at a meeting of Scandinavian and Baltic foreign ministers in September 1997 in Norway, Sweden came up with a proposal to marshal all possible forces in order to establish a special research group which would develop recommendations on ways to overcome difficulties faced by executive structures in developing EU-related policies. Help would be granted in the form of advice, as well as financing.[52]

After a longer period of silence, the Baltic Sea Council which was established in 1996 under the auspices of the Swedish prime minister's office has become more active again. One of the most important areas of its activities involved the distribution of SEK 1 billion awarded by the Swedish government, the priority being projects aimed at helping countries to draw closer to the EU. 400 candidates applied, which means that interest in links with the region is high.[53] Priority will be given to those applicants whose projects are linked to such sectors as food production, energy systems, education, infrastructure and the environment, who can identify functioning local institutions in the regions where the projects are to be carried out, and whose projects will promote business development and foster democratization in local governments.[54]

A concentrated statement of Sweden's policies vis-a-vis the Baltic states was expressed by Prime Minister Goran Persson in an interview with the newspaper *Die Welt*. He said that the main priority is support for the Baltic states to speed up their integration with the EU, implementing this support through industrial projects, through helping in the battle against organized crime, and through promoting border treaty negotiations between the Baltic states and Russia.[55]

Finland is definitely the one Scandinavian country which has gained the most from joining the EU. This is true in terms of the country's economy, security, social aspects and regional considerations. What has Finland gained in its two years as an EU member? Food prices have

declined by 10%, the unemployment level has fallen, 60,000 new jobs have been created, and Helsinki has gained a chance to participate in the taking of decisions on pan-European issues and to influence those discussions in a real way. Finland has taken advantage of various EU assistance funds to help develop regions of the country which are in a less advantageous position than others. Finland has promoted its various regions and their cooperation with other EU regions. The internationalization of the country has increased. Summing up Finland's relatively brief history in the EU, President Marti Ahtisaari has said that without the EU, Finland would need 10 years to achieve in the international arena that which has now been done in less than three years, establishing relations not only with Brussels, but also with other EU regions.[56] The positive regional experience has facilitated Finland's break with the tradition of concentrating solely on Estonia. Over the last two years, the country has moved very swiftly toward the South, and it has also established a new type of relations with Russia. In 1996 Finland's investments in the Baltic states evened out, and the dynamics of the process changed. In 1996 the Finns were the greatest investors in the region. Since January, the *ENSO* company has operated a packaging company in Rīga at a volume of FIM 45 million. *Neste* has built a chain of gasoline stations, and together with *Statoil* it is building an oil terminal in Rīga that will be worth nearly FIM 0.5 billion. *Telecom Finland* is helping to shape the telecommunications networks of Latvia and Estonia. Finns have made considerable investments in the development of sawmills in rural Latvia (at an overall value of FIM 95 million). And Neste, *Statoil* and *Shell* control 50% of the Latvian gasoline market.[57] Trade between Latvia and Finland is increasing by 20-25% a year.[58]

Although Finland has been more active in the South of the BSR in economic terms, however, in political terms Finland has reaffirmed its position in favor of Estonia, even if it has generally stayed with Denmark and Sweden in support of EU membership for all three Baltic states. This can be explained in various ways. First of all, Finland, compared to the other Scandinavian countries, has been able to implement its own foreign policy, without considering Russia, only since the late 1980s.

This means that in a short period of time Helsinki has had to prove the effectiveness of its foreign policy in order to obtain a respected place in the international system. Finland's economic and political resources do not permit it to be equally active throughout the BSR, or even in a group of countries in the region, so it has chosen the one country to which it is closest, both geographically and in terms of culture. That country is Estonia. Second, from the first days of Estonian independence, Finland has been economically and financially active in the country. More rapid EU membership for Estonia would mean that Finland's investments in the country would go into Western circulation, and that in turn would mean more rapid and greater profits. Third, Estonian membership in the EU would be seen as a direct result of Finnish activities, and this would increase Finland's prestige in the EU, as well as the number of its allies in the Union.

Even though each Scandinavian country which is a member of the EU has its won solutions concerning more rapid links between the Baltic states and the EU, we must conclude that the cooperation which began even before Finland and Sweden were admitted to the Union, and before the Baltic states were invited to begin talks about membership, created a favorable environment for ascertaining that once the European integration process began in earnest, there were more unifying elements than differing elements between the Baltic states and the Nordic countries. EU enlargement will not only bring together in a single institution countries with similar values, but it will also enhance security and stability in the BSR as a whole, because the reform process will be promoted in the candidate countries, as well as in Russia through its special agreement with the EU. A new test for Baltic-Scandinavian cooperation will be implementation of the Luxembourg decisions.

3. NATO enlargement and the reaction of the Baltic and Scandinavian countries

The beginning of NATO enlargement does not play as significant a role in relations between the Baltic and Nordic countries as does EU expansion. This is first and foremost because of the interests of the

Nordic countries themselves. Only one of the three Nordic countries which are in NATO — Denmark — has consistently supported Baltic membership in Transatlantic structures, while the others have been satisfied with internal debates about the future of the alliance about the right of each country to define its security and defense policies independently. Second, irrespective of a country's membership in one or another region, it was clear from the very beginning of NATO's development of an expansion strategy that the Baltic states would not be among the first group of countries to be invited to join. Excessive focus on the Baltic states in this process, in other words, did not promise any political victories. Third, Denmark chose a policy of "active internationalism"[59] vis-a-vis the Baltic states despite a lack of objective conditions for the policy to have any effect. This political choice was linked to the possibility that Denmark might increase its influence in the BSR and obtain a new identity within NATO.

If there is regular dialogue among the Nordic countries with respect to EU enlargement, along with coordination of activities at the regional and the EU level, then the countries have largely stood apart from one another on the issue of NATO expansion and the future prospects of the alliance. Only Denmark and Norway are active in NATO structures. This has to do with the historical tradition of not discussing security issues under the framework of Nordic cooperation, choosing to leave those in the hands of the individual countries. What's more, Finland and Sweden still have not made clear their attitude toward the alliance. All of the Nordic countries are unified in the idea that the Baltic states must be free to choose their own relations with NATO. Because the Baltic states, since 1995, has consistently said that their security policy is aimed at NATO membership, the Baltic Sea neighbors of the three must take this into account. For that reason, it is important to study the reaction of the Baltic states to this aspect of Baltic security policy — the movement toward NATO.

As the turn of the century approaches, **Denmark** has become much more active in its foreign policy, and this can be seen as a yearning to reach and maintain a high international profile. The main way to

actively this involves the neighboring countries of Estonia, Latvia and Lithuania, but it is equally true with respect to many different kinds of processes throughout the Baltic Sea Region. Another test of the high-profile foreign policy came when Denmark, at the United Nations, criticized China for human rights violations. This was a one-off event, however, and Denmark does not have the support of other countries, nor the necessary resources to influence China. The Baltic states are a different case altogether, because they can serve as a systematic and ongoing field of operations in a favorable international environment — the BSR. This means that any investment serves the EU and NATO enlargement strategy.

Even though Denmark is the most active supporter of the Baltic states in security and defense issues, it, like the other Nordic countries, does not want to guarantee Baltic security. This is largely because of the overall understanding of Europe's future security structures. An official document from the Danish Foreign Ministry states that " ... they will not be able to accept such a task. Security in Europe cannot be regionalized, but the regional cooperation structures can make a useful contribution to general stability."[60] This is a far-sighted policy, because Denmark has chosen to offer a replacement for alliance-oriented policies. Rather, it has offered to help the Baltic states to draw nearer to NATO and to prepare for full membership in the alliance. Denmark has actively participated in the development of various assistance programs in this area. Copenhagen has revealed an initiative to establish a coordination group on Baltic security issues, the goal being to make Western assistance more effective. The group would be a form for consideration of Baltic security issues, and it would coordinate assistance in concert with Baltic desires. Such a form, if it existed along with other activities that are already in place, such as bilateral cooperation agreements in the military sector and the Partnership for Peace program, would help the Baltic states to come closer to Western security structures, thus speeding up their preparation for NATO membership. The group would include the Scandinavian countries, as well as Poland, Germany, the United Kingdom and the United States.[61] Denmark also

offers regular assistance in purely practical activities. For example, 100 Baltic soldiers were included in the Nordic-Polish brigade which is participating in peacekeeping operations in Bosnia. In 1998 alone there are plans to implement some 80 joint projects in the field of military cooperation.

Norway, although it is not the most active support of the pro-NATO policies of the Baltic states, has recently been more active in assisting the Baltic countries to establish their security structures. In 1997 Norway proposed a series of ways to intensify cooperation, especially in the military aspect. In May 1997 Norwegian Foreign Minister Bjorn Tore Godal proposed a new foreign policy initiative for stronger relations with the Baltic states, under the auspices of which, with Norwegian and American support, cooperation, especially in the field of security policy, could be expanded considerably. One result of this initiative was that the issue of coordinating assistance was on the table in September 1997, when a meeting of foreign ministers form the Baltic Sea countries met at Bergen. The discussion focused on concrete cooperation projects in economics, politics, security and environmental protection.

Finland is one of the Scandinavian countries which must define its own attitude toward NATO in the new post-Cold War world and the possible role of the country therein. Just a few years ago Finnish membership in NATO was not seen as a security policy alternative. Even though a document that was signed on May 29, 1996, under the auspices of an intensified dialogue between Finland and NATO stated that Finland is not planning to join the alliance and will guarantee its security with independence defenses and a policy on military non-alignment, Finland is well aware of its responsibilities in the security of the region and Europe as a whole. Finland is especially interested in the effect of NATO enlargement on Northern Europe and the BSR.[62]

Not long after, in late 1996 and early 1997, domestic debates about this issue intensified in Finland. One reason why the possibility of Finnish membership in NATO was put on the table precisely at this time was the preparation of a report on European security policy

developments and on preparation of a Finnish defense conception. This report was turned over to the Finnish Defense Council and was not meant for public consumption. This created suspicions about whether plans were afoot to make some kind of shift in the country's traditional security policies. Looking at ideas which appeared in the press and in statements by Finnish politicians, one can conclude that Finland will continue to rely on its own strengths in the defense area, but it will participate in crisis aversion and peace strengthening operations and in the establishment of Europe's future security structures, including perhaps the Western European Union and NATO. From Finland's perspective, NATO membership is not an end unto itself. Cooperation with the alliance is much more important. Politicians have sought out a number of metaphors for this issue — "the door is being kept ajar", "NATO is at the distance of one step by a rooster", "all that remains is to put the plug in the socket", etc.[63] NATO has already become part of Finnish security policy, in other words, albeit only at the level of discussions at this time. There is complete truth in the statement that for Finland, NATO is an issue of political will, not of readiness.

An important shift in the process is the fact that this time the discussion is being supported by the country's political elite. Finnish Defense Minister Anneli Taina, offering a positive assessment of the discussion on potential Finnish membership in NATO, has admitted that the government is keeping several political alternatives in mind, depending on the way in which the security situation develops in Europe and the world. Discussions about the role of the alliance in the future are vitally important to Finland as it deals with security issues.[64]

Finland's cooperation with the Baltic states in defense and security issues has been concentrated on Estonia, which receives help in officer training, defense planning, optimization of administrative structures at the Defense Ministry, and in other areas. Latvia and Lithuania have virtually no contacts of this type with Finland, which can be explained as a result of the self-identification of Finnish security policy in a new world, as well as the result of limited resources.

Sweden is the most cautious of the Scandinavian countries in

defining its attitude toward NATO. Ideas held by the country's political elite, as well as its overall society, have been shaken up, however, by the onset of NATO expansion and by the fact that both NATO and the EU have come into the BSR in which Sweden wants to be the leader. In discussions about Sweden's foreign and security policies, faith in neutrality is still cited very frequently, but since 1996 there have been increasing suggestions that Sweden might undertake a special role as a guarantor of security in the BSR. Reaction to these ideas has been positive in the sense that Sweden obtained a positive image in the eyes of the international public. In Sweden itself, however, the suggestions were rejected.

Sweden's unwillingness to join the alliance is based on a number of arguments: it is easier for Sweden to be active in BSR cooperation if it remains outside NATO;[65] the fact that Sweden is not in the alliance allows it to have a more relaxed dialogue with Russia; the BSR is not a NATO project, but the EU is, so it is better to concentrate in that one direction.

In late 1996 and early 1997, discussions in Sweden about the country's relations with NATO became more active. Along with the well-known position of Carl Bildt that Sweden should reject neutrality and integrate in security structures, other and less traditional views also came to the fore. The newspaper *Svenska Dagbladet*, for example, published the view that discussions about the theme are duplicitous because for the entire post-war period Sweden has based its defense on the idea that the West would quickly come to its aid. Neutrality, holds that view, is a lie.[66] The same issue of the newspaper also contained the results of a public survey which showed that 61% of respondents would accept the idea that Sweden's military defense in the future would become part of the pan-European armed forces. 33% rejected the idea. 55% of respondents felt that Sweden should deepen its cooperation with NATO.[67]

In February 1997, at a debate about foreign policy, Swedish Foreign Minister Lena Hjelm-Wallen introduced the new term "sustainable security", but she did not specify what that term means. The debates

revealed the difference in the views held by Sweden's two most important political parties — the Social Democrats and the Moderates — with respect to NATO. Unlike in previous debates, however, there was a marked shift in the thinking of the governing party, which is beginning to devote more frequent attention to the future of the alliance and to Sweden's relationship with it.[68] The government's foreign policy declaration says that Sweden is developing cooperation with NATO in all sectors except those which involve territorial defense or mutual defense links. In 1998 Sweden will update its defense guidelines, and these will be based on an evaluation of the new international system. Inevitably, Sweden will have to define its attitude toward NATO and its enlargement. The Moderates have released a party announcement, "Security in a time of openness", which stresses that Swedish participation in NATO is a natural thing and a logical continuation of Sweden's traditional efforts to strengthen security. The Moderates say that Sweden must cooperate with the Nordic countries in the military as well as in other sectors, because cooperation with the air forces of Norway and Sweden in the North, as well as with the air force of Denmark in the South and the West would be only "natural".[69]

In the current situation, it must be decided how the ongoing expansion of NATO will influence Sweden, as well as Finland. There are at least four parallel processes which both of the countries must take into account. First, NATO will enlarge to include Poland, but not the Baltic states. As compensation, the Baltic states are already being offered, and will continue to be offered, expanded cooperation with NATO. Sweden and Finland have been invited to participate in this process. Second, the Partnership for Peace program will be expanded and deepened with respect to countries which are not in NATO. Given that the Baltic states, Sweden and Finland are among the more active PFP participants, these processes will bring the Baltic and the non-NATO Scandinavian countries closer together in military cooperation. Danish Defense Minister Hans Haekkerup has spoken of a "decentralized PFP-plus". Third, Sweden is one of the most active participants in international peacekeeping operations. Through the "Europeanization" of the Combined Joint Task Force and NATO, Sweden will be drawn closer to NATO, as will other non-NATO countries. And fourth, by remaining outside the alliance, the Baltic states, along with Sweden and Finland, become an area of strategic interest for the alliance, a region whose security can be facilitated through the fostering of regional security cooperation.[70]

A new turn in the process is Sweden's active involvement in the development of the armed forces of the Baltic countries. Sweden has offered to help develop the Baltic air forces, and it plans to donate used training fighter planes. In connection with a program to reduce the size of its own defense forces, Sweden is going to close three air force bases, and it will no longer have use for approximately 30 SL-60 and Saab-105 training aircraft. Sweden also has a great deal of interest in creating a Baltic Sea monitoring system, and it has presented the Baltic states will three sets of radar equipment for this purpose. Sweden also is interested in mine eradication operations, as well as maritime border control. In Latvia the Swedes are helping with territorial defense planning, and specialists from Sweden participated in the elaboration of the national defense plan for the country. One important Scandinavian-Baltic cooperation project which will take place in the near future and which will play an important role in bringing the Baltic states closer to European structures and NATO will be the establishment of the Baltic Defense College (BALTDEFCOL), where middle-level officers will be trained. Instructors, as well as training programs, will come from Scandinavia, and the goal will be to prepare specialists for work at NATO headquarters. All of the Nordic countries are involved in such international military cooperation projects as BALTBAT, BALTRON, BALTNET and BALTSEA.[71]

Sweden's approach to Baltic defense shifted at the beginning of 1998, when the Swedes decided to provide *Bofors* rockets and launching equipment, as well as a *Bill* anti-tank system worth SEK 20 million, to the Baltic peacekeeping unit.[72]

If we look at the attitude of Baltic Sea Region countries toward NATO and the future of security developments in the region (not

including in this consideration Russia, which is alone in seeking to reject the idea of NATO enlargement), we can specify three possible scenarios for these developments: (a) a soft-security or security regime is established within the BSR; (b) Sweden and Finland join NATO and expand their influence in the Baltic states as member countries of the alliance; (c) Finland alone joins the alliance, while Sweden decides to preserve its neutrality and thus is linked to the Baltic states because of the logic of implementing its security policy. Which of these scenarios will come to pass is dependent on several considerations — the success of the first wave of NATO enlargement, not only from the perspective of accumulating new members, but also on the basis of the alliance's self-identification in the new situation; on Russia's future attitude toward the enlargement of the alliance; and on domestic processes which will be reflected in the foreign and security policies of the various countries which are involved. In any event, the regional security links which have already been stabilized in the military sector, both at the bilateral and at the multilateral level, as well as the cooperation programs which have been offered by NATO — all of these will help to promote the integration of the Baltic states into European security structures, including NATO.

4. Adaptation of organizations which are active in the Baltic Sea Region to the enlargement of the EU and NATO

Formalized forums for international relations are beginning to play an increasing role in the activities of the Baltic Sea Region. If only a few years ago the Council of Baltic Sea States was usually viewed skeptically as a talking forum without any real levers of power which was oriented mostly toward ecological projects, then in 1998 we can speak of a significant unit which perhaps is not really an organization, but it is a union of countries among which there are more unifying than differing views and approaches. If in the early 1990s the Nordic Council was a classic institution involving five countries, then now representatives of the three Baltic states are also active in the organization. If only recently there was discussion about whether the Nordic Council was of any use

at all, then the rapid institutional expansion of Europe has now provided the organization with new areas of activity. It is difficult to compare the two institutions in that the Baltic states are fully fledged members of the Council of Baltic Sea States and only observers at the Nordic Council. In the context of Baltic security, however, it is of course important to evaluate the formalized international relations, and perhaps to utilize them in pursuit of security interests.

After several decades of successful cooperation among the Scandinavian countries under the framework of the Nordic Council, splits appeared in the organization when Finland and Sweden joined the EU. Some Scandinavian politicians began to question whether the Council would remain useful in the future and whether ongoing cooperation would be effective. The fears which were given voice in the early 1990s have proven unfounded, however, because as the diversity of the Nordic countries and their interests vis-a-vis the EU have increased, the Nordic Council has gained a second wind. This is all the more so because of the Council's special responsibility for the future of the BSR. According to the secretary general of the Nordic Council of Ministers, Soren Christensen, the participation of Finland and Sweden in the EU along with Denmark allows the Council of Ministers, as well as the Nordic Council, to serve as a platform for discussions and for the search for common ground on a variety of issues. It is precisely the European dimension which gives new content to Nordic institutions (Iceland and Norway are not in the EU). This means that countries which are not in the EU can follow the course of events with the help of Nordic countries that are in the Union, and they can implement their European policies more actively. The Nordic Council can also serve as a forum for harmonization of the views of EU member countries so that later they can act as a unified political force within the Union — something that is already being done successfully by the Benelux countries, as well as the Mediterranean states and France.[73]

The Nordic Council has expanded its activities in the BSR, and as the range and volume of responsibility has increased, the Council has turned to discussions about its strategy vis-a-vis the neighboring coun-

tries. This is being done with the purpose of separating out those programs which can be carried out at the bilateral level and those which require a multilateral approach. In spite of the fact that there is active cooperation between the Nordic Council and the Baltic states — cooperation which involves the strengthening of democratic institutions, help for the Baltic states in preparing for membership in the EU, business development, improvements in legislation, etc. — the desire of the Balts to become full members of the Nordic Council and the Nordic Council of Ministers has not been fulfilled. The language barrier is cited as a reason why the Baltic states cannot be admitted to the two institutions. This is not a serious argument, however, because the days are long gone when regions were based on geographic, cultural and linguistic considerations. National interests and mutual advantage are much more important factors today. This has been noted by Icelandic President Olafur Grimsson, who has said that even though he is fluent in the "Scandinavian language", Scandinavian unity is not based on language, but rather on the structure and values of the various societies. He added that it is a myth that all Nordic peoples understand each other's languages.[74] The fact that the Nordic Council does not want to admit the Baltic states as members has more to do with the fact that the role of the three countries in Europe is not yet clear, as well as the fact that internal reforms have not been completed and remain unclear, and that the Baltic states do not have sufficient political experience to work inside international institutions.

The Nordic countries themselves are not, however, particularly interested in bringing external problems and tensions into their comparatively harmonized cooperation model, which has been developed over the course of many years. Even in the current situation, cooperation which occurs under the auspices of the Nordic Council must adapt to new challenges in the BSR. There is a network of multilateral and bilateral relations at the level of governments, ministries, sectors and non-governmental organizations, and this is network is virtually impossible to survey. In this context, the issue of what is to be done with traditional institutions such as the Nordic Council and the Nordic

Council of Ministers arises quite naturally. We can only agree with an expert on the BSR, Norwegian Foreign Policy Institute researcher Olav Knudsen, who has written that the two institutions tried to adapt to new circumstances in that in 1995 they put on their agendas consideration of foreign and security policy problems. But these reforms coincided with regional diversification in the policies of these countries: they had to deal with the interests of the BSR, as well as the region of the Barents Sea. A lack of coordination appeared in the cooperation process, and priorities were divided up according to problems and regions, thus reducing interest in the content of cooperation and future prospects among the Nordic countries themselves. The most important consequence in terms of organized Nordic country cooperation was the fact that a great many *ad hoc* organizations sprang up which were not responsible to the Nordic Council or the Nordic Council of Ministers. Such structures as the Council of Baltic Sea States, the Barents Sea Council and the Arctic Council, as well as meetings of prime ministers, and meetings of foreign ministers and defense ministers — all of these occur outside the framework of traditional institutions. If we add the existing and emerging committees and commissions that are being established in the context of NATO expansion, the PFP, and the Euro-Atlantic Partnership Council, then we see that there is a veritable jungle of structures, the rapid development of which does not involve coordination mechanisms with existing organizations.[75] Olav Knudsen has concluded that the increase in the number of missions facing the Nordic countries has been beneficial first and foremost for the governments of the Nordic countries in that it has created a new and more independent space for activity by political leaders in creating new institutions. This means that many tiny insider groups — e.g., the political advisers to ministers — have been able to establish small empires with little or no political control or liability. Even Nordic cooperation has not been able to keep up with these developments.[76]

No radical changes in the attitude of the Nordic Council and the Nordic Council of Ministers toward the Baltic states and the Baltic Sea Region are to be expected in the nearest future. Unquestionably, all

type of cooperation will be fostered, but it is doubtful whether that the two Nordic institutions will invite their Baltic counterparts (the Baltic Council and the Baltic Council of Ministers) to join the existing model of Nordic cooperation.

Unlike the Nordic Council and the Nordic Council of Ministers, the Council of Baltic Sea States is going to face dynamic changes in its future development, especially in the context of EU enlargement. There are more than 500 projects under the framework of the CBSS at this time. The most important of these: efforts to overcome economic differences between the Eastern and Western shores of the Baltic Sea, and creation of a macroeconomic identity for the region, which would mean that the BSR is perceived as a unified economic region. Several projects important to Baltic Sea countries have also been launched: the creation of a Baltic Sea electricity ring, and research in the possibility of a gas ring, too.

During the Swedish presidency in 1995 and 1996, the CBSS elaborated an "Action program" which Latvia, in turn, sought to implement during its presidency in 1996 and 1997. This was the first effort to turn a discussion forum into a platform for practical cooperation which would promote the emergence of the organization as a regional structure.[77] When Denmark took over the presidency of the CBSS in 1997, it inherited several fully operational working groups: 1) economic and technical cooperation (chaired by Germany); 2) a democratic institutions support group (Latvia); 3) nuclear safety and radiation (Finland). A very active special working group, which was established at Visby, deals with organized crime. The initiator of that process was Germany, which expected an inflow of criminal structures into Germany through its eastern border. That group operates at the highest level of government — interior ministers, their deputies or state secretaries, and advisers to prime ministers. The effectiveness of this group is linked to the fact that a very clearly defined goal has been set, and a specific time table has been declared. The brief of the group was extended after a meeting of heads of government in Rīga in January 1998.

The second important element which Latvia created during its

presidency was political activity toward the establishment of a permanent secretariat for the CBSS. Discussions about the site for the secretariat took up about a year. One of the applicants was Denmark, which argued that its existing Secretariat of Democratic Institutions and the Human Rights Commissar could serve as a basis for the permanent structure. Another recommendation, however, was that the secretariat be sited in one of the Baltic states, which would accrue greater benefits in political and economic terms. The recommended choice was Estonia, given its geographic links to the Scandinavian countries and Russia. A secondary aim was to avoid an excessive concentration of governing structures of international projects in the Latvian capital city of Rīga. Many structures are placed there because of the city's advantageous geographic location. In the end, however, Tallinn withdrew its candidacy, and the final decision in the diplomatic game was to put the secretariat in Stockholm, which is now the leader in of the BSR not only in terms of involvement, but also from the institutional aspect.

A third project, which Latvia inherited from Sweden, was the regular meeting of the heads of government of the CBSS, which was supposed to take place in the summer of 1997. By tradition, the meeting should have been held in Denmark, which had already taken over the presidency. But, understanding the importance of such meetings for Latvia, and taking into account the country's accomplishments during its presidency, Denmark yielded in favor of Latvia.

The meeting finally took place in January 1998, and before it there was a forum for the business elite of the Baltic Sea countries. This meeting was supposed to prepare an agenda for the heads of government. The summoning of a forum of this type proves that the BSR is no longer a project just for the political elite; non-governmental actors are becoming more actively involved. As has been seen both in theory[78] and in practice,[79] economic cooperation is the most effective factor in promoting integration. The forum was the second of its kind. The initiator of the first was the Swedish businessman Peter Wallenberg. The goal of the forums has been to focus the attention of the heads of

government on the creation of a favorable environment for business development, something that in the long term promotes stability in the region and in Europe. The forum adopted a document which was recommended as a set of economic guidelines for the meeting of heads of government. The fact that the forum was assembled before the meeting of political actors proves the great influence of economic groups on the effectiveness of cooperation in the BSR, because the possibilities of implementing any project, of course, are closely linked to the availability of necessary financing.

Politicians in Rīga vested great hopes in the meeting of Baltic Sea Region prime ministers. For one thing, the event increased Latvia's international prestige, as well as its investment in the promotion and development of BSR cooperation. It was precisely during the presidency of Latvia that much attention was devoted to increasing the dynamism of cooperation occurring under the framework of the BSR. Secondly, the event marked the first visit ever to Latvia by Russian Prime Minister Viktor Chernomyrdin and German Chancellor Helmut Kohl. Never before had there been a meeting of such caliber in the BSR. Third, it was a challenge for the Council of Baltic Sea States to prove how well it can adapt to the expansion of the EU and the extent to which it is ready to turn words into deeds. Because four CBSS countries are already EU members, and four more are waiting for membership, the CBSS has become something of a waiting room for the EU. This dimension helps the countries which are in the first group to increase their influence in the region and to accent the northern dimension of the Union.[80] How this will play out is not clear at this time. Russia, for one thing, is not particularly interested in accenting EU policies in the CBSS, and this means certain difficulties in speeding up the integration process for the Baltic states.

During preparations for the meeting, several stumbling blocks were encountered. One involved the question of whether the Russian premier would agree to participate in the work of the CBSS at the highest level. A second involved the issue of whether the United States would be present at the forum. In terms of Scandinavian and Baltic

interests, there is no question about whether America should be in the region, because that is already a reality which has been underpinned with practical projects. This was affirmed by Latvian Foreign Minister Valdis Birkavs, who upon returning from the meeting of Nordic and Baltic foreign ministers in September of 1997 said that a new and important formula of relations — 5+3+1 — had appeared. The "1" in that equation was represented at the meeting by senior diplomats — Assistant Secretary of State for European and Canadian Affairs Mark Grossman and Deputy Assistant Secretary of State Ronald Asmus. In the presence of the American representatives, important issues were discussed about the future of the BSR — how best to prepare the Baltic states to prepare for membership in NATO, and how to involve Russia's northern regions more actively in the various forms of Baltic Sea cooperation.[81] Active involvement of the United States in the region was not supported by Russia and Germany, so America was not represented at the meeting in Rīga.

There were also differences of opinion about the agenda for the meeting. Sweden proposed that the group discuss factors which hamper development of trade among the BSR countries. Denmark and Finland, for their part, wished to stress that in light of EU expansion, trade liberalization issues should be handled by that group, not the CBSS.[82] Despite difficulties in the preparation of the meeting, however, the leaders of the CBSS countries discussed a number of very important issues, not least the question of EU enlargement, both in terms of the ability of candidate countries to undertake EU membership obligations and to survive the pressures of competition, and in relation to the partnership between the EU and Russia in the context of the BSR. The major reports in that group were presented by Russia and Lithuania. Other issues involved opportunities to expand economic cooperation and investments (Estonia), and the establishment of a unified electricity ring and natural gas network in the BSR (Germany and Norway). From the perspective of regional security, the extension of the mandate of a Swedish-chaired working group on the possibility of establishing a special task force in the BSR was an important step.

What can we say about the results of the CBSS summit of January 23, 1998, and have they satisfied the hopes of Latvia and the other Baltic states? Looking at the decisions which were taken, we cannot deny that the meeting in Rīga marked a new phase of cooperation in the Baltic Sea Region. A series of fundamentally new positions were formulated in a concentrated way in the Presidency Declaration of the meeting. One important point in that declaration is the unanimous statement by all of the represented countries that regional cooperation has become an inviolable part of national policies. Second, the BSR is now seen as a European region. Cooperation in it, therefore, is an investment in the development of a stable, democratic, well-off and inseparable Europe. Third, the heads of government noted that EU enlargement is one of the elements in BSR policy. Special support was expressed for the decision taken at Luxembourg to launch the accession process with all candidate countries simultaneously, for the implementation of the partnership and cooperation agreement between Russia and the EU, and for the inclusion of a northern dimension in EU policies.[83] For the first time in the brief history of the CBSS, there was talk of developing an identity for the BSR which would be based not on the desires of government leaders, but rather on "ties of neighborhood, common history, common cultural heritage, democratic values, respect of human rights and fundamental freedoms".[84]

The final document also noted the areas of cooperation which, according to the heads of government, are of high priority at the level of regional cooperation. These are: the strengthening of democracy, human rights and civic security, which can be accomplished through the operations of the CBSS commissar on democracy and minority issues; the fight against crime via the extension of the task force mandate; elaboration of a policy on refugees and asylum-seekers; participation by Estonia, Latvia, Lithuania and Poland in two Joint Actions of the EU on Combating Trade in Human Beings and Sexual Exploitation of Children; and work in the fields of joint rescue agreements and early warning systems. Second, the document addressed economic cooperation, and from the perspective of Baltic interests, of particular interest is the establishment of the Baltic electricity ring,

which would reduce the dependency of the Baltic states on Russia for energy resources. The same is true with respect to a proposal concerning the establishment of a gas ring. Also in the area of economic cooperation, the declaration spoke of investments, as well as development in transportation, environmental protection and information technologies. Another specially accented field was higher education, in which, said the heads of government, reforms must be continued and sped up.[85]

All of these issues were addressed in the EU context, which means that Baltic Sea Region institutional arrangements are subordinated to the European integration process. The field of operations for the Nordic Council, the Nordic Council of Ministers and the Council of Baltic Sea States is expanding. In addition to efforts to supervise and support the existing cooperation network, these institutions must now deal with the various aspects of EU and NATO expansion. The main processes in the region in the near future will be closely linked to the transformation of those two institutions and their admission of new member countries. The effectiveness of the BSR institutions, therefore, will be dependent in large part on the extent to which its agenda will be in concert with the process of European integration.

Conclusion

Over the last several years, there have been qualitative changes in the relationship between the Baltic and the Nordic countries. No longer a simple question of reciprocal activity, the relationship has grown into highly varied cooperation, and the volume of this cooperation continues to expand. These fundamental and progressive changes are linked first and foremost to increasing cooperation within the BSR, both at the bilateral and at the multilateral level. If five years ago the heterogeneity and varying security interests of the countries in the BSR served as a reason for limited cooperation, then now this heterogeneity is a unifying factor which helps countries, via the various scenarios of enlargement, to specify their role in the future security structure of Europe. This helps to explain why countries as different as the United States, Belarus and Ukraine all want to participate in BSR projects.

Secondly, the enlargement of the European Union is the single most powerful factor in promoting cooperation between the Baltic states and Scandinavia. This is partly because the Nordic countries are interested in strengthening the EU's northern dimension and, with the help of the Baltic states, to eliminate the view that they are small countries with limited resources of power. It is also true, however, that as one of the main trends in contemporary international processes, regional cooperation offers great opportunities for countries to become involved in these processes, identifying their specific place in the international system and adapting to the dynamic changes which are taking place. This process has been described vividly by Monika Wohlfeld, who has written that "one of the most important conclusions from the debate on enlargement is that evolution of the European security environment requires that all the countries involved contribute to international stability as much as they benefit from the explicit or implicit projection of security from the existing institutions. Accession thus implies security benefits but also greater obligations, particularly with respect to new members' neighbors. When institutional reform and enlargement occur, they will not in themselves provide a solution to all post-Cold War security concerns. They must be supplemented by specific arrangements on several levels; in particular, sub-regional cooperation will play an increasingly important role. Interlocking sub-regional groupings which include EU and NATO countries, prospective members and other states will have an important contribution to make to regional stability and cooperation, by cutting across potential new dividing lines."[86]

Third, institutionalization of cooperation among the BSR countries is in and of itself a progressive factor which promotes and coordinates reciprocal activity. At the present time, however, we are seeing an explosion in the number of institutional forms, but there is a lack of resources to carry out all of the intended projects. The most important near-term question concerns how to utilize existing resources. Frequently misperceptions occur when institutions and processes are given non-existing functions and identities. The phenomenon of rising expectations can then be found in societies and among politicians, and if

the cherished hopes are not reached, the process, as well as its necessity or effectiveness come into question. Olav Knudsen has written that "Nordic cooperation is sometimes presented as if it were an irresistible onslaught of the forces of harmony. But the everyday experience of cooperation is also to deal with disagreements and to seek to reconcile conflicting interests. Therefore, the task of constructing regional cooperation is as concerned with the handling of conflict as with the harnessing of harmony."[87]

Fourth, the EU serves as a unifying factor complete with financing, including the BSR initiative. Still, as the EU increases its presence in the region, more concrete and practical mechanisms for involvement will be needed. Even though the EU has elaborated documents and initiatives with respect to the BSR, the region is not yet a permanent part of the EU's ever-developing policies, which tend to be aimed at the reaching of specific goals. Rather the involvement is at this time a reaction to the integration processes which are taking place in the region, as well as an expression of political will — a reminder that the EU was among the founders of the Council of Baltic Sea States. One can only agree with Olav Knudsen, who has been quite critical of the EU's involvement in the region: "...despite the documentary exercise and the considerable assistance programs offered, the EU has not formulated a satisfactory overarching policy on the BSR as such, whether in security terms of otherwise."[88]

Fifth, Russia's presence in the Baltic Sea Region has increased and become more concrete and rational. In the near future, Russia's role in the region will increase. This is because both the EU and the BSR want to integrate Russia into European processes. The EU-Russian partnership and cooperation agreement defines the interests of both sides in developing a variety of forms of cooperation. This means that from the perspective of the EU, the cooperation might be implemented both through the agreement and through the BSR initiative. It is for that reason that there must be coordination and consistent implementation of the Russia policies of the BSR and the EU.

Sixth, the onset of the NATO enlargement process has not had as

great an integrating role in the region as has the expansion of the EU, and that is because the countries of the BSR have differing views on security policy choices: Sweden is sticking to modified neutrality, Finland is relying on self-help, Denmark, Iceland, Norway and Germany are all in the alliance, Poland soon will be in the alliance, the Baltic states are oriented toward the alliance, and Russia is completely denying the possibility that the Baltic states might ever be a part of NATO. Still, the regionalization trends which increase the level of mutual dependency also serve to increase the interest of participating countries to cooperate in the resolution of "soft" security problems in the region. This is already being done at the level of bilateral and multilateral relations.

And seventh, the collective understanding of the advantages and opportunities which the Baltic Sea Region provides will lead to intensified and more divergent forms of cooperation which will be both deeper and broader. This is dictated by the logic of international processes which says that in our day, only those political actors who are effective collectively will survive. A maximum of cooperation, in other words, is the best security guarantee.

The dominating developmental trends which will affect the relationship between the Baltic states and the Nordic countries in the future are clearly seen, but the concrete manifestation of these processes will be dependent on a series of factors: NATO's role in the security structure of 21st-century Europe; the success of NATO enlargement; EU involvement in the region; and the process of democratization in Russia and that country's interest in participating in the BSR on equal terms.

NOTES

[1] Prior to the collapse of the Soviet Union, the Baltic Sea Region was precisely the place where the borderlines of the Cold War were most clearly drawn and where the balance poles of both sides of the equation met. Any forms of cooperation, therefore, were limited. The most common forms of cooperation were "twinning towns" and environmental programs.

[2] An extensive description of the BSR as a new regional project is provided in the following book: Perko, S. (ed.). Nordic-Baltic Region in Transition: New Actors, New Issues, New Perspectives. Tampere: Tampere Peace Research Institute (1996).

[3] *Eiropas Dialogs*, January/February 1998, No. 1, p. 26.

[4] Walter, G. Address to the workshop "The European Union and the Baltic States — Visions, Interests and Strategies for the Baltic Sea Region". Bonn, Europa-Zentrum, 25 June 1997, p. 3.

[5] *Politiken*, 11 September 1997.

[6] "Preparing Member Cities for the European Union — EU Funding Granted for the Project". *Baltic Cities Bulletin*, No. 2/1996.

[7] *Diena*, 1 July 1997.

[8] *Hufvudstadsbladet*, 4 October 1996.

[9] "Issues in Focus: Danish Security Policy". Copenhagen: Royal Danish Ministry of Foreign Affairs. November 1996, p. 4.

[10] See Ozoliņa, ›. "The Nordic and the Baltic Countries: A Sub-Region in the Making?", in Bleiere, D. and A. Lejiņš (eds.). The Baltic States: Search for Security. Rīga: Latvian Institute of International Relations (1996), pp. 93-112.

[11] Declerck, J. *The EU's Relations with and Support for the Baltic Sea Region Countries*, Brussels, 5 May 1997, B2/JD D(97)cbss/infobri/fintele, p. 1.

[12] *Diena*, 19 December 1997.

[13] "Preparing Member Cities for the European Union — EU Funding Granted for the Project", *Baltic Cities Bulletin*, No. 2, 1996, pp. 8-9.

[14] See Note 11, p. 3.

[15] *Diena*, 4 December 1997.

[16] Horstmann, H.H. Statement at the conference "Security and Prosperity in the Baltic Region", 16-17 November 1997, Rīga, p. 6.

[17] If we look at the foreign companies which have invested the most in the Baltic states, we see that most of them are from Scandinavia (the data come from the Estonian and Lithuanian investment offices, as well as the Latvian Development Agency). The five largest investors in Estonia are *Baltic Tele AB* (Sweden, Finland) — a telecommunications firm with investments of DM 120 million; *Agrohiminvest* (Russia) — washing substances, 72 million; *Coca-Cola* (Austria) — soft drinks, 64 million; *ANC* (Finland) — cement, 50 million; *Leema* (Great Britain) — household goods, 34 million. In Latvia they are *Cable & Wireless/Telecom Finland* — telecommunications, 752 million; *Radisson Hotels* (USA) — hotels, 117 million; *Kellogg's* (USA) — food products, 103 million; *Statoil* (Norway) — fuel, 70 million; and *Karl Danzer Furnier-werke* (Germany) — plywood, 70 million. In Lithuania they are *Philip Morris* (USA) — tobacco products, 178 million; *Motorola* (USA) — telecommunications, 172 million; *Calwer Decken*

(Germany) — textiles, 109 million; *Statoil* (Norway) — fuel, 94 million; and *Neste* (Finland) — fuel, 79 million.

[20] *Hufvudstadsbladet*, 17 August 1997.

[21] "Baltic Sea Region and the European Union". Conference proceedings. Riga, 22-23 May 1997, p. 29.

[22] *Diena*, 24 April 1996.

[23] *Diena*, 7 November 1997.

[24] *Diena*, 15 November 1997.

[25] The visit by US Deputy Secretary of State Strobe Talbott to Denmark, Norway, Finland and Sweden in January 1998 offered fairly clear testimony to America's interest in developing a greater presence in the region.

[24] "Opening Doors and Building Bridges in the New Europe", an address by Deputy Secretary of State Strobe Talbot at the Paasikivi Society, Helsinki, Finland, 21 January 1998.

[25] Walter, G. Address to the Workshop "The European Union and the Baltic States — Visions, Interests and Strategies for the Baltic Sea Region", Bonn, Europa-Zentrum, 25 June 1997, pp. 40-44.

[26] See Mouritzen, H. "Testing Weak-Power Theory: Three Nordic Reactions to the Soviet Disintegration", in Carsnaes, W. and S. Smith (eds.). European Foreign Policy: The EC and Changing Perspectives in Europe. London: SAGE (1994), pp. 156-177. See also Ozoliņa, ž. "Baltic-Nordic Interaction, Cooperation and Integration", in Lejiņš, A. and ž. Ozoliņa (eds.). Small States in a Turbulent Environment: The Baltic Perspective. Rīga: Latvian Institute of International Affairs (1997), pp. 113-147.

[27] Dorfer, I. NATO's Northern Enlargement. Ebenhausen: Stiftung Wissenschaft und Politik (1997), p. 63.

[28] In terms of per capita GDP on the basis of purchasing power parity in 1998, if the average indicator in the EU is 100%, then in Latvia it is 18%, while in Estonia and Lithuania it is 23%. *Eiropas Dialogs*, September/October 1997, p. 27.

[29] Liuhto, K. (ed.). The Baltic States and the European Union Integration. Turku: Institute for East-West Trade and Turku School of Economics and Business Administration (1997), p. 42.

[30] *Ibid.*, p. 43.

[31] *Ibid.*

[32] *Ibid.*, p. 50.

[33] It must be noted that there was also no unanimity among Finland's political elite with respect to the Baltic states. Prime Minister Paavo Lipponen is a much more enthusiastic supporter of Estonia, while the foreign minister tends to stick to the overall Scandinavian position. Before Finland could state its position, in other

words, the two senior politicians had to come to a common definition of that position. By accenting Estonia's special achievements, of course, Finland can once again emphasize its own role in supporting Estonia's reform process.

[34] *Helsingin Sanomat*, 11 September 1997.

[35] *Ibid.*

[36] *Diena*, 3 November 1997.

[37] *Dagens Industri*, 29 May 1997.

[38] *Dagens Industri*, 12 November 1996.

[39] Knudsen, O. "Regional Cooperative Security and the WEU: North-European Challenges for Conflict Prevention". Paper presented at the Western European Union Institute for Security Studies, Paris, 16 December 1997, pp. 15-16.

[40] Archer, C. "Nordic Involvement in the Baltic States Security: Need, Motives and Success". Working papers 19. Copenhagen: Copenhagen Peace Research Institute (1997), p. 11.

[41] Norway's support for Baltic membership and integration in NATO began later than Denmark's. This is due to Norway's strategic interests, which are linked to the presence in Europe of the United States and Russia. As NATO's dialogue with Russia has intensified, Norway has shown a greater interest in developing military cooperation with the Baltic states, but it still lags behind Denmark in this respect.

[42] "Issues in Focus", op. cit. [Note 9], p. 26.

[43] *Berlingske Tidende*, 10 April 1997.

[44] *Ibid.*

[45] Heurlin, B. and H. Mouritzen (eds.). Danish Foreign Policy Yearbook 1997. Copenhagen: Danish Institute of International Relations (1997), pp. 155-157.

[46] *Berlingske Tidende*, 19 March 1997.

[47] *Dagens Nyheter*, 23 January 1997.

[48] *Dagens Nyheter*, 16 January 1996.

[49] *Diena*, 19 September 1997.

[50] *Diena*, 16 October 1997.

[51] *Ibid.*

[52] *Latvijas Vēstnesis*, 9 September 1997.

[53] The largest of projects comes from the construction company *Skanska*, which asked for SEK 145 million to build a hospital in the southern part of the city of Rīga. The ABB company has submitted a request for SEK 70 million to clean up a power station in Northern Poland. Also, ABB and the Swedish Royal Technical University have asked for SEK 30 million to open educational centers in the main universities of all three Baltic states.

[54] *Dagens Industri*, 6 June 1997.

[55] *Die Welt*, 9 December 1996, p. 9.

[56] *Diena*, 3 November 1997.

[57] *Hufvudstadsbladet*, 11 January 1997.

[58] *Diena*, 18 September 1997.

[59] A more detailed explanation of this concept can be found in Holm, H.H. "Denmark's Active Internationalism: Advocating International Norms with Domestic Constraints", in Heurlin, B. and H. Mouritzen (eds.). Danish Foreign Policy Yearbook 1997. Copenhagen: Danish Institute of International Relations, pp. 52-67.

[60] "Issues in Focus", *op. cit.* [Note 9], p. 25.

[61] *Diena*, 8 April 1997.

[62] "Discussion Between Finland and NATO of Implications of NATO Enlargement on European Security". Finnish Ministry of Foreign Affairs, Number 211, 29 May 1996.

[63] Information collected from reports filed by the Latvian embassy in Finland in January 1997.

[64] *Hufvudstadsbladet*, 25 June 1997.

[65] *Aftonbladet*, 1 November 1996.

[66] *Svenska Dagbladet*, 8 January 1997.

[67] *Ibid.*

[68] *Svenska Dagbladet*, 3 February 1997.

[69] Holmstrem, M. "Moderates recommend Nordic military cooperation", *Svenska Dagbladet*, 6 March 1997.

[70] *Svenska Dagbladet*, 26 September 1996.

[71] BALTBAT is the peacekeeping battalion which involves not only the Baltic states, but also the United States, Great Britain, Germany, France, Denmark, the Netherlands, Sweden and Norway; BALTRON is a Baltic Sea minesweeping unit which involves Poland, and in which Belgium has expressed an interest in participating; BALTNET is an air surveillance system in which all three Baltic state are represented; BALTSEA is a system for coordinating security assistance to the Baltic states, and it involves all of the BALTBAT countries, as well as Switzerland and Iceland.

[72] *Svenska Dagbladet*, 18 January 1998.

[73] Newsletter "Norden, the top of the Europe", No. 4, April/May 1997.

[74] *Hufvudstadsbladet*, 17 August 1997.

[75] *Politiken*, 26 August 1997.

[76] *Ibid.*

[77] See Keohane, R.O. and J.S. Nye. Power and Interdependence. Harper Collins (1989).

[78] The process whereby the European Community (European Union) was established and underwent development is the best proof of the fact that economic cooperation can promote the welfare of individual countries, as well as national and regional security, as well as of the way in which groups of economically linked partners can gradually become a force of authority which must be taken into account in global processes.

[79] At the Luxembourg communiqu of the European Council, the section on European regional cooperation included a Finnish proposal on the northern dimension. The European Commission has asked for an interim report on this subject at a forthcoming European Council meeting in 1998.

[80] See Note 52.

[81] *Diena*, 15 January 1998.

[82] Presidency Declaration. Baltic Sea States Summit. Rīga, 22-23 January 1998, p. 1.

[83] *Ibid.*

[84] *Ibid.*, pp. 2-5.

[85] Wohlfeld, M. "Enlargement and Sub-regional Stability", *Newsletter*, Institute for Security Studies, Western European Union, No. 19, February 1997.

[86] Knudsen, O. "Dealing with Conflict Between the Nordic Countries", in Bajtay, P. (ed.). Regional Cooperation and the European Integration Process: Nordic and Central European Experiences. Budapest: Hungarian Institute of International Affairs (1996), p. 89.

[87] Knudsen, O. "Regional Cooperative ...", op. cit. [Note 39], pp. 9-10.

Daina Bleiere

THE NEW ROLE OF CENTRAL EUROPE IN BALTIC STATE POLICIES

1. Introduction

The purpose of this chapter is to look at the way in which accession by the Czech Republic, Hungary, and Poland to NATO and the European Union, and the first-round enlargement of the two organizations, will affect the security of the Baltic states and the extent to which cooperation with the three countries will promote Baltic integration with the EU and NATO.

The onset of NATO and EU enlargement means that the Czech Republic, Hungary and Poland will inevitably become much more important in Baltic foreign policy. At the beginning of the 1990s, when the post-communist countries of Central Europe had shed the limitations placed upon them by the Warsaw Pact and had elaborated new foreign policy strategies based on membership in NATO and the European Union, the so-called Visegrad countries (the aforementioned three plus Slovakia) were seen as the leaders of the post-communist world in terms of political and economic reform, and in terms of cooperation with western security structures. The mission for the Baltic states was to catch up with those countries and to ensure that they, too, would be included in NATO and EU enlargement, at the same time and on the basis of the same criteria.

Until 1997, when the expansion process began in earnest, the Central European countries were guideposts, fellow travelers and competitors for the Baltic countries. Cooperation with the Visegrad states was not the focus of extensive attention, because the Baltic states did not have the diplomatic, economic and other resources needed to develop equally active and intensive relationships with all countries and all regions. The main priority for the Baltic states was integration with western structures, and that was the focus of the greatest effort. The activities of Central Europe in developing contacts with the Baltic states were, likewise, not particularly extensive. The sole exception here is the development of closer relations between Lithuania and Poland, but that process was based on the specific and fairly complicated relationship between the two neighbors and the resultant desire to normalize relations. The development of more intensive relations was also hampered by the weak level of economic integration between the Baltic states and the Central European countries.

NATO membership for the Czech Republic, Poland, and Hungary in 1999, and the fairly realistic prospects for the three to join the EU in the subsequent five to seven years, mean that the significance of the three countries in terms of Baltic foreign and security policy will change fundamentally. The increasing importance of the Central European countries will be expressed in a number of directions:

1) The international prestige of the Czech Republic, Poland and Hungary will increase, and that could potentially mean increased influence for the three in Central and Eastern Europe. The only question here is whether the three countries will want to and be able to take advantage of this influence.

2) As NATO and EU member countries, the Czech Republic, Poland, and Hungary will be able to participate in decisions concerning Baltic membership in the two organizations.

3) Cooperation with the three countries will be part of Baltic integration with NATO and EU.

At the same time, however, the onset of NATO and EU enlargement has created the situation where these factors are of differing importance in the security policies of the three Baltic states individually. The situation of the three countries and their mutual relationships is changing significantly.

The fact that Estonia has been slated for the first round of EU membership negotiations means that the Baltic states are no longer a

unified bloc in relations with Brussels. During the conclusion of the free trade agreement and the association agreements with the Baltic states, the EU tended to see the three countries as a regional group. Now Latvia and Lithuania can no longer count on the likelihood that shortcomings in individual foreign policy and domestic policy activities will be balanced out in regional terms. The individual integration and security policies of the three countries are becoming much more important. This does not mean that the Baltic states cannot elaborate common security strategies, common positions and common actions, but at the same time it is important to consider all of the factors which can promote or hamper integration with the EU and NATO. The potential of each country in cooperation with the Central European countries is one of those factors.

The role of Central Europe has always been emphasized in Lithuanian foreign policy, and in 1996 and 1997 Lithuanian politicians focused on this area quite frequently. The special partnership with Poland has allowed Lithuania to hope for Warsaw's support in the integration process. Lithuania's basically positive attitude toward expanded cooperation with Central Europe does not raise the question of whether this direction of activity should be the focus of greater attention, but it is naturally important to determine the extent to which the orientation toward Central Europe will help Lithuania to reach its strategic foreign policy goals.

The Central European countries have not been of much significance in Estonia's policies (except in terms of cultural cooperation with Hungary, which is based on the common Finno-Ugric ethnic roots of the Estonian and the Hungarian nations). However, the fact that Estonia has been included in the first round of EU membership negotiations along with the Czech Republic, Poland, Slovenia and Hungary may serve to increase Tallinn's interest in cooperation with those countries significantly, if only in terms of political consultations about EU integration. The competition factor is also quite important, and there is no question that the level of Estonia's interaction with the Central European countries will increase in the context of EU enlargement, even if there is no purposeful attempt to achieve this.

Latvia's situation, by contrast, is quite complicated this time, and the country's foreign policy vulnerability is significant. The anti-Latvian campaign which was launched by Russia in March 1998 demonstrated this very clearly, and the fact that Latvia was not included in the first round of EU enlargement has exacerbated the situation. It is unquestionably important for Latvia to understand clearly the way in which Central European integration with the EU will influence Latvia's own prospects for membership in the organization, bearing in mind that the process may involve various scenarios and varying speeds of development. It is also important to understand how much bilateral and multilateral relations with the Central European countries, as well as regional cooperation, can promote Latvia's abilities to join the EU as quickly as possible, and how these factors affect Latvia's overall security situation.

In terms of NATO integration, the Baltic states are still seen as a single unit, as was affirmed by the US-Baltic Charter, among other things. This does not, however, reduce the importance of the fact that in the new situation, the individual foreign policy activities and domestic policy developments of each of the three countries can be of key importance in that shortcomings in any of the countries may put the brakes on the integration of all three states with NATO. This fact was discussed by Estonian Foreign Minister Toomas Hendrik Ilves during a visit to Rīga on 10 March 1998. Ilves said that Estonia is interested in seeing Latvia increase funding for defense structures, because in negotiations about NATO membership, the weak points of one country may affect decisions about the other two, as well.[1] Cooperation with the new NATO member countries, too, can become a factor which influences the integration of the Baltic states with the alliance.

This creates a relatively paradoxical situation. The Baltic states are trying to compensate for the lack of foreign and domestic policy resources needed to strengthen national security with more active participation in the EU, NATO and other political, economic and security structures. At the same time, the onset of enlargement in the two pan-European organizations demands a diversification of foreign

policy activity, intensifying cooperation with a greater number of countries. This will at least require greater financial and human resources, and that is a serious dilemma for small countries. One possible solution is to concentrate resources in the more important directions, and it is unquestionably important to evaluate Central Europe's potential in this light.

The beginning of EU and NATO expansion has strengthened the interest of all Central and Eastern European countries in political cooperation. Cooperation with the Czech Republic, Poland and Hungary must be seen not as an alternative, but rather as a supplementary factor in the foreign and security policy of Latvia and the other Baltic states – a factor which promotes general stabilization in Central and Eastern Europe, as well as integration of the Baltic states with the EU and NATO.

2. The consequences of NATO and EU enlargement for Baltic security

Both the Central European counties and the Baltic states essentially have the same goals in seeking to integrate into NATO and the European Union. First of all, the issue is belonging to the civilization and the value system of the West. As Vaclav Havel has emphasized in speaking of integration with NATO that it is "a signal that the West truly wants us and sees us as part of the western sphere of civilization."[2] Polish Foreign Minister Bronislaw Geremek has gone further: "The processes of the enlargement of NATO and the EU and based on this sense of western community and belonging to a common civilization. [..] Strong alliances require strong human ties, and these are created by the sense of identity, common ideas and values, a common ethical dimension of policy."[3] Membership in the EU, too, will first and foremost mean affirmation of the fact that the new member countries recognize the ideals and principles which underpin the Union. Secondly, the EU and NATO provide guarantees of democratic development and economic growth.

Still, the question remains whether an alliance is the best way to

ensure security against "a strange war of all against all, a war with no clear front, a war difficult to distinguish from terrorism, organized crime, and other forms of wrongdoing."[4] However, for the Central European, as well as for the Baltic states, inclusion in a strong democratic framework is a necessary precondition for lessening threats to their internal and external security. The political component in NATO is no less important as the military one.

Although the main motivation for participation in NATO and the EU is security, there is, of course, a fairly significant difference in the security provided by one of these organizations and the security provided by the other. From the perspective of candidate countries, the EU is "second best" in this respect.[5] Although the level of conventional threats in the region has receded significantly, the possibility of military conflict in the future must always be taken into account. Because of their historical experience, the Baltic states, as well as the Central European countries, are very sensitive in this regard. There is no question but that only NATO can provide the "hard guarantees" which they seek.

At the same time, however, membership in the EU, too, can provide certain security guarantees. Here there are certain differences between the Baltic states and the Central European countries, especially the Czech Republic. There, the economic aspects of the European Union are being stressed, and this is logical, given that the Czechs enjoy the most secure geopolitical situation of all post-communist countries in the region. This is manifested in Prague's motivation for participating in NATO. As Ferdinand Kinsky has pointed out: "The absence of an immediate external threat reduces the Czech motivation for NATO membership to the aforementioned confirmation of being a western state and an ally to the United States of America."[6] With respect to the EU, the Czech Republic has two dominant motivations – the sentimental issue of "returning to Europe" and not being second-class Europeans, and the more hard-headed question of increasing the wealth and standard of living of the country's population.[7] In the motivations of Hungary and Poland, security considerations play a much greater role.

Once they accede to NATO, it seems that the Central European countries will not be less interested in the EU's hard security aspects, but this interest will shift to a different, more specific level. The potential membership of these countries in the Western European Union and in the EU's Common Foreign and Security Policy (CFSP) will come onto the agenda.

Because Baltic prospects of NATO membership in the foreseeable future are foggy at best, the hard security aspects of the EU are all the more important for them. This is particularly true with respect to the elaboration of Europe's Security and Defense Identity (ESDI) under the framework of the WEU and the EU-NATO links which will be involved in that, as well as the guarantees which emanate from the CFSP.

No less important is the second ("soft") security level which is offered by the EU – economic and political stability, protection against international crime, drug trafficking, environmental threats, etc.

2.2. NATO enlargement

The accession of the three Central European countries to NATO in 1999 will affect Baltic security in a number of ways.

First of all, NATO will be closer to the Baltic region geographically and geopolitically. The strengthened presence of the alliance in Central Europe will provide vivid evidence that the distribution of spheres of interest which persisted during the Cold War is gone and cannot be reinstated. The beginning of the expansion process is also of importance in the sense that the Baltic states have *in principle* been given an opportunity to join NATO. After the Madrid summit, the Baltic states were assured that they will not be excluded from the NATO enlargement process. Speaking at Vilnius University in July 1997, US Secretary of State Madeleine Albright stressed: "A cardinal principle of the new Europe is the right of every country, large and small, to choose its alliances and associations No non-member of NATO will have a veto, and no European democracy will be excluded because of where it sits on the map."[8]

It must be remembered, however, that the mere possibility of NATO membership for the Baltic states does not mean that this goal will be achieved any time in the foreseeable future. One of the main obstacles will be Russia's consistent opposition to the idea. Moscow has been forced to swallow the first wave of NATO enlargement, and it would be much more difficult to reconcile it to a further expansion to include the Baltic states. Efforts to block the admission of the Baltic states through diplomatic approaches in Russia's relations with NATO and its member countries could certainly be expected along with pressure and incentives to pressure the Baltic countries to follow certain policies.

Russia's offers of security guarantees, as well as the Kremlin's efforts to pursue "individual" policies vis-à-vis each of the Baltic states, must be seen in this light. This "individualized" approach was signaled by the crisis in Latvian-Russian relations in March 1998, even though that process involved a much wider range of domestic and foreign policy problems in Russia, and in Latvia, as well. One can agree with the view that "as long as there is tension between Russia and Latvia, European politicians will have trouble deciding whether to invite Latvia to join not only NATO, but also the European Union".[9] However, a concentrated Russian attack on Latvia, in the final analysis, serves to destabilize the situation of all three Baltic countries.

The Baltic states are the place where Russia will make its last stand in the battle against NATO enlargement. Moscow's opposition is dictated by socio-psychological factors (the need to re-evaluate Russia's role and status in the world), as well as purely military and geostrategic considerations (after Poland's accession to NATO, the Baltic states will have more of a "buffer" role between the alliance and Russia), not the least the fear that Baltic accession might facilitate a foreign policy reorientation on the part of Ukraine. Russia's relationship with NATO is promoting the development of a non-confrontational international climate in Europe, but *realpolitik* continues to play a significant role, especially in terms of the way in which the major powers of the world understand the international system.

For the Baltic states, all of this means that there is a definite threat

of their ending up in the "gray zone" of European security. The unclear security status of the Baltic states promotes internal and external turbulence. This may become an obstacle for EU integration, and, eventually, could help to pull the Baltic states back into the CIS space.[10]

Second, from a purely military aspect, the security of Central European countries (especially Germany) has increased, because now the Czech Republic and Poland are the "hinterland" of Europe to the East and the Northeast.[11] The new NATO member countries, furthermore, will be interested in creating their own "hinterland" and in expanding the zone of security and stability. The Baltic states can neither threaten nor improve the geostrategic situation of the Czech Republic and Hungary in any major way. Undoubtedly all three Central European countries are interested in Baltic security, as well as domestic and foreign policy stability, from a political perspective, but their geostrategic interest, except for Poland, is at a much lower level. Even here, however, Poland's major concern is Lithuania, because of the shared border and the Kaliningrad enclave.

Third, the Central European countries promised after the Madrid summit that they will enhance their cooperation with those countries in the region which did not find themselves in the first group of states to be invited by the alliance. For example, when Polish Prime Minister Wlodzimierz Cimoszewicz met with his Hungarian counterpart, Gyula Horn, on 2 July 1997 in Budapest, the two men launched a dialogue about the relations which Poland and Hungary will have with those countries that are not in the first group of new NATO and EU members. Both Warsaw and Budapest will want to avert the possibility that a sense of separation from European and Euro-Atlantic structures emerges in those countries. Another indicator of this came after a meeting of the Czech, Hungarian and Polish prime ministers on 22 August 1997, where all three ministers declared far-reaching cooperation with each other during NATO accession negotiations. They also expressed a desire for closer contacts with those countries in the region which are not among the first group of states to receive invitations from NATO.[12]

When we think about support for the Baltic states among the new NATO member countries, however, we must bear in mind several circumstances. First, it is not only from the military, but also from the political perspective that the Baltic states must remember that for the Czech Republic, Poland, and Hungary, their "hinterland" stretches from the Baltic Sea to the Black Sea. Accordingly, the focus of attention will be not so much of the Baltic region as on Eastern and Southeastern Europe. From the Central European point of view, it would be fully justifiable to include Romania in the second wave of NATO enlargement and to leave the Baltic states for the third round. For example, on 13 July 1997, former Polish Foreign Minister Dariusz Rosati said that Romania is needed by NATO because of the role which Bucharest plays in the Balkan region, and that Poland hopes to maintain close cooperation with Romania. It seems that there are no major objections from the Polish side to Romanian membership in NATO in the second round of enlargement.

Hungary, too, may have an interest in Romanian participation in NATO. The relationship between the two countries has improved significantly, but given the problems which could arise in connection with the situation of the Hungarian minority in Romania, Budapest is interested in stable and predictable development in its neighboring country. NATO membership could be an instrument toward that purpose.

Fourth, the political influence and prestige of the Czech Republic, Poland, and Hungary in Central and Eastern Europe has already increased, and it will increase still more when they become NATO member countries. They will participate in the adoption of political decisions in the alliance, as well as in military planning procedures. Bilateral and multilateral military cooperation with these countries will, for the Baltic states, no longer be cooperation with post-communist countries that have a similar status in Europe; now they will be NATO member states.

Still, it must be remembered that the integration process with NATO will take some time for the three newcomers. It must be expected that their resources will be rather scarce, and their influence within the alliance will be limited.

The relative weakness of the Central European countries within the alliance will also mean that they will have to correlate their own interests with those of NATO's leading powers, as well as those of other candidate countries. These interests are frequently contradictory, and not always compatible with those of the Baltic states, so it can be assumed that the Central Europeans will at least sometimes have a tendency to orient themselves toward the more senior partners of the alliance, not toward solidarity with the Baltic states.

These limitations must be remembered, but at the same time it is very important for the Baltic countries to engage in all types of diplomatic and military cooperation in order to ensure that the Czech Republic, Poland and Hungary develop positions on NATO expansion which are favorable to the Baltic states. Given the limited military and diplomatic resources which the Balts have at their disposal, this will not be easy. Even if they cannot count on much support from the Central European countries, they ought to be able to count on their assistance in preparation for the NATO membership.

First of all there will be a need to develop bilateral relationships. Clearly, the greatest opportunities for military cooperation are presented by Poland. This is true both because of Poland's geographic proximity to the Baltic states, and because of the fact that the countries have in common various problems associated with the Baltic Sea. This means that there are extensive opportunities for cooperation in a variety of aspects – political cooperation; joint training; exchange of official visits; cooperation resource operations; information exchange and coordination of efforts during military activities, exercises and rescue operations; training of military specialists; purchase of technology, weapons, ammunition and materiel; cooperation in peacekeeping operations and their preparation.

This process has already begun quite seriously. The most active process here is Lithuanian-Polish military cooperation. Poland has done a lot to help Lithuania arm its military.[13] In 1995 Poland and Lithuania signed a cooperation agreement on air space control, and Lithuania has demonstrated in interest in joining the overall air space

control system of Central Europe.[14] Poland and Lithuania are also establishing a joint peacekeeping unit, LITPOLBAT.

Latvian-Polish military cooperation did not develop with any particular intensity in the first half of the 1990s, although the Latvian and Polish defense ministries concluded an agreement on military cooperation in September 1992, and this was one of the Latvian ministry's first international agreements of this type. The process became more active in 1996 and 1997. Latvian-Polish military cooperation is a highly promising area of activity, because in addition to abilities to receive military assistance (equipment and materiel) from Poland and to purchase weapons, ammunition and technology, Latvia also has extensive opportunities to work with Poland on rescue operations, and to send Latvian military specialists for training at Polish military schools and training centers. Given Poland's experience in United Nations peacekeeping operations, Latvia can also send officers to participate in and study Polish peacekeeping units. One of the main problems here is a lack of money in Latvia – the country simply cannot afford to buy the military technology and materiel which Poland could supply.

The same problem exists in relations with the Czech Republic, which could also be an important arms provider to Latvia. The Czech Republic, like Poland, has provided military assistance to Latvia. Latvian soldiers have been trained at Czech military schools, and there has been a fairly active exchange of military specialists and officers.

The level of cooperation with Hungary must undoubtedly be increased, and the activities of the Baltic states themselves may be the key here.

In addition to bilateral cooperation, there has also been multilateral cooperation, and there are three significant areas in this process:

1) Military cooperation projects among the Baltic states which involve Polish participation and which could be linked with analogous military cooperation projects among Central European countries. For example, Poland is ready to participate in the joint anti-mine squadron BALTRON, as well as in the air space control system BALTNET. The latter project could be linked to the Central European air space control

system. Poland may also become involved in the BALTBAT peacekeeping battalion.

2) One of the most important obstacles to the further development of bilateral and multilateral cooperation is a lack of resources, and this is a problem not only for the Baltic states, but also for the Central European countries. This means that multilateral and regional military cooperation programs in which NATO member countries participate are very promising, all the more so because such programs allow the Baltic states to learn about NATO standards more effectively, and to increase the level of interoperability. On 31 August 1997, the Polish, German and Danish defense ministers discussed the formation of a joint corps among the three countries which would train for operations within NATO structures (the NATO North-Eastern Corps) and which is to achieve operational readiness by April 1999. In May 1997, the Lithuanian, Latvian and Estonian defense ministers were invited to participate in meetings of the Danish-German-Polish triangle. For the Baltic states, it would be important to become involved in this form of cooperation not only through consultations by the defense ministers, but also in terms of concrete forms of military cooperation.

Of key importance in terms of military cooperation, of course, is NATO's Partnership for Peace program, as well as initiatives which lead to involvement in peacekeeping operations. "The most useful examples of sub-regional military cooperation that will play a role in the context of enlargement are the various initiatives which NATO members such as Denmark and Germany are developing with US support, and which bring together Poland, the Baltic states, Finland and Sweden, while leaving room for Russia to join."[15]

3) The third level of cooperation is joint operations under the auspices of the Euro-Atlantic Partnership Council (EAPC), which involves bilateral and multilateral cooperation. Specific subject areas with respect to which the allies and their partners can engage in consultations within the EAPC include, but are not limited to, political and security issues; crisis management; regional matters; arms control issues; nuclear, biological and chemical proliferation and

defense; international terrorism, defense planning and budgets; defense policy and strategy; the security aspects of economic development, etc.

3. The European Union

3.1. Security aspects of future enlargement

The onset of EU enlargement has changed the situation of the associated countries quite fundamentally. Before the Luxembourg summit and the European Commission assessment, they all belonged to a single group, at least theoretically, but now they have been split up. We can speak of countries which will be NATO members and are slated for first-round negotiations on EU membership; those which have been invited to negotiate EU membership but have not been asked to join NATO; and those which have not been invited to start talks with either organization. The integration process is individual for each country, and further differentiation of the candidate countries will take place. Once countries begin actually to join the EU, this process of differentiation will become even more intensive, because it is quite possible that not all of the new member countries will be willing or able to join EMU or to participate actively in other aspects of EU operations. Accordingly, some countries will be closer to the EU "nucleus", while others will face threats of marginalization.

For Latvia and Lithuania, the worst aspect of this process is that Estonia's invitation to begin EU membership negotiations may lead to increased differentiation among the Baltic states. The situation of Estonia, as compared to Latvia and Lithuania, is very much different with respect to EU enlargement. The results of the Luxembourg summit, which took place on 12 and 13 December 1997, were positive for the latter two countries in that the EU stated clearly that the road to the EU is open to them. The European Council noted that "all these states are destined to join the European Union on the basis of the same criteria and [..] they are participating in the accession process on an equal footing."[16] Still, even though the membership negotiations are to begin formally with all ten Central and Eastern European countries

(plus Cyprus) on 30 March 1998, full negotiations will be launched only with the six countries which were named by the European Commission in July 1997. With respect to the other countries, only *preparations* for negotiations will begin. Because the European Commission has been ordered to prepare an updated report on progress made by the candidate countries on an annual basis, Latvia and Lithuania can hope to catch up with the selected six countries, but only if the two Baltic states manage to eliminate the various shortcomings to which the European Commission has pointed. It is not quite clear, however, what the screening procedure in this area will be, and how the pre-accession negotiations with candidate countries will take place.

Of course, we must remember that the negotiations may require several years. Many of the countries in the first group, for example, Estonia, rate their prospects in this respect quite optimistically, feeling that they will be able to join the EU in two to five years. Estonia's optimism is, to a certain extent, justified, because Tallinn has fairly few so-called "sensitive" issues in the economic sector. But EU negotiations with Poland may be quite difficult and long-lasting, because Poland has fairly serious structural problems in its coal industry, textiles industry, ship manufacturing, agriculture and environmental protection. This means that Latvia and Lithuania at least theoretically have a chance of joining the first group of new member countries, provided that they manage to achieve sufficiently rapid and stable economic growth and domestic political stability.

It is important to note, however, that the pre-accession criteria have not yet been defined clearly by the EU. Geopolitical criteria are no less important than the political and economic readiness of the candidate countries. All of the Central and Eastern European countries are far below the developmental level of Greece, Portugal and Spain when they began membership negotiations, although in the case of those countries, too, the EU's reasoning was more political than economic in nature. If the only question was which countries would be the easiest to "absorb" by the EU, the Baltic states would have a clear advantage, because it will unquestionably be easier to integrate them than it will be to deal with

Central European countries such as Poland, which will require much greater resources for economic restructuring.

The decisive issue, however, will clearly be the economic and political interests of existing EU member countries. EU membership for the Czech Republic, Hungary, and Poland will be advantageous to the EU in that it will open a fairly large and potentially capacious market, and that will provide opportunities for Western European countries to increase exports. The process will also increase competition within the EU, because the less expensive but highly qualified labor force of the new member countries will attract investment and technologies, and this will promote overall economic growth in the EU, as well as its competitiveness in global markets.[17] The geographic proximity of the Czech Republic, Poland and Hungary to EU member countries, as well as the land frontiers between the two groups of states, have increased the interest of business entities, especially from Germany, in cooperation with the Central Europeans.

In addition to economic interest, there are also political interests in this process. Once the Central European countries are inside the EU, there will be lesser fears that within the Union Germany could achieve too much unilateral economic and political influence in the region. At the same time, membership will also reduce suspicious and fears within the Central European countries of excessive German influence. After accession, the focus of Central European politics will shift from Germany to the whole European Union, and better conditions will be created for the inflow of EU capital into the region.

Czech, Polish and Hungarian integration with the EU will also have a significant stabilizing effect throughout Central and Eastern Europe, both because of economic growth, and because of greater border security and other issues. The three countries will, to a significant extent, serve as agents of "Europeanization" in the region, because they will promote the dissemination of the ideals and values on which the EU is based in, so to speak, "geographic Europe".

Undeniably, the Baltic states, which are much more distant from Central Europe, are much less significant from all of these various

economic and political perspectives. The inclusion of Estonia in the first group of potential members was, first and foremost, a signal that the Baltic states are potentially a part of western civilization. However, the EU also demonstrated that for a variety of reasons (mostly ones which exist inside the Union), it is not prepared to absorb too large a number of candidate countries, and its attitude to the Baltic states' integration remains somewhat ambiguous. There is also the question of Slovakia which was excluded from the first wave due to its internal political situation. However, if this obstacle is removed, Slovakia's good economic performance could make her a serious competitor of Latvia and Lithuania.

The accession of Latvia and Lithuania to the EU can also be influenced by the way in which negotiations proceed with the first round of potential members – individually, or in a system which requires the more successful countries to wait until the others in the group catch up. This may happen even though at Luxembourg it was declared that "the decision to enter into negotiations does not imply that they will be successfully concluded at the same time,"[18] and if the latter version does not turn out to be the case, then those countries which were not included in the first round will have to wait until that first group is fully absorbed before the second round of negotiations begins.

The duration of the pre-accession period for Latvia and Lithuania will depend on the aforementioned factors, as well as other conditions which are involved in the expansion process and which the two Baltic states cannot influence. For the first time in the history of the EU, the expansion process is encouraging questions about whether the enlargement may make the Union unmanageable and impossible to run properly. The further process of expansion will primarily be influenced by whether the EU manages to conduct the internal reforms that will be needed in order to avoid paralysis in the Union's work. We must also take into account the possibility that the accession of new member countries, as well as the creation of the Euro, may lead to a situation where the burden of financial transfers from rich EU member countries to poorer ones (not only from among the new members, but also from among existing member states) becomes too excessive, and the second round of enlargement is postponed. The Eastern enlargement and monetary union are the two basic challenges facing the EU now. If the "monetary union was conceived as an economic means to political end"[19], a mixture of economic and political factors is even more true with regard to enlargement. This mixture is likely to affect the Baltic states' integration in different ways.

Undoubtedly, the worst possible scenario for Latvia and Lithuania involves efforts by the European Commission to differentiate candidate countries. As far as the two Baltic states are concerned, there must be a possibility (albeit only theoretical) for any country which meets the EU's criteria to begin pre-accession talks.

3.2. The EU-WEU-NATO link

There have been fairly extensive discussions about the links between EU membership and NATO membership. Even though the view that membership in both organizations must coincide (an idea that has been promoted most assiduously by Germany) has not been accepted, this does not mean that it has been entirely removed from the agenda. Congruence is still seen as a desirable process in principle. This would unquestionably not be in the interests of the Baltic states, because it would make not only NATO, but also EU membership unrealistic. At the same time, however, there are links between the two processes of enlargement. Estonia's invitation to join the first round of EU membership talks was a signal to all three Baltic states that failure to admit them to NATO does not mean that the West is uninterested in their security. Membership in the EU will make it easier to join NATO – something that is very clearly true with respect to such countries as Sweden and Austria. But the application of the same principle to the Baltic states will be a problem. The US-Baltic Charter, which was concluded with all three Baltic countries as a unit, can be seen as a warning that the Balts should not place particularly great hopes in the chance that one of them might get into the alliance ahead of the others. The Baltic states are a geopolitical entity, and it is as such an entity that they will or will not be admitted to NATO.

Membership in NATO for the Czech Republic, Hungary and Poland means that when they become members of the EU, they will also have a chance to join the Western European Union if they want to do so. It is true that "parallel processes of EU and NATO enlargement run the risk of reinforcing the division between those countries in CEE that are already most stable and secure and those that are not included".[20] Some analysts have argued that the admission of some Central and Eastern European countries to EU and NATO, but others (e.g., Estonia) only to the EU, creates a situation where "the process of creation of a European Security and Defense Identity may suffer when closer cooperation between these organizations, for example, in the context of crisis management, becomes more difficult."[21]

At the same time, however, it would obviously not be in the interests of Baltic security to see a weakening of the WEU defense component via a rejection of the modified Article V of the Brussels agreement or a closer link between the WEU or NATO – in other words, those components which could provide true strength and effectiveness to the ESDI. On the other hand, it can be expected that membership of Central European countries in the WEU and an increase in the role of the organization, especially in terms of its closer links with the European Union, will lead to increased Russian pressure against Latvia and Lithuania to ensure that they are barred not only from NATO, but also from the EU.

3.3. The CFSP component

In Latvia, as in the other Baltic states, most attention is being devoted to specific aspects of the EU's *acqui* such as legislation. But it must be remembered that accession to the Union will mean acceptance of the entire *acqui*, including the Common Foreign and Security Policy. Even though this has always been the weakest of the EU's pillars, its significance is now being boosted, especially in the wake of the Amsterdam agreement. The work of EU countries in times of international crisis has not always been successful, but there are common positions on many issues which are considered in the World Trade Organization, the

OECD, the United Nations and other international forums. Undoubtedly the EU will expect candidate countries, as well as new member states, to support its positions. The Central European countries have for the most part absorbed this lesson, but the Baltic states sometimes have difficulty in taking a clear position when there is a conflict between the EU and the United States. If, however, candidate countries are interested in the security which the EU provides, they must be interested in closer foreign policy and defense cooperation.[22]

At the first meeting of the European Conference in London on 12 March 1998, the leaders of 26 participating countries "confirmed their intention to align themselves with the European Union's policy towards Kosovo and to take national action in support of the shared objectives of ending of violence and securing a political solution in Kosovo."[23] This resolution affirms that during the process of enlargement, the EU will look quite carefully at its Common Foreign and Security Policy, especially in terms of ascertaining that candidate countries join the EU's common positions on various important international questions.

There is also the issue of Baltic consultations on foreign policy issues with the Central European countries. Undoubtedly, interest in the views of the Central European states has always been present in the Baltic states, and consultations on various issues have taken place, especially between Lithuania and Poland. One example of the results which have come from this process is the joint statement by the Polish, Lithuanian and Ukrainian presidents on 20 November 1996 which stressed the necessity to respect and implement human rights and civil freedoms in Belarus. During a meeting of the presidents of the Baltic states, Poland and Ukraine in Tallinn in May 1997, the situation in Belarus, as well as other foreign policy issues, were on the table.

Undeniably, the Baltic states are quite far from various issues which are important to the Central European countries, and vice versa. The main link between the two regions is Poland, and Warsaw's activities in harmonizing foreign policy positions and in organizing consultations may be of decisive importance.

3.4 "Soft security"

In terms of the "soft security" that would be provided by EU membership, the main element, unquestionably, is increased political and economic stability throughout Central and Eastern Europe. The pre-accession negotiations and other preparations will in and of themselves speed up improvements in a variety of areas, as well as the *de facto* integration of candidate countries with the EU.

EU and NATO enlargement are also promoting political stability in the relations among Central and Eastern European countries. Because good relations with neighboring countries are considered to be a key prerequisite for integration into the two organizations,[24] even before the beginning of the integration process, considerable progress was made in averting various potential conflicts. Thus, for example, Hungary and Slovakia concluded a comprehensive basic treaty in 1995, while in 1997 progress was made in Hungarian-Romanian relations, and a basic treaty was concluded. It is particularly important that the status of the Hungarian minority in Romania has been addressed. Poland, for its part, has significantly improved relations with Ukraine and Lithuania. In both instances, the relationship is being defined as a "strategic partnership". Integration is seen as the key to the relations: "The strategic partnership of Poland and Ukraine shall be expressed through mutual support in efforts to integrate into the European structures, the European Union in particular."[25] With respect to Lithuania, former Polish Prime Minister Wlodzimierz Cimoszewicz had this to say: "While appreciating the importance of bilateral matters, we do not wish them to dominate the work of the Council [meaning the Council for Cooperation between the Governments of the Republic of Poland and the Lithuanian Republic]. In the face of the incipient process of enlargement of the European Union and NATO and important events for both states on the European and world political scene, the cooperation of Poland and Lithuania in foreign and security policy matters will be ever more important."[26]

Unquestionably, the level of economic cooperation between the Baltic states and the Central European countries will also increase.

Both groups are seeking to improve economic relations first and foremost with the European Union. It may seem a paradox, but the best opportunities for economic cooperation between the Baltic and the Central European countries are created not by domestic factors, but rather by this external consideration – the need to merge with the European Union. In fact, economic cooperation has developed most successfully in those areas which are linked to integration with the EU.

It can be expected that the level of economic interaction between the Baltic states and the Central European countries will increase along with overall bilateral cooperation. However, there is no reason to expect any dramatic changes in this respect. The Central European countries, as well as the Baltic states, have insufficient economic and financial resources to be able to extend economic cooperation toward all directions. For Latvia and Estonia, the main economic partners are and will continue to be Germany, the Scandinavian countries and Russia. It can be expected that Lithuanian cooperation with Poland, however, will increase appreciably, even though its main trends seem to be analogous to those in Latvia and Estonia.

3.4.1. Regional integration

We must agree with the view that, despite the enhancement of political and economic cooperation, the enlargement of the EU will most likely not lead to a "Visegradization" of the Central European countries – i.e., they will not become a specific region within the Union which enjoys in-depth economic, political and security cooperation. That is because the views of the Czech Republic, Hungary and Poland diverge on a good many fundamental questions.[27] It is possible that the Central European region would have been more attractive for the Baltic states if the Visegrad process had developed more successfully, and a more or less ideal model of cooperation between Central and Eastern Europe would have emerged; as was the intention when the Visegrad group was established. In the event, however, it has proven that the Central European countries are involved in a variety of forms of regional

cooperation which form a mutually overlapping network of structures, but which are not centered around any specific nucleus.

It is also true that there are no regional forms of political and security cooperation in the Central and Eastern Europe. In this area of activity, bilateral relations dominate, and it can be expected that this type of relationship will remain the main form of political and security, as well as economic cooperation. In cooperation between the Baltic states and the Czech Republic, Hungary and Poland, in other words, bilateral relations will be the name of the game. The establishment of extensive sub-regional economic and political structures to include the Central European countries and the Baltic states is a fairly problematic issue.

This does not mean that there cannot be increased multilateral cooperation in the political sector – something which Lithuania has promoted quite keenly. Integration into the European Union and NATO was the main idea behind the agenda and the accomplishments of a conference organized by the Polish and Lithuanian presidents in Vilnius on 6 and 7 September 1997. The conference was organized at a very high level (including the participation of the Russian prime minister) primarily thanks to the fact that the onset of NATO and EU expansion has reduced fears that regional cooperation may leave the Central and Eastern European countries in a "gray zone of security". Quite the contrary – the countries which have not been included in the first wave of enlargement are interested in receiving the support of the more successful countries in subsequent rounds of expansion. For Poland, the Czech Republic and Hungary, meanwhile, regional cooperation provides something of a guarantee for successful integration into NATO and the EU. What's more, cooperation of this type provides opportunities to involve Russia in the resolution of regional security issues, and this is in the interests of NATO and the EU, as well as the Central and Eastern European countries. It is possible that some types of mutual cooperation, such as meetings between the Baltic, Polish and Ukrainian presidents, may become regular events. At the same time, the institutionalization of cooperation forms will probably happen on

bilateral or narrowly regional foundations, but not in the form of mechanisms for extensive sub-regional cooperation.

With respect to regional frameworks, there is only one organization that has had a potential to embrace the entire Central and Eastern European region – Central European Free Trade Agreement (CEFTA). It has been described as a "success story" in Central European cooperation, [28] and that is because this form of cooperation has been limited exclusively to the economic sector. Even there, suspicions have arisen that CEFTA might be used to create an economic cooperation framework which is an alternative to the European Union.

Now that EU enlargement has begun, CEFTA's ongoing role is no longer clear. Of the six CEFTA members,[29] four (the Czech Republic, Hungary, Slovenia and Poland) will probably have to terminate membership in CEFTA as soon as they become members of the EU. CEFTA's future as a separate free trade entity may well be in doubt, unless new members are admitted, or the organization develops into something more than just a free trade association, undertaking others forms of economic cooperation, too.[30] At a meeting of the prime ministers of CEFTA countries on 12–13 September 1997, it was agreed "to continue the mutual cooperation in the development of CEFTA functioning."[31] It was admitted also, that CEFTA may be a form of reaction to a situation where some candidate countries are not admitted to the EU.

Of course, we should take into account the fact that the EU integration process for the new member countries will take some time. The possibility of CEFTA deterioration could hamper further enlargement, although at Portorož in September 1997 it was decided to start accession negotiations with Bulgaria, and Lithuania has not abandoned its intention to join CEFTA. Latvia's intentions vis-à-vis CEFTA have never been formulated clearly, and it is not clear what policies Rīga may develop in this respect in the future. This perhaps depends mostly on Latvia's prospects concerning EU membership, as well as the future development of CEFTA itself.

More promising are prospects for Baltic cooperation with Poland under the framework of various Baltic Sea Region initiatives.

On 21 August 1992, representatives from those national and regional ministries of the Baltic Sea Region (BSR) which were responsible for environmental protection and spatial planning met at Karlskrona, Sweden. It was decided to elaborate a document on spatial development – "Vision and Strategies Around the Baltic Sea 2010". The purpose of this conceptual document was to generate a common understanding among participating regions and countries with respect to goals and required actions; to promote the BSR in the international context; and to strengthen the region's development and cooperation potential. The document describes the desired (and realistically achieved) future ("Baltic 2010") in spatial terms – "pearls" (the urban network), "strings" (mobility network), "patches" (specific types of areas), and planning processes as determined by "the system."[32] The report was prepared for the third ministerial conference in Tallinn in December 1994.

The project involves a number of specific regional cooperation programs, including the "Via Baltica" roads project. Many of these programs are intended for eventual linkage with analogous projects in Central Europe. This is especially true with respect to various transportation and communications projects.

In terms of regional work under the framework of the Baltic Sea Region, Poland acts more as a Baltic Sea country than a Central European state. Ground for optimism concerning the development of such cooperation lay in the fact that in addition to Poland and the Baltic states, Germany and the Scandinavian countries (especially Denmark and Sweden) have demonstrated stable interest in the process. Their financial and economic resources can provide a solid underpinning for regional cooperation. It is also important that these countries are members of NATO, the EU or both. In this way regional cooperation does not contradict the strategic goals of the Baltic states to integrate into NATO and the EU.

The United States, too, is providing more active support for the establishment and strengthening of the region. Washington has launched the Northeast Europe Initiative and, according to Deputy Secretary of

State Strobe Talbott, "The goal of the Initiative is to work through existing institutions and structures to encourage integration among the nations of the Nordic and Baltic region but to do so in a way that strengthens the region's ties with the European Union, with key nearby countries like Germany and Poland, and with North America."[33] The initiative also provides for the involvement of Russia in regional cooperation, and this is the strong side of all Baltic Sea Region cooperation initiatives.

Of special importance in this regard are different forms of cooperation (cross-border cooperation in the framework of the "Niemen" Euroregion, trilateral cooperation among Lithuania, Poland and the Kaliningrad region on economic and environmental matters, cooperation under the Partnership for Peace framework, etc.) which could help to stabilize the economic, social and military situation in the Kaliningrad region. Although it can be argued that "regional mechanisms for international cooperation that do not take into account the Russian point of view will produce an effect that is quite the opposite to that intended" [34] with respect to Kaliningrad's problems, as well as Russia's efforts to use its economic influence to achieve political goals, the fact is that risks can be lessened through confidence-building measures and the ensuring of transparency (especially in the military sphere). It is also true that there are important incentives for Russia to participate in this type of cooperation.

We should make particular note of the potential for trans-frontier cooperation, because it helps not only to resolve practical ecological, economic and other problems, but it also promotes the integration of related regions in a variety of ways. On 22 February 1998, representatives of Lithuania and five other Baltic Sea countries signed an accord on creating the Baltic Euroregion. Its headquarters would be in the Polish town of Malbork, and its activities would involve Lithuania, Latvia, Poland, Denmark, Sweden and Russia. At the meeting, Lithuania was represented by the region of Klaipeda, Denmark by Bornholm, Latvia by the town of Liepāja, Russia by the Kaliningrad region, Sweden by several regions and Poland by four provinces. The agreement

provides for cooperation in various spheres ranging from forestry to crime prevention, as well as joint planning in industry, agriculture, transportation, communications, environmental protection, education and tourism.[35] The integration of countries in the region into the EU will increase the status of trans-frontier cooperation in that it will then involve cooperation across the EU's boundaries.

Regional cooperation is facilitating integration with the EU, but at the same time it can also weaken nation states. As John Newhouse has pointed out: "As borders lose their meaning, deeply rooted patterns of commercial and cultural interaction are reappearing in regions where people have more in common, culturally and economically, with neighbors across the border than with their fellow countrymen."[36] Fear of centrifugal forces is apparently one of the factors which is leading Russia to try to ascertain that its work in the auspices of the Council of Baltic Sea States is run from Moscow. This, of course, is frequently opposite to the interests of those regions which are located directly on the Baltic Sea. Poland, to cite an opposite example, is involved in cooperation directly through its coastal provinces, and Warsaw's role is insignificant. Overall, however, given that the statehood of Central and Eastern European countries is still in some cases shaky, that there is insufficient territorial and ethnic integrity, and that there are extensive traditions of centralized authority, there may be many underwater obstacles on the way to regional cooperation.

Successful regional cooperation requires several pre-conditions: common political, economic or other interests; existence of contacts at various levels (intergovernmental, at the level of local governments or cities, among business enterprises, at the interpersonal level, etc.); and a certain sense of historical or cultural community. Baltic cooperation with all of the Central European countries save Poland is based on political and, to a certain extent, economic considerations, but other components are hard to see in the process. There are some unifying elements and cooperation which is based on them (e.g., cooperation between Estonia and Hungary in studying the common Finno-Ugric history of the Estonian and Hungarian nations), but often these links

are quite weak. People in Central Europe tend to know very little about the Baltic states, while people in the Baltic countries have a much better understanding of the Central European nations. During a visit to Rīga in February 1998, the chairman of the Czech Senate, Petr Pithart, said that Central Europeans often have trouble in telling Latvia, Lithuania and Estonia apart. Recognition is a key indicator of mutual links and the level of integration, and it is clear that in the case of the Baltic and Central European countries, these levels are quite low. The Baltic states must take concrete steps toward overcoming this problem.

From the Baltic point of view, Poland has a special place in the region. It is both a Central European country and a Baltic Sea Region state. As the largest country in the region, it also has considerable political military and economic potential, and it can play an active role in the region. Indeed, this is expected by the Baltic states.

Former Polish Foreign Minister Dariusz Rosati, speaking on 8 May 1997 in Poland's parliament, stressed that "Poland's important task within the council of Baltic Sea States will also be to act toward enhancing the interest of European Union member states in this region and toward an extension of Union projects to cover the countries of the Baltic region."[37] Also, at a meeting with former US Secretary of State Henry Kissinger, Prime Minister Cimoszewicz listed integration with the EU and NATO, as well as regional cooperation within CEFTA and the Council of Baltic Sea States as priorities for Polish foreign policy.

The Polish-Lithuanian strategic partnership is also of key importance. On the one hand, it is very important in that it is a stabilizing factor in complicated relations between the two countries. On the other hand, it can also have implications in terms of Baltic cooperation. Lithuania's interest in the Central European direction emanates from its past, as well as from its belief that Polish support could be very important in integration with NATO and the EU. Although in principle the development of close relations between Lithuania and Poland could not be detrimental to Lithuania's participation in Baltic cooperation, there is a danger that competition over admission to the EU (and,

possibly, NATO) could cause problems in this respect. Enhanced partnership with Poland could be in the interests not only of Lithuania, but also of Latvia and Estonia. In any event, cooperation with Poland is a natural extension of Baltic cooperation, although there is a problem of resources and political will.

We must keep in mind that Poland and Lithuania have many areas in which their foreign policy interests coincide, especially in terms of the Kaliningrad region and Belarus. Coordinated foreign policy on these issues is in the interests of both countries in that it does not allow Russia to play Poland and Lithuania off against one another, as it sought to do a few years ago on the issue of a "corridor" to Kaliningrad.

The onset of EU enlargement has brought to the fore such issues as visa regimes, border crossing, customs procedures, etc. The eventual involvement of Central Europe in the Schengen zone may cause problems with visa-free relations with Latvia and Lithuania if they do not join the EU simultaneously with the Central Europeans. Problems in this respect are not any different from those which are arising in the context of Estonian participation in the first round of EU negotiations. Furthermore, if Latvia and Lithuania hopes to integrate into the EU as quickly as possible, they will in any event have to strengthen their eastern borders, achieve greater efficiency in customs operations, etc. Indeed, in stating its near-term priorities in legal and internal affairs, Latvia cited strengthening of the eastern border; combating organized crime, corruption and the drug trade; implementation of a policy on refugees and asylum seekers, and prevention of illegal migration.[38]

It should be noted that as is the case with other issues, cooperation in border protection and customs services has been developing more rapidly and efficiently within the Baltic Sea Region, which is first and foremost because those countries of the region which are EU members are specifically interested in such cooperation. Work with Central European countries is being delayed by the inadequacy of resources, so initiatives which are sponsored and supported by the EU are of critical significance.

4. Conclusions for Latvia

The onset of enlargement by NATO and the European Union, and the inclusion of the Czech Republic, Hungary and Poland in the first round of expansion in both instances, has created two types of consequences for the security of the Baltic states, including Latvia. The first group of consequences emanate from the expansion model which has been chosen by the two organizations and the influence which this model may have on the future pace of enlargement. The second group of consequences are linked to changes in the status and influence of the aforementioned three countries.

One of the results of the onset of the enlargement process is that the differentiation of the Central and Eastern European countries has increased, and it is possible that it will increase still further. Given that Latvia has not been included in the first wave of EU expansion, there is a threat that it may face foreign policy marginalization, and that can increase domestic instability. In order to avert these negative consequences, it will first and foremost be necessary to resolve the problems of domestic policy which can hamper integration with the EU and NATO. Second, Latvia will have to do everything in its powers to oppose conditions which may increase the differentiation of candidate countries in the EU enlargement process. Latvia must have at least a theoretical chance of beginning pre-accession negotiations as soon as it has met the criteria that have been stated by the European Commission. In order to achieve this, Rīga will have to engage in active diplomatic efforts in the EU member countries, as well as in Brussels.

It will also be necessary for Latvia to devote more attention to the pace of integration of those countries which have been invited to begin membership negotiations. The transparency of the EU and NATO enlargement processes is very important. Information will be needed about the accession negotiations of the Central European countries, as well as the requirements which have been levied against them and the way in which the countries propose to meet these requirements. Of course, Latvia's economic and domestic situation differs considerably from the situation in the Czech Republic, Hungary and Poland, but the

integration experience of the countries will nevertheless be very important. The tactics and diplomatic activities of the more successful candidate countries will have to be analyzed, and the experience will have to be put to good use. It will also be important to strengthen cooperation with these countries, bearing in mind that the work is being done with future EU and NATO member states.

Knowing that the likelihood of the Baltic states becoming NATO member countries depends largely upon geopolitical factors which the Balts cannot influence to any significant extent, it is clear that more attention must be devoted to all of the ways in which cooperation with NATO and integration with the alliance can be increased. There is great potential for cooperation with the Central European countries in this respect, and Latvia must pursue not only bilateral cooperation, but also various regional and multilateral forms of activity, especially those in which western countries are also participating.

As the expansion of the European Union gets underway, links between the Baltic states and the EU will increase. Issues concerning the candidate countries' borders, customs systems, trans-frontier cooperation, nuclear safety, environmental protection and other areas are becoming internal questions for the EU to a much greater extent than has been the case previously. The integration process, as well as the "Europeanization" of the region, will lead to increased cooperation between the candidate countries and EU member countries, as well as among the candidate countries themselves. The internal systems and stability of the Baltic states and the Central European countries will improve in response to this.

This will not be an automatic process, however. It will require conscious effort and resources. It is precisely the issue of resources which is the largest problem when it comes to the effectiveness of Baltic and Central European cooperation with NATO and the EU in the context of integration. What's more, the lack of resources is problematic for both groups of countries, not just the Baltic states.

Undoubtedly, one of the most promising directions in terms of regional cooperation – one which will affect both hard security and soft

security – is cooperation within the Baltic Sea Region. The success of these processes will depend in part on the fact that the work involves various levels of cooperation – among local governments and cities, among business structures, cultural institutions, national governments, etc. Hans-Henning Horstmann of the German Foreign Ministry has termed this a "down-to-earth and bottom-up approach."[39]

Poland's participation in various regional initiatives creates better conditions for more expanded cooperation involving Central Europe. It is clear, however, that the "gravitational pull" of the Baltic Sea Region is much greater than that of Central Europe. That is for economic, political, as well as cultural and historical reasons.

Regional cooperation is also one of the instruments that promotes Latvia's increased "recognizability" in the region. Insufficient recognition among the various countries is a fairly important shortcoming in the relationship between the Central European countries and the Baltic states – not so much at the intergovernmental level, but certainly in terms of economic, cultural and human contacts. This is another area in which there is much hard work to be done on Latvia's part.

Also of very great importance will be increased economic contacts. In 1996 and 1997, Latvia's trade relations with the Czech Republic, Hungary and Poland expanded considerably, especially with respect to Poland. At the same time, however, imports from these countries are increasing much more rapidly than are exports to them. This causes an increase in the country's trade deficit. This has been the case not only in Latvia, however, but also in Lithuania and Estonia. The main factor here is that the Central European countries are much more integrated with the European Union than are the Baltic states, and this gives them a certain set of advantages.

Still another factor which Latvia must bear in mind is the possible increase in Poland's role in the Baltic region, as well as in Central Europe, once it becomes a member of NATO and, further down the line, of the European Union, too.

Another important issue is the way in which Czech, Hungarian and Polish membership in the EU and NATO will affect Baltic cooperation.

In 1996 and 1997, a number of Lithuanian politicians made statements which testified to a fear that Baltic cooperation may turn into a dead end which blocks access to NATO, as well as the EU, and which suggested that an escape from this situation can be found through more intense contacts between the Baltic states and Central Europe. The speaker of the Lithuanian parliament, Vytautas Landsbergis, has been particularly vocal in arguing that the Baltic states must draw closer to Central Europe in order to escape isolation in "the Baltic corner". On 25 February 1998, meeting with Lithuanian diplomats, Landsbergis stressed that Lithuania and Poland should plan more trilateral cooperation involving the Czech Republic, Ukraine, or Latvia. The Baltic states, according to the speaker, must achieve a situation where they are seen as belonging in one group with Poland, the Czech Republic, and Hungary.[40] It should be added that the Baltic states have made efforts in this direction ever since the beginning of the 1990s. The conclusion of the European Commission that Latvia and Lithuania are not ready for integration with the EU, of course, was a step backward in this process, but it is by no means unilaterally clear whether the Baltic states as a unified group is a geopolitical *fait accompli* or whether cooperation with the Central European countries, as well as individual activities, can help the three countries escape this geopolitical destiny.

The idea that Lithuania is oriented toward Central Europe, that Estonia is aiming toward Finland and Scandinavia, but that Latvia is interested first and foremost in cooperation among the Baltic states and the Baltic Sea countries because it has no access to either of the two other options – this is a very simplified idea. Undoubtedly, the fairly complex situation which is emerging in the Baltic region in the wake of the onset of expansion will have a seminal influence on cooperation among the Baltic states, but this will be manifested both in positive and in negative ways. Cooperation among the Baltic states (and the Baltic Sea countries) is a political and economic necessity which is *not* an alternative to cooperation with Scandinavia or with the Central European countries; this is understood both in Estonia and in Lithuania. The aforementioned statement by Landsbergis, as well as views by other

Lithuanian experts[41] and politicians indicate that Vilnius does not believe that cooperation with Poland and other Central European countries should be expanded at the expense of cooperation with Latvia and Estonia.

NOTES

[1] Tihonovs, J. "Ilvess: Igaunijas attiecībām ar Latviju jābūt iespējami ciešām" (Ilves: Estonia's relationship with Latvia must be as close as possible), *Diena*, 11 March 1997.

[2] *The Economist*, 30 March 1996.

[3] Address by Geremek at the conference "NATO's Future After the Expansion – American, German and Polish Perspectives", Warsaw, 6 December 1997. *Materials and Documents*, Warsaw, Vol. 7, No. 12, 1997, p. 1584.

[4] Havel, V., "The Charm of NATO", *The New York Review of Books*, Vol. XLV, No. 1, Jan. 15, 1998, p. 24. This is an address given by Havel in Washington on October 3, 1997, after receiving the Fulbright Prize.

[5] "A Larger EU – A More Secure Europe. Study of the Consequences for Security of EU Enlargement". Government official reports 1997: 143. Ministry for Foreign Affairs. Stockholm, 1997, p. 16.

[6] Kinsky, F. "The Czech Republic's State Strategy in Europe". Centre International de Formation Europeenne (CIFE), Nice, 19/97, p. 10.

[7] Kinsky, *ibid.*, p. 13. It can be noted, however, that Jan Kulakowski, the former Polish ambassador to the EU, has stressed that "Poland belongs to Europe, thus its policy is not one of a "return" to it, but it is the policy of integration with the European structures in which Poland was not permitted to participate after the Second World War – contrary to its interest and to the opinion of a majority of its citizens." See Kulakowski, J. "Poland and the European Union", in Wizimirska, B. (ed.). Yearbook of Polish Foreign Policy, 1997. Warsaw: Services Division, Ministry of Foreign Affairs (1997), p. 39.

[8] Remarks by Albright to students at Vilnius University and a questions-and-answers session, 13 July 1997. (US Department of State Office of Spokesman).

[9] Tērbata, E. "Krīze ir 'briesmas' plus 'iespēja'" (The crisis is "danger" plus "opportunity"), *Diena*, 12 March 1998.

[10] A characteristic belief was expressed recently by Valery V. Tsepkalo: "Eventually economic necessity and demands for social justice will push Baltic elites toward balanced relations with the West and the East that will presuppose the political neutrality of the Baltics and their deep involvement in the economic life of Belarus and Russia." – Tsepkalo, V. V., "The Remaking of Eurasia", *Foreign Affairs*, vol. 77, no. 2., 1998, p. 118–119.

[11] German support, indeed, was decisively important in determining that NATO enlargement to the East would begin and that the Czech Republic, Hungary and Poland would be the ones to be offered first-round membership in the alliance. Despite Germany's efforts to ascertain that NATO enlargement not exacerbate tensions between Russia and the West or domestic instability in Russia, Bonn nevertheless was active in supporting NATO membership for Central European countries, and especially for Poland. Worthy of notice, moreover, is a line of thought which emphasizes Poland's own role in assuring Germany's support: "Through symbolic politics and direct appeal, Polish policy makers have by their actions ensured that Germany decision makers view themselves as outspoken advocates for the Polish cause of joining NATO." Hampton, M. N. "Poland, Germany and NATO Enlargement Policy", *German Comments*, No. 49, 1998, p. 94.

[12] *Materials and Documents*. Warsaw, Vol. 6, No. 8–9, 1997, p. 1524.

[13] Between 1994 and 1997 Poland presented Lithuania with 10 armored vehicles, five helicopters, 18 cannons, 200 anti-tank grenade launchers, 12 radar stations and other arms and materiel. The mechanized infantry brigade "Geležinis Vilkas" (Iron Wolf) has worked together with Poland's 15th mechanized division, Wladyslaw Jagiello, in Olsztyn.– See Sylwester Przybyla, Podejscie Litwy do bezpieczienstwa w regionie (Lithuanian Approach to Regional Security) (Adam Marszalek: Warszawa, 1997), p. 35.

[14] *Ibid.*, p. 39.

[15] Wohlfeld, M. "Conclusions", in Wohlfeld, M. (ed.). The Effects of Enlargement on Bilateral Relations in Central and Eastern Europe, Chaillot paper 26, Paris: Institute for Security Studies, Western European Union, June 1997, p. 68.

[16] "Presidency conclusions". Luxembourg meeting of the European Council, 12 and 13 December 1997. Cited from http://europea.eu.int/rapid/start/dgi/guesten.ksh?p_action.gettxt=gt&doc=DOC/

[17] See Bertelsman Foundation Research Group on European Affairs (ed.). Costs, Benefits and Chances of Eastern Enlargement for the European Union. Guetersloh: Bertelsman Foundation Publishers (1998), p. 8.

[18] "Presidency conclusions", *op. cit.*.

[19] Garton Ash, T., "Europe's Endangered Liberal Order", *Foreign Affairs*, Vol. 77, No. 2, 1998, p. 57.

[20] Grabbe, H. and Hughes, K., Enlarging the EU Eastwards. Chatham House Papers. London: The Royal Institute of International Affairs, 1998, p. 117.

[21] Bertelsman, *op. cit.*, p. 47.

[22] "A Larger EU", *op. cit.*, p. 31.

[23] Inaugural Meeting of the European Conference, London 12 March 1998. Cited from http://presid.fco.gov.uk/meetings/euroconf/kosovo.shtml.

[24] This has been pointed out by the deputy defense minister of Poland, Andrzej Karkoszka, who in formulating arguments in favor of Polish membership in NATO, said that one of the most important arguments is the fact that Poland has settled relations with neighboring countries and a lack of national minority problems. "The Polish Vision of the pan-European Security Model". Main theses of a speech delivered by the Secretary of State and the Deputy Minister of National Defense, Dr. Andrzej Karkoszka, at a meeting with military attaches accredited to Warsaw, 17 April 1996, Warsaw (1996), p. 23.

[25] Chojnowska, A. "Relations with Ukraine", in Wizimirska, *op. cit.*, p. 142.

[26] *Materials and documents*, Vol. 6, No. 8–9, 1997, p. 1511.

[27] Riishoj, S. The Visegrad Process and CEFTA. The Working Papers on European Integration and Regime Formation, No. 27, South Jutland University Press, 1997, p. 35.

[28] Hensel, L. "The chances of 'Visegrad' and CEFTA", in Stefanowicz, J. (ed.) Polska w Europie na przelomie wiekow. Warsaw: Instytut Studiow Politycznych Polskiej Akademii Nauk (1997), p. 172 (in Polish).

[29] The Czech Republic, Hungary, Poland, Romania, Slovakia and Slovenia.

[30] Pavliuk, O. "Ukrainian-Polish Relations: A Pillar of Regional Stability?", in Wohlfeld, *op. cit.*, p. 57.

[31] Declaration of Prime Ministers of the CEFTA Countries, Portorož, Slovenia, 12–13 September 1997.

[32] "Vision and Strategies Around the Baltic Sea 2010: Toward a Framework for Spatial Development in the Baltic Sea Region". Third Conference of Ministers for Spatial Planning and Development, Tallinn, 7–8 December 1994.

[33] "Opening Doors and Building Bridges to the New Europe". An address by Deputy Secretary of State Strobe Talbott. The Paasikivi Society, Helsinki, Finland, 21 January 1998. – CI/NTSCAPE/NEWEUROP.HTM.

[34] Zajaczkowski, W. "Polish-Lithuanian Relations: The Complexities of Geopolitics", in Wohlfeld, *op. cit.*, p. 38.

[35] *Newsfile Lithuania*, 24 February – 2 March 1998.

[36] Newhouse, J. "Europe's Rising Regionalism", *Foreign Affairs*, Jan./Feb. 1997, p. 71.

[37] "Priority Tasks for Polish Foreign Policy". An address by the Minister of Foreign Affairs, Dariusz Rosati, in the Sejm of the Republic of Poland, 8 May 1997.

[38] Latvia's Proposals for the European Commission's Document "Latvia: Accession Partnership", 15 December 1997.

[39] Statement by Hans-Henning Horstmann, Ministry of Foreign Affairs, Germany, at the conference "Security and Prosperity in the Baltic Region", 16–

17 November 1997, Riga.

[40] *Newsfile Lithuania*, 24 February – 2 March 1998.

[41] Algirdas Gricius, for example, has stressed that active cooperation between Poland and Lithuania is not contradictory to Baltic cooperation, and it promotes stability on the eastern shore of the Baltic Sea. See Gricius, A. "ES pletimasis ir Baltijos šaliu saugumas" (EU expansion means security for the Baltic states), *Politologija*, No. 2 (10), 1997, p. 90.

Aivars Stranga

BALTIC-RUSSIAN RELATIONS: 1997

The Baltic states seem to be between two processes of integration – one which is the result of EU and NATO expansion, with both organizations becoming the only serious force of gravitational pull in Europe; and the second which is supposedly happening in the so-called Commonwealth of Independent States and which is mainly centered on Russia. In fact, of course, there is only one process of integration – the one involving EU and NATO. The processes which are taking place in the CIS are governed not by any real integration, but rather by Russia's desire to ensure the priority of its interests throughout the post-Soviet space, and its inability to achieve this because of the weakness of its resources.

The relationship with Russia is a fundamental part of the foreign policy strategies of the Baltic states, not least because this is of critical importance to the main strategic goal – full participation in the only integration process and its organizations (the EU and NATO). In the previous project of the Latvian Institute of International Affairs, which was completed at the beginning of 1997 and published in May of the same year, I wrote about the Baltic-Russian relationship and noted that on February 13, 1997, Russia had announced its long-term strategy with respect to the Baltic states. This, I wrote, marked the beginning of efforts to create a special Baltic policy in Russia, where there had been no such coherent policy before. The long-term policy was intended as a positive (at least in Russia's view) offer to the Baltic states of the future relationship between the two sides, but in fact the strategy was nothing more than a new example of old thinking. With respect to security issues, it insisted on a neutral Baltic outside of NATO; in the field of economic relations it proposed the application of economic levers to

political goals; with respect to the so-called "Russian speakers" in Estonia and Latvia it called for automatic citizenship for all of them; and it spoke openly in favor of linking the signing of border agreements with Estonia and Latvia to the issue of the "Russian speakers". The proclamation of the strategy had no positive effect on Russia's relationship with the Baltic states, and after the US-Russian summit in Helsinki in March 1997, a few signs of a more flexible approach to the Baltic countries began to appear in Moscow. Shortly after the summit Boris Yeltsin spoke in favor of offering a "positive program" to the Baltic states, one which would, among other things, address security guarantees.

In their conclusion to the previous Institute project, the authors concluded that Russia's ability to influence events in the Baltic states would be dependent on many factors – on Russia's abilities to underpin its foreign policy ambitions with sufficient resources; on the ability of the Baltic states to merge fully into the new European security system, especially the EU and NATO; and on the internal stability of the Baltic states – the establishment of liberal civil societies, on the development of modern economies, and on the integration of minorities.[1] This project is a continuation of research from the previous years, and it focuses on the following questions:

1) New elements in Russia's Baltic policy in 1997 – Russia's hopes and abilities, and the results of its policy;

2) Russia's relationship with NATO and the EU and the effect of these relations on Baltic policies vis-a-vis the two organizations;

3) The policies of the Baltic states with respect to Russia – goals, abilities and results;

4) The relationship of the Baltic states and the EU and NATO and its effect of on Baltic-Russian relations.

In the introduction, I must say a few words about the sources which were used in writing this chapter. In all three Institute projects, the main sources of information in researching Russian-Baltic relations have been the writings of Russian scholars, as well as publications in the Russian press. Over the last year, various processes in the forms of public

communication in Russia have developed very rapidly which make work with sources much more complicated. First of all, nearly all publications have been taken over by influential bankers, or monopoly raw materials companies.[2] Second, newspapers have begun openly to reflect in their columns the interests of specific groups in the battle against other groups. The need to bear in mind the specific interests of owners has become a more urgent need in work with information sources than was the case previously.

1. Russia's Baltic policy

1.1. Russia's ideas about the national interests of countries

Looking at Russia's national interests, we face much greater problems than in writing about the national interests of other major countries. These problems can be posited in the following questions:

- Does a national consensus exist in Russia about the country's national interests?
- Do the ideas of Russia's governing elite about national interests correspond to the true interests of the state, and how can these interests be defined?
- To what extent do the interests of individual groups affect the national interests of the country?

Russia's government, as well as most of the political opposition in the country, feel that Russia's national interests are preservation of the status of a major power, and promotion of processes of "integration" throughout the territory of the former USSR.[3] Russian analysts, however, doubt whether there is a true national consensus, noting that during the era of Foreign Minister Yevgeny Primakov, one can speak of no more than a seeming consensus while paying more attention to the interests of Russia's more influential groups and clans.[4] Recognizing the enormous interests of these groups and the considerable strengths which the groups have in implementing these interests, I nevertheless hold to the view that in the eyes of Russia's most influential political and economic forces, the entire territory of the former USSR is a sphere of special interest and influence for Russia. The issue of which concept is

more apt in characterizing Russian policy – integration or reintegration – is not important, as far as I'm concerned, even though it has been treated to some extent in the literature.[5] Russia's goal is to have decisive influence in all of the so-called CIS countries, as well as the Baltic states, and to reduce them to Russian satellites. The Baltic states are seen as a space in the middle – between the CIS and the countries of the old Warsaw Bloc. They are not quite part of the CIS, but they are also not fully fledged countries like, for example, Poland. The Baltic states are seen as a *non-integrated* part of the post-Soviet space.[6]

The most important thing here is not Russia's ideas about the post-Soviet space, but rather Russia's ability to put its views into practice. The growing gulf between Moscow's foreign policy ambitions and its abilities to actually do something about those ambitions is the most important aspect of Russian policy. Only a truly major power can become a center of integration or reintegration. Russia, however, is experiencing not just one, but multiple crises which cover all aspects of the state and its population and which make Russia not only unable to ensure any kind of integration, but also unattractive in its image – a weak but pretentious and pushy country. Without an attractive, major-power image, Russia simply cannot pursue its policy of integration.

Russia's weakest point is the fact that its economic potential is by no means that of a major power. Russia is a country of medium-level economic development which represents 2% of global GNP and is 46th on the list in the world in terms of per capita national income.[7] Contrary to many forecasts in Russia and abroad, an economic renaissance has not begun, and the serious Russian analyst Sergei Rogov predicts long-term stagnation which will allow Russia to reach 1990 GNP levels only in the year 2010.[8] This forecast is firmly grounded. The economic model which exists in the country – "agreement-based capitalism" ('dogovornij kapitalism') – involves the fact that capital which is involved in raw materials procurement, processing and transportation is beating out the military-industrial complex in becoming the *de facto* governing force in Russia. Raw materials capital forms the ideology of the president's apparatus, the government, and the major factions in Parliament. Raw materials capital even has its own foreign policy.[9] Grigory Yavlinsky has called this a corporate-criminal system which is far from a normal market-based economy.[10] Neither the Russian government nor any group of capitalists has been able to elaborate a healthy strategy for economic development.

Raw material capitalism has facilitated the diminishing fortunes of the industrial sector. Foreign investments in the Russian economy have been insufficient (approximately 20 billion USD in mid-1997), and investment has gone largely to the raw materials extraction sector (and, most recently, to the communications industry). Capital flight from Russia has continued unabated (between 1 and 2 billion USD per year), and foreign financial assistance has been one of the greatest sources of corruption in Russia. Oligarchic capitalism which is centered on banks and raw materials monopolies has not been able to impose the rule of law on the Russian economy. Quite the contrary: the battle among various cliques promotes gross violations of the principles of law, and even the state's security institutions are involved in the fight among clans.[11] The volume of the "shadow economy" is still high and may even be growing.[12] There have been few accomplishments in improving tax collections, and the entire world is preoccupied with the criminalization of the Russian economy and the international consequences of this problem.[13] The country has no social agreement between citizens, society and capital, it has no strategy for economic development, no serious structural changes, and completely inadequate development of new technologies.[14] That is Russia today.

The country's economic model has left a contradictory but generally controlled and more or less — rational effect on Russia's foreign policy. The process of so-called "economization" affected foreign policy, meaning that economic questions became increasingly important in the country's relationship with the world's major powers and financial institutions (the so-called Denver agenda in relations with the International Monetary Fund and the World Bank; relations with the World Trade Organization; formal membership in the G-7).[15] Economization means that the country cannot, and often does not want to, pay for such

areas of operations which are of significance in terms of strategic or geopolitical interests but which are expensive to implement. Economization, especially in terms of the Denver agenda, has even served to reduce the foreign policy influence of the geopolitician Yevgeny Primakov. The process of economization has also had a very direct effect on the so-called integration processes in the post-Soviet space. In order to promote integration, Russia had planned to utilize around 40 financial and industrial groups which were supposed to ensure that Russia's influence in the post-Soviet territory remained powerful. In April 1997, however, only two such groups had been created. Given that industry is still in absolute crisis in Russia, we are dealing not with real integration, but merely with Russia's yearning to control oil and gas supply routes and processing companies. That was the main reason why *Gazprom* and its pocket bank, *Imperial*, have been so keen on integration with Belarus: *Gazprom* is basing its work on the forecast that in the early 21st century Europe's gas consumption will increase by between 40 and 70 percent, and it will be possible to satisfy the demand with the "Jamala-Europe" project.[16] On the other hand, if Russia's economic interests come into conflict with those of other post-Soviet countries, including the strategically important Ukraine (there have been sugar and vodka "wars" between the two countries), then the economic competition destroys the foundations of policies which are supposed to bring countries like Ukraine closer to Moscow for strategic purposes.[17] In protecting their own economic interests, the countries of the CIS have elaborated bilateral and multilateral cooperation among themselves, especially in transportation and raw materials procurement. These processes have been aimed at avoiding Russian participation.[18] In general, the economization of foreign policy which has been caused by Russia's economic weakness has left a very contradictory effect on the country's foreign policy. First of all, it has promoted the calculated nature of foreign policy, and it has also facilitated the development of profit-based relations with countries that are in conflict with the western democracies that are supposedly Russia's partners in the Denver agenda (contacts with Iraq, Iran and Libya). In the CIS,

economization has created a brutal fight over raw material sources and transportation arteries, and Russia has gone so far as to engage in openly destructive activities vis-a-vis disobedient "partners" (support for a military coup attempts in Azerbaidzhan, for example, in 1993 and 1994). In promoting stagnation in Russia, raw material capitalism has hampered the economic healing of the country, as well as the development of increased economic potential which is so necessary if Russia is to carry out its major-power ambitions.

Economic weakness has also been a factor in the development of military contacts in the post-Soviet space. The financial and industrial groups which were supposed to promote integration in the interests of Russia's military-industrial complex have been weak. Some CIS countries have become competitors, not partners in the weapons market (e.g., Russia-Ukraine). The military reform process which was introduced in a decision by the Russian Security Council on May 22, 1997, has been proceeding very slowly, both because of a lack of resources, and because of the absence of any clear reform concept. The output of the military-industrial complex in Russia in 1996 was only 5% of the 1990 level. Budget spending on the development of new weapons was approximately seven times less than spending for that purpose in the United States. Russia has simply been unable to follow up on recommendations from analysts that it promote closer military cooperation with the CIS countries and even with the Baltic states in order to compensate for geopolitical losses.[19]

Russia also lacks a sufficiently attractive political system and value orientation to encourage integration – values which the other post-Soviet countries, especially the Baltic states, would find acceptable and would seek to emulate. Without an attractive political system and value orientation, a country cannot be a major power. Evaluations of Russia's political regime tend to group into two segments. One view is that the regime is based on the corporate and oligarchic nature of the Russian economy, and it is democratic only insofar as democratic procedures (including elections) are concerned, but in fact the regime is a resource for a fight for power among various economic and territorial elites.[20] The

second viewpoint is that the regime is not yet completely oligarchic, but rather is a hybrid in which no single group is able to monopolize all power in Russia. This view holds that Russia's political system is bureaucratic and authoritarian, and an enormous role in it is played by Yeltsin personally. He ensures balance in the battle among various groups. The role of the federal bureaucracy and regional leaders is increasing.[21] Even though it is important for analysts to determine precisely the typology of the Russian regime, for the purposes of this paper it is more important to note what the two viewpoints have in common: they both hold that Russia is far away from liberal democracy, and because of this, it cannot be attractive to other countries. In the area of a system of values, the situation is even worse. Since the collapse of communism, despite state-sponsored ideological efforts, Russia has not been able to create a system of values which is acceptable to a majority of its own people and which is attractive to other countries. In the summer of 1997 Yeltsin himself ordered the development of an ideology which would co-opt some of the slogans of the so-called "patriotic opposition" and which would become the ideological basis of the current regime. Nothing was created except the artificial idea of "people's capitalism" – Russian patriotism, the Russian market, defense of the interests of Russian producers (i.e., protectionism), and strict order in the finance world.[22] Later, when a financial crisis nearly destroyed the ruble in November 1997, "people's capitalism" disappeared from view. Understanding that "people's capitalism" would not perform as the commanded ideology was supposed to perform, the government postponed the proclamation of an official ideology. The only ideology which is widespread in Russia, in other words, is Russian nationalism and yearnings for superpower status. Neither this philosophy, nor any artificially constructed ideology, can become the central object of a country's ideas. The same is true of Primakov's ideological foundations for Russian foreign policy – the "concept" of a multi-polar world. Even representatives of the Yeltsin administration have said that this idea is too ideological.[23] The goal of the concept was to justify at least two Russian foreign policy goals: keeping the United States from

increasing its influence in the post-Soviet space and maintaining Russia's special influence in that territory. The concept could not have been particularly popular in the countries on Russia's borders, especially the Baltic states, which want quite the opposite – increased American influence and less Russian influence.

1.2. Russia's Baltic policy: goals, resources for their implementation, results

As I wrote in the introduction to this chapter, Russia's long-term strategy for relations with the Baltic states, which was announced in February 1997, focused on security issues. But Russia's attitude to security issues in the Baltic states cannot be divorced from the overall nature of Russia's relationship with the West and security-related issues in this context. Even though Russia's relations with NATO and the United States (especially in the context of European security) are not the whole story in terms of Russia's relationship to the West, in the context of our research it is worth noting precisely these issues and the way which they affect Russian-Baltic relations.

Russia's approach to NATO expansion in the first half of 1997 was characterized, on the one hand, by increasing government-sponsored rhetoric in the mass media about possible responses by Moscow to such a step. On the other hand, Yeltsin (who completely controlled all issues concerning Russia's links with NATO) and Primakov understood clearly that Russia could offer no reply to NATO enlargement; all it could do is seek to preserve face for Russia by signing an special agreement with NATO in advance of the expansion. It is possible that Russian analysts and political commentators, whose influence on Russia's foreign policy establishment has always been much lesser than they themselves believe, truly believed Russian government rhetoric about responses to NATO expansion, which included threats of placing tactical nuclear weapons in Belarus; to abrogate the CFE treaty; to refuse to ratify the START-2 agreement; to develop much closer relations with China, etc. Political scientists got carried away with geopolitical and geostrategic dreams of a Russian-Indian-Iranian axis,

or even a Russian-Iranian-Indian-Chinese axis as a response to growing American influence in Europe, including in the process of NATO enlargement.[24] Sergei Karaganov's Foreign and Defense Policy Council recommended that the agreement with NATO not be signed and that Yeltsin delay negotiations with NATO even after the Madrid summit, demanding strict promises from the alliance that the first round of expansion would be the last, that the Baltic states would never become members of NATO, and that the alliance would turn into a collective security organization.[25] Yeltsin decided otherwise. The haggling with NATO continued only as long as Yeltsin thought that he could get something more. When he understood that NATO would expand with or without an agreement with Russia, he agreed to sign the basic agreement, thus demonstrating his continued sense of reality. As soon as Russia stated its readiness to sign the agreement with NATO, several Russian authors who are often used to express the views of the Russian Foreign Ministry, proclaimed that Russia had extracted enormous concessions: There would be no second round of enlargement; NATO would review its strategic concept and would be transformed into an organization more political than military. It was especially stressed that Russia would reject the basic agreement if the issue of admitting the Baltic states into the alliance were ever to be raised.[26] There is no doubt that in comments about the NATO agreement, representatives of the Russian government, as well as people in the mass media, sought to portray the agreement as a win for Russia and to ascribe to NATO promises which the alliance had never made (this was especially true of a remark by Yeltsin press secretary Sergei Yastrzhembsky that Russia had made certain that new NATO members would be second-rate participants in the alliance).[27] The most important question which remains unanswered (and which is very important to the Baltic states) is whether Russia has accepted cooperation with NATO as a permanent factor in its foreign policy, or whether the signed agreement will be nothing more than a expression of Russia's weakness, and Moscow will continue to harbor revisionist hopes in its heart of hearts. At the end of the day, this is an issue of whether Russia is a *status quo* or a *revisionist*

country. V. Nikonov, a well-known Russian analyst and an active participant in Yeltsin's 1996 election campaign, has compared the NATO agreement to Germany's humiliating signing of the Versailles Treaty (1919) and said openly that because of its present weakness, Russia has to balance its relations with major powers very carefully, but in the future, when Russia overcomes the weakness, it will be able to start thinking about revising the European security system.[28]

The Russian-NATO agreement and the institution which has been created for implementation of its terms (the Russian-NATO Council) have been the object of some controversy among western analysts, including in the context of Baltic-NATO relations. The main fear involves two questions. First, will the Russian-NATO Council give Moscow a greater role than is formally specified in the May 27 agreement, allowing Russia to seek to take advantage of differences of opinion among NATO members in an effort to weaken the alliance? And second, if the Russian-NATO Council proves successful, will NATO countries be prepared to take responsibility for scuttling the cooperation by admitting the Baltic states to NATO – something that could cause Russia to reject the agreement.[29] It is doubtful whether NATO would be prepared to follow recommendations by Zbigniew Brzezinski and Anthony Lake that new candidate countries be named by mid-1999, i.e., by the time that ratification of the accession of Poland, Hungary and Czech Republic has been completed.[30] We can probably conclude that the influence of the Russian-NATO agreement on Baltic security may be quite complex. By agreeing to the agreement because of its weakness, Russia expanded, at least for the time being, its cooperation with NATO, which is in and of itself a factor that strengthens Baltic security. On the other hand, it is precisely Russia's weakness and its cooperation with NATO that can weaken the possibility of Baltic membership in NATO, where support for the accession of the Baltic states is not great.

In evaluating the Madrid summit, Russia's official circles, as well as many analysts, stuck to the following formula: Russia's main goal is to establish precise mutual relations with NATO. These relations must

become an alternative to the next round of NATO expansion. In order to avert the enlargement, relations must be developed with several NATO countries (especially France, Germany and the United Kingdom).[31] Some analysts continued to hope that the agreement would ensure closer relations with NATO for Russia than those of Poland, the Czech Republic and Hungary, even after their admission to the alliance.[32]

Even though the Baltic states were mentioned in the concluding document of the Madrid summit in a way which did not make any promises about Baltic membership in the next round of enlargement, the very mention of the three countries was unpleasant for Russia.[33] Even more unpleasant for Russia were signs which it perceived as undesirable increase in the American influence in the Baltic states. First of all, there was increased military cooperation between the Baltic states and America.[34] Second there was the upcoming US-Baltic Charter which, although it did not contain any security guarantees for the Baltic states or promises of Baltic membership in NATO, was seen as a direct and undesirable increase in American influence.[35] Third, even the completely economic proposal to create the Hansa Project, which would have involved closer economic cooperation among the Baltic Sea countries with the support of the United States, encouraged Russian suspicions that America was seeking to increase its influence in the St. Petersburg and Kaliningrad regions, thus promoting centrifugal forces in Russia. Moscow's response to the Madrid summit came at two levels. First, at the rhetorical level, there were repeated threats of Russian countersteps. The topic had a short shelf-life, and some of the proposals were less than serious.[36] A different level of response became increasingly important in Russian foreign policy. Immediately after the Helsinki summit, Moscow began to offer a variety of cooperation efforts to the Baltic states, emphasizing the issue of security guarantees. When Primakov first broached the topic of guarantees in May 1997, he even said that there could be international guarantees for the Baltic states outside NATO *but without Russian participation*.[37] In the official offer of guarantees, however (in October 1997), Russia presented itself as the

main guarantor. Before we look at the guarantee offer in more detail, I do want to make a few comments about the way in which Russian-Baltic relations have been seen in Russia's academic centers.

Two serious analytic reports on Russia's Baltic policy appeared in the fall of 1997. The first was written by Karaganov's Council on Foreign and Defense Policy.[38] As usual the council's report criticizes Russia's policy vis-a-vis the Baltic states for being insufficiently flexible and effective. The authors stated very openly that the policy could improve if only the government were to follow the recommendations of the highly ambitious council. Also as usual, the council hoped to influence several important politicians or bureaucrats; this time particular attention was devoted to Yeltsin's foreign policy advisor, S. Prihodjko (a former director of the Baltic states division at the Russian Foreign Ministry), who participated in the presentation of the council's report on 28 October 1997 and who was, in fact, personally involved in promoting a more active Baltic policy at the Kremlin. The goal of the report was to propose an effective program for Russia's Baltic policy, with the idea of making the policy a priority part of Russia's European policies.

Looking at the international status of the Baltic states, the Karaganov report stated that on the one hand, the role of the Baltic states in the West's "political radars" is diminishing (e.g., the three Baltic countries have no hope of rapid membership in NATO), but on the other hand, the West has a positive attitude toward the Baltic states, and support for the three would continue. The report proposed the elaboration of a broad and complex dialogue with the Baltic states, involving not only security (NATO) problems, and refraining from overemphasizing the issue of NATO enlargement. The authors of the report felt that Baltic membership in the EU would be good for Russia, because it would facilitate Russia's economic interests in the region. The main goal of Russian business, the report said, should be maximum involvement in the Baltic region. With respect to the so-called "Russian speakers" in the Baltic states, the report recommended a combination of "sharp pressure" (in Latvia and Estonia) with a more effective use of the

Russian speaking community in both countries on behalf of Russia's goals. As one way of implementing Russian policy, the report recommended taking advantage of economic competition among the Baltic states in the Russian transit sector. The report also noted the main weakness of Russia's foreign policy – a lack of coordination in implementing the foreign policy program. The authors urged Russia to overcome this problem in implementing its Baltic policy. It is not insignificant that the report contained no mention of any security guarantees for the Baltic states. As was the case of all other reports written under Karaganov's leadership (I have written about these in our two previous books), this one also was aiming at offering a more flexible approach to Russia's most inflexible goal – to preserve and increase its influence in the Baltic states.

The second academic report was the aforementioned (note no. 4) report by D. Trenin, deputy director of the Carnegie Moscow Center. Trenin analized and collected results from a series of roundtable discussions about Baltic policy that had taken place between January and September 1997 and the goal of which was to propose a constructive model for Russian-Baltic relations. In Trenin's eyes, the model had to involve a lesser military security element, turning the Baltic region into a model for Russian-Baltic cooperation. Believing that Baltic membership in NATO is not a real issue and is not expected in the near future, Trenin recommended that Russia tone down its rhetoric about NATO expansion and offer the Baltic states a security model outside the alliance: Russian support for Baltic EU membership, which is in the interests of Russia itself, as well as expansion of the Partnership for Peace program with more active Russian participation in the program along with the Baltic states.[39] Trenin also recommended that Russia facilitate the increased role of the Council of Baltic Sea States, as well as expanded bilateral relations between Russia and the various Baltic states in all areas, starting with economic cooperation, continuing with cultural contacts, and ending with the signing of border agreements without linking them to the situation of the "Russian speakers" in Latvia and Estonia.

Trenin's report was moderate and correct, but its influence on Russia's foreign policy was very limited, even though several institutions of authority in Russia, as well as Russia's embassies in the Baltic states, demonstrated an interest in it. Immediately after the reports from the Karaganov council and from Trenin, Russia announced its offer of security pacts to the Baltic states. Both reports (especially Trenin's) had recommended gradual expansion of Russian-Baltic relations, without focusing too much on security issues. Nevertheless, Moscow proposed specifically a security pact, placing security guarantees square at the center of Russian policy. Even though security guarantees, to say nothing of security pacts, were not even mentioned in either of the academic reports, Russian government representatives, especially before Chernomyrdin's speech at a conference in Vilnius in September 1997, consulted with the Europe Institute of the Russian Academy of Sciences (its deputy director is the same Sergei Karaganov) and received recommendations which were firmly in line with the Russian Foreign Ministry's idea of offering security guarantees to the Baltic states. This means that we must be skeptical in looking at publicly available academic reports from Russia, because they can differ very significantly from the advice which authors of such reports provide unofficially to the Russian government.

In October 1997, Russia submitted to the Baltic states the Russian proposals for a regional security and stability pact in the Baltic Sea region ("Rossijskije predloženija paktu regionalnoj bezopasnosti i stabilnosti dļa reģiona Baltiijskogo morja"). The proposals contained a *complex approach* to Russian-Baltic relations. In a single, linked package, Moscow offered *security guarantees* (which could be unilateral Russian guarantees, bilateral Russian-Baltic agreements, or multilateral agreements with the participation of other countries or organizations), as well as increased Russian-Baltic relations in the military, the political, the economic, the social, the human rights and the environmental protection sectors. The fact that guarantees were offered in the form of a pact makes it clear that the proposal was developed amateurishly, without taking into account so important a consider-

ation as the fact that opinions in the Baltic states with respect to pacts with Russia were highly negative as the result of the tragic history of the region (including the pacts which Russia forced upon the Baltic states in 1939). It appears that the Russian offer of guarantees did not include a demand that the Baltic states abandon efforts toward NATO membership as a condition of good relations with Russia, but it is clear that this was precisely Moscow's goal. The proposal was particularly extensive with respect to steps toward military trust and cooperation, something which reflected Russia's dissatisfaction with the very low level of military cooperation that had existed with the Baltic states until that time.[40]

Russia had three goals in proposing the pact:

1) To test the reaction of the West (placing particular hopes in the United States, Germany and France) and to see whether the western countries might not support Russia's proposals and encourage the Baltic states to accept them. Russia's aim was to create a positive image of itself in the West, something that in the Kremlin's eyes would reduce support for the Baltic desire to join NATO;

2) To test the unity of the Baltic states, hoping especially for a more favorable attitude in Lithuania after the conclusion of a border treaty with that country;[41]

3) To promote internal discussions in the Baltic states, hoping for support for the Russian offer from some political forces (including the *Saimnieks* party in Latvia).

What did Russia achieve through proposing the pacts? For the time being, it seems that the answer is – nothing much. There was no reaction in the western countries and in Scandinavia which could be interpreted by the Baltic states as support for Russia.[42] The Scandinavian countries reaffirmed their well-known negative position toward any regional security solutions. The reaction of the Baltic states themselves was unified, and Russia's hopes with respect to Lithuania fell flat. Domestically, only one political party in Latvia *(Saimnieks)* showed any kind of readiness to discuss the Russian proposals, but the rejection of the idea of guarantees by President Guntis Ulmanis, as well as the Latvian

Foreign Ministry, showed that individual political parties are not able at this time to change the country's foreign policy orientation.

The issue of Russia's proposals laid bare the different approach which Russia and the Baltic states take toward the so-called "package principle". The Balts were ready to elaborate mutually advantageous cooperation in a variety of fields, but they were not prepared to link mutually beneficial economic cooperation, for example, with the issue of security pacts. The Russians emphasized quite the opposite, arguing for the "package principle" – that security issues must be linked to economic and human rights issues.[43]

The US-Baltic Charter (16 January 1998) drew angry reaction from Russia. Even before the signing of the charter Primakov said that Russia would accept it only if it were a replacement for Baltic membership in NATO. Even though the charter did not contain any security guarantees for the Baltic states, nor any guarantee that the Baltic states would be admitted to NATO, Russia was upset by the institutional mechanisms for implementation of the charter, which Moscow viewed as resources for increased American involvement in the Baltic states and for closer relations between the Baltic countries in NATO. In Moscow's eyes, the security system in Europe must be based on the Russian-NATO basic act, which Russia sees as a resource for hampering NATO enlargement and for reduction of American influence in the territory of the former USSR. The charter was seen as an unnecessary new element in the European security system. As usual, Russia's response was emotional and psychological in nature. After the signing of the charter, Baltic refusal of Russian guarantee proposals was portrayed in Russia as a loss of face for the Kremlin. As usual, the most vocal complaints came from the Russian Duma, which went so far as to adopt a special announcement in January 1998.[44]

It can be predicted that the implementation of the charter will have at least two kinds of consequences. First of all, Russia's negative attentions will be attracted to the establishment of a bilateral Baltic-American working group on military issues. This will touch upon Russia's sensitivity about the refusal of the Baltic states to develop

bilateral military cooperation with Moscow. Second, the charter will increase Russia's desire to achieve some kind of "Russian-Baltic Charter". It is possible that Russia will refrain from as far-reaching and unrealistic proposals as those which it presented earlier (especially proposals which take the form of pacts), but it may very well come up with new proposals, thus creating new reasons for dispute in the Baltic-Russian relationship.

1. 3. Economic relations between Russia and the Baltic states: Russia's basic goals

I don't think that at this point there is much reason to discuss Russia's supposedly positive approach toward Baltic membership in the EU. The aforementioned academic reports in Moscow recommended that Russia demonstrate more favor toward Baltic efforts to join the EU, for two reasons. First of all, it would reduce rhetoric about NATO enlargement and would thus divert the Baltic states from their course toward the alliance. Second, it would emphasize the fact that Baltic membership in the EU would be very beneficial for Russia in purely economic terms (increased profits, especially in the transit and banking sectors). Russia's Foreign Ministry, however, has taken a rather different tack. I think that the ministry understands something that has already been outlined in scholarly articles: Membership in the EU for Central and Eastern European countries would mean their true, deep and irreversible integration into the modern European economic and political system – even deeper integration than could ever be provided by NATO. The political and economic systems of the new EU member countries would undergo radical modern transformation. For Russia that would mean that if Russia's contacts with Brussels were less than extensive and deep, Moscow would remain outside the broad, integrated system.[45] The Russian Foreign Ministry stuck to the view that Russia's national interests demand preservation and expansion of markets for Russian products and that EU enlargement to the East would harm the Russian economy. Russia wants to negotiate with the EU about the issue of compensation.[46] The best thing that Russia could do if its position

toward Baltic membership in the EU is truly positive would be to stop dragging its feet on the conclusion of border agreements with Latvia and Estonia (see further).

In the area of Russian-Baltic economic relations, a number of trends emerged in 1997. First of all, Moscow's official rhetoric was almost completely free of the topic of economic sanctions; even though Chernomyrdin mentioned sanctions at the meeting of the Council of Baltic Sea States in Rīga at the beginning of 1998, his remarks then were meant mostly for Russia's domestic audience. Russia continued to speak of the fact that transit from the Baltic states (especially Latvia and Estonia) could be diverted to ports in Kaliningrad or Finland, but nothing of the sort has happened. Transit through all Baltic ports increased in volume, and the greatest increase was specifically at the Ventspils port. There was not, by contrast, any significant increase in transit through the ports of Finland.[47] The increased transit through Baltic ports reflected a specific aspect of Russia's economy – the development of raw material capitalism – as well as the fact that Baltic ports offer better (although not less expensive) services, convenient access routes, etc.

At the same time, however, Russia also increased its search for alternative transit routes in 1997. On June 6 Yeltsin signed an agreement on the construction of a new oil terminal at Primorsk, as well as a general cargo port at Ustjlug (near St. Petersburg). These ports will not present serious competition for the Baltic states over the next several years, because their construction will involve considerable expenditures of money and time. It is not expected that Russia's raw materials companies will be prepared to reorient their activities to other ports if that means financial losses.

Without denying the presence of political considerations in this issue, we can forecast that Russian transit through Baltic ports will remain at least at the current level for another some years. It is a different issue, however, whether the transit volume will continue to increase. It is possible that hopes in Ventspils about the construction of a new oil pipeline to the port are exaggerated – political considerations

in Russia may lead to an unwillingness to allow Latvia to earn even more money. What's more, *Lukoil's* loss in the fight over privatization of *Ventspils Nafta* may facilitate that company's desire to invest in the building of the Primorsk port (in the Leningrad Region). Oil consumption within Russia may increase, and a further settling of financial accounts in the oil sector domestically may promote greater sales within the country itself.

A second trend which became increasingly pronounced in 1997 involved Russia's investment policy in the Baltic states. Even though transit was (and for the next few years will continue to be) the main component of Russia's economic relations with the Baltic states, in 1997 Russia demonstrated greater interest in other forms of economic activity, including investments in joint ventures. In July 1997, the Association of Russian Financial-Industrial Groups was registered in Latvia (it represents 55 groups).[48] At the end of 1997 Russia was the 5th largest investor in Lithuania, the second largest investor in Latvia, and the 4th largest investor in Estonia. Russian analysts forecast that Russian interest in investments in the Baltic states (where there is adequate domestic stability and less commercial risk than in Russia itself) will increase, and the Baltic states might receive part of the capital which was moved from Russia to the West.[49]

It is difficult to evaluate Russia's role in the development of the Baltic banking sector, both in the positive and in the negative sense. The inflow or withdrawal of Russian monetary resources is an important factor in Baltic banking. According to information in the Latvian news media in 1996, before the Russian presidential election, there was increased withdrawal of money from Latvian banks, apparently because of the financing of the campaign. After the elections, the volume of withdrawals plummeted.[50] Moreover, a report by the Karaganov institute on the issue of laundering of Russia's "dirty" money did not mention the Baltic states as a significant center for such activity.[51]

There is no doubt that the economic relationship between Russia and the Baltic states will become more diversified, as well as more mutually dependent and of greater mutual effect. At this point it is

difficult to foresee the way in which the Hansa project, currently still on the drawing board, will develop, or the reaction which Russia might have to it. The aim of the project is to involve the countries of the Baltic Sea region, including Germany and Russia, in mutually beneficial economic contacts. But it also envisions considerable involvement of American capital in the Baltic states and in Northwestern Russia, something which Russia's official circles might view with suspicion, for two reasons. First of all, an increase in American capital in the Baltic states might be seen as an undesirable further increase in American influence in the Russian sphere of interest. Second, involvement of the St. Petersburg region of Russia in the project could be seen as something that promotes centrifugal forces in the country.[52]

As I noted in the introduction, Russia at the beginning of 1997 established the "package principle" in its relations with the Baltic states, especially Latvia and Estonia. Did Russia succeed in implementing this principle in economic relations? The negative attitude of the Baltic states toward Russian security guarantees, as well as the issue of "Russian speakers" in Latvia and Estonia, did not have in 1997 any effect on Russia's main economic interests in the Baltic states and their implementation. Transit did not stop; on the contrary, it increased. The interests of Russia's energy monopolies increased even with respect to Estonia, which had long been Moscow's main object of criticism.[53] This was a routine example of the way in which economic considerations affect Russian foreign policy.

At the same time, however, 1997 also saw greater Russian activity in implementing the "package principle" with respect to Latvian and Estonian trade with Russia. Bureaucratic obstacles against exports from the two countries to Russia persisted and even increased. Estonia was not granted MFN status in trade with Russia (the only European country which does not have MFN status vis-a-vis Russia). Several agreements which had been prepared by Latvia and Estonia with respect to improvements in economic relations were not signed because of Russian foot-dragging. The Russian-Latvian intergovernmental commission did not have a single meeting. A visit to Moscow by Latvian

Prime Minister (from December 1995 until July 1997) Andris Šķēle, something in which Latvia had invested considerable hopes and which was supposed to focus on economic issues, did not happen (Russia demanded political concessions on the issue of "Russian speakers" as a condition for approving the visit). Even in as important an issue as transit, Russia was not interested in long-term stability, leaving itself free to implement various solutions. That is precisely why Russia rejected a Latvian proposal to expand the Via Baltic highway with a branch from Latvian ports to Russia at the third pan-European transportation conference (23-25 May 1997, Helsinki).

1. 4. The issue of "Russian speakers" in Latvia and Estonia and in Russia's Baltic policy

There was nothing new in Russia's approach to this issue in 1997. As I reported in our previous research project, Russia's practical support for the cultural and social needs of the Russian community in Latvia and Estonia has been far behind Russian rhetoric about the issue. In the fall of 1997, Russian Duma deputy V. Igrunov, who is a member of the committee on CIS affairs and contacts with countrymen abroad, admitted: "Our committee is less and less interested about the fate of those countrymen who live in the Baltic states."[54] This lack of interest served, also, to illustrate the fact that there are no human rights violations with respect to non-citizens in Latvia and Estonia. A fund established by Boris Yeltsin in April 1996, "Rossijane", was supposed to support Russian speakers in the former Soviet republics, but in fact it did not engage in any activities. The money which was granted to the fund was, at least in part, stolen.[55]

It is also true that objective information finally began to appear in Russia with respect to the emigration of Russians from the Baltic states. In January 1998 Russia's Federation Immigration Service reported that "Russian speakers" are leaving the Baltic states for economic and personal motives, not because they face economic discrimination. (It should be noted that quite the opposite situation exists in several CIS countries; over the last several years more than 380,000 Russians have left Tadzhikistan – a Russian satellite – in part because of local nationalism.)

With respect to the main object of dispute between Russia and Latvia and Estonia – citizenship and non-citizen rights – it should be noted that although Russia has not abandoned its demand of citizenship for everyone, in 1997 it concentrated its attention not on this impossible request, but rather on a demand that all OSCE recommendations concerning legal differences between citizens and non-citizens be strictly observed. As we will see further along in this report, the implementation of the OSCE recommendations was dependent not so much on Russian pressure as on the desire of Latvia and Estonia to join the EU. Estonia truly did want to begin membership negotiations with the EU, and understanding the significance of the "Russian speakers" problem, it went a long way toward implementing the OSCE recommendations. Latvia, who has demonstrated much less will and readiness to join the EU, has been much slower in implementing the recommendations.

I have virtually no information at all about whether Russia and its embassies in Latvia and Estonia are trying to facilitate unity among local Russians – both citizens and non-citizens. As we know, the Russian communities in both countries are far from unified; there are many tiny organizations, which reflects the great variety in the social situations of Russians. In 1997 there were some efforts to create new umbrella organizations such as the Russian Unity Party in Estonia, but this process has not yielded anything much in the way of results. In Latvia there are between 30 and 40 small and quarrelsome Russian organizations; even those with very ambitious names (the Russian Community in Latvia, the Russian Union in Latvia, etc.) have only a few dozen active members. It must be said, however, that if a greater desire for unity emerges among Russians, it will be brought about not by Russia, but by the stricter language laws which Latvia (especially) and Estonia are implementing. In sum, we can say that the issue of the Russian speakers is still an important one in determining Russia's approach to relations with Latvia and Estonia, and positive developments in that

relationship are difficult to imagine unless the two countries at least implement the OSCE's recommendations concerning improvement of the legal situation which faces Russian speaking non-citizens in the two countries. Even though Estonia's invitation to begin EU membership negotiations was an unpleasant surprise for Russia, Moscow continues to hope that Estonia, to say nothing of Latvia, will have a hard time achieving membership with so many non-citizens.

1. 5. Border agreements

There was a shift in Russia's approach to this question in 1997. On October 24 Russia finally signed a border agreement with one of the Baltic countries – Lithuania. This was Russia's first border agreement with any of the former Soviet republics. The agreement with Lithuania showed that President Yeltsin's approach to that country is more flexible than that of the communist-dominated Russian Duma. Shortly before the agreement was agreed, the Duma passed a resolution (on September 26) calling for a delay in the signing because, according to the deputies, the agreement could remove the last obstacle standing in the way of Lithuanian membership in NATO. The initiator of the anti-Lithuanian campaign in the Duma was the odious nationalist Sergei Baburin, who has gone so far as to try to lay claim to the Klaipeda region of Lithuania and to call on Russia to divert transit from Lithuanian ports to Kaliningrad. Baburin has said that Russia will have to return to the issue of Klaipeda (which, he says, Lithuania "privatized illegally") once the regime in Moscow changes.[56] The Duma resolution was supported by 299 deputies – only the "Jabloko" faction opposed it. Yeltsin's position in favor of the agreement with Lithuania, however, was based on several considerations:

1) The border agreement was signed simultaneously with an offer from Yeltsin to provide unilateral guarantees of Lithuania's security; when a bit later this offer was expanded into various Russian guarantees for all three Baltic states, Russia hoped that Lithuania would be more responsive than the others; the hopes were in vain;

2) The border agreement was presented as affirmation that Russia is

taking a positive approach in its relations with the one Baltic country which does not have problems with "Russian speakers"; here, as in many other areas, Russia hopes to foster discord in the Baltic region.

Unlike the Duma, Yeltsin was not particularly preoccupied with the NATO expansion context of the border agreement. Lithuania's hopes of NATO membership are not a matter for the immediate future. At the same time, given that the agreement must be ratified by the Duma, Russia still has maneuvering room. Yeltsin, who signed the agreement, can help to encourage its rejection in Parliament if he feels that events in Lithuania are not proceeding to Russia's liking.

A different situation exists in terms of the border agreements with Estonia and Latvia. Russia is truly sticking to its "package principle" – the border agreement in exchange for improvements in the situation of the "Russian speakers". Even though work on Estonia's agreement was completed in the fall of 1996, the agreement was not signed in 1997. The same was true with respect to Latvia. In a letter to Latvian Foreign Minister Valdis Birkavs in May 1997, Primakov promised that the agreement would be signed in 1997, stating that the delay was being caused only by a lack of frontier maps.[57] The agreement was not signed when all of the technical work was completed, however. An even stricter approach to the border agreement issue and its links to other matters has been taken by the Duma, which in a closed discussion of Russia's border policy on 4 November 1997 looked at four questions: the economic relationship with the Baltic states; the "Russian speakers" and their situation; security problems between Russia and the Baltic states; and the border agreements. The deputies linked the eventual ratification of border agreements with Latvia and Estonia (provided that they are signed) to the issue of improvements in the situation of the "Russian speakers".[58]

Looking at Russia's approach to the issue of border agreements with Latvia and Estonia, there have been a few new nuances that should be noted:

1) Without abandoning the desire to see the "zero option" implemented in the two countries (meaning that citizenship would be

awarded automatically to everyone who was resident in Latvia and Estonia after the collapse of the Soviet Union), Russia has shifted emphasis to focus on the fulfillment of OSCE recommendations instead. These apply not to the citizenship laws of the two countries as such, but rather to the way in which the laws are implemented and the legal differences between citizens and non-citizens. Russia's opportunities to take advantage of the OSCE recommendations have receded in Estonia, because Tallinn, which really does want to join the EU, has taken very important steps toward implementing the recommendations. Russia still has considerable opportunities in Latvia, however, because there is much less political will concerning EU membership and integration of "Russian speakers" in Latvia; many of the OSCE recommendations have not been implemented.

2) Estonia, despite its unsigned border agreement in Russia, was invited to begin EU membership negotiations This does not mean that a failure to sign the border agreement will not cause problems for Estonia with respect to joining the EU, but it is safe to predict that Russia will turn its attentions much more toward Latvia, which has a lesser chance of joining the Union. This means that by refusing to sign a border agreement with Latvia, Russia can hamper the process even further.

3) Unlike in Lithuania, which managed to conclude a border agreement with Russia before the issue of security guarantees was raised, in Latvia and Estonia Russia may seek to link the border agreement not only with the "Russian speakers", but also with security issues – thus creating new complications.

1. 6. The Kaliningrad issue

More aggressive Russian analysts have sought to discuss the Kaliningrad issue in the same terms as other questions – threatening unforeseeable military consequences if NATO goes ahead with expansion (increased nuclear presence in Kaliningrad, enormous increases in conventional weapons, etc.).[59] As has been the case with other Russian threats, however, nothing has been done. The essence of the Kaliningrad issue is not Russian responses to NATO enlargement – Russia has few options in that regard. There are two other aspects of the problem which are much more important. First, there is the issue of the future of the region of which Kaliningrad is part. The present nature of the Kaliningrad region is a true threat to the security of the wider area. It is a region facing economic, ecological, social and criminal crises, and it threatens surrounding countries not in the traditional, military fashion, but rather as a source of smuggling, criminal activity and environmental problems. Kaliningrad more than any other place reflects one of the main problems of Russia and its future – relations between regions and the center. Even though on 18 May 1995 Boris Yeltsin signed a decree on the socio-economic development of the Kaliningrad region, it, like many of Yeltsin's pronouncements, stayed only on paper. The only way to overcome the decline of the Kaliningrad region is to develop economic contacts between the region and such countries as Germany, Poland and Lithuania. That, however, would promote the very same centrifugal forces of which Moscow is so very afraid.

A second issue concerns transit through Lithuania to Kaliningrad. In November 1997, the Kaliningrad authorities called on Yeltsin and the Russian Duma to refuse ratification of the border agreement with Lithuania until all issues linked to Russian freight and passenger transit through Lithuania are resolved.[60] It is not difficult to predict that after the first round of NATO enlargement has been completed and the second begun (around the year 2002), the issue of the Baltic region will be on the table once again, and Russia will seek to cash in on the Kaliningrad question as much as possible. This does not mean that Russia will be able to increase its military presence in the region to any significant degree, but the Kremlin is sure to make use of the difficult question of a Russian enclave "semi-encircled" by the western alliance, as well as (and especially) the matter of transit services to the region. One can agree with Paul Goble, who has written: "In my opinion, the Lithuanians have good reason to wish that the West would give them a bit more encouragement with respect to their possible reaction to future Russian demands."[61]

Conclusions

In 1997 Russia's policy vis-a-vis the Baltic states unquestionably became more active. This was true both at the political and the conceptual level. In February of 1997, Russia adopted a "long-term strategy" with respect to relations with the Baltic states. The strategy was modified in the autumn when Russia began its diplomatic offensive of offering security guarantees to the Baltic states. Two analytical reports were prepared in academic circles with recommendations concerning Russia's Baltic policy. The institutions which carry out Moscow's foreign policy attracted greater attention in the Baltic countries. The Second European Department of the Russian Foreign Ministry has split its Baltic division into three separate units, one apiece for Latvia, Estonia and Lithuania. The Institute of International Relations is teaching Baltic languages and topics to a number of students. The fact that the former director of the Foreign Ministry's Baltic department, S. Prihodjko, has moved to work in the President's administration and has been appointed a foreign policy adviser to Yeltsin served to make Baltic policies in the President's apparatus more active. Prihodjko and Yastrzhembsky were very much involved in the offer of security guarantees to the Baltic states. Coordination has also increased among the various government institutions which implement foreign policy, something that has largely been the work of Primakov. The Foreign Ministry sets the main guidelines and tone of the relationship with the Baltic states, although the President's administration as represented by Yastrzhembsky and Prihodjko, have been more or less independent actors in the process; unlike Primakov, they are more inclined to support a so-called "positive program" in relations with the Baltic countries. In its approach to the Baltic countries, Russia more or less implemented the so-called "package principle", delaying the signing of border agreements and economic pacts until at least some of Moscow's demands with respect to the situation of "Russian speakers" in the two countries are satisfied. At the same time, however, the Russian-Baltic relationship was in most respects stable. There was no fundamental deterioration in the relations even after the Baltic states rejected the Kremlin's offer of security guarantees – something with the Russians had termed a "litmus test" of Baltic intentions.[62] (A crisis in Russian-Latvian relations erupted in March, 1998.)

The relationship will not, however, improve to the point where both sides are completely satisfied. The price which the Balts would have to pay in order to placate Russia (at least until the time when Moscow comes up with new demands) is too high – acceptance of Russian security guarantees, especially their military aspect, would severely limit the choices which are available to the Baltic countries in terms of security policy, and it would also narrow the sovereignty of the three countries.[63] The security guarantees, which were put on the table without any advance consultations with the Baltic states, were meant not to resolve security issues, but rather to bind the Baltic states closer to Russia.

With respect to the citizenship issue, a rapid expansion of the range of citizens in Latvia and Estonia would seriously endanger the course of liberal capitalist reforms in the two countries – reforms which are certainly in their best interests – and it would have a deleterious influence on the pro-western orientation of the two countries' foreign policy.

As I have noted in both of the previous research projects which have been prepared by our institute, Russia's relations with the Baltic states are to a great extent dependent on the level, content and tone of Moscow's relationship with the West. In 1997 that relationship involved more or less constructive cooperation. At the same time, however, there were signs that the stability could come under threat in the future. The well-known American commentator Thomas L. Friedman, writing about Russia's relationship with the United States (which, of course, is not the only relationship that Russia has with the West, but it certainly is the most important), has written: "The relationship has gone in the last seven years from strategic partnership to a pragmatic partnership to a relationship of benign neglect to a relationship of malign neglect."[64] The reason for this is that even though Russia has become increasingly dependent on western financial aid (this was

particularly evident in November and December of 1997, when Russia faced yet another financial crisis), Moscow has also sought to play an even greater role in the world than it has done in the past. One area of dispute was the Russian-NATO council, in which Moscow sought to argue that the alliance should not expand its infrastructure to the East. This amounts to an attempt to influence NATO's decisions, which has always been Russia's goal. When the alliance did not respond to Russia's liking, Primakov announced (in December) that Moscow has been disappointed in its cooperation with the West. That cooperation has always been of value to Primakov only insofar as it satisfies Russia's geopolitical ambitions and is unavoidable because of Russia's various weaknesses. The climate of the relationship between Russia and the West also deteriorated somewhat due to what Russian politician and analyst A. Arbatov has characterized as an increasing view in the world that Russia's behavior is unpredictable (Arbatov has written that Yeltsin's announcement of a radical nuclear disarmament on 3 December 1997 was a typical example of this).[65] Thomas Friedman, meanwhile, has noted a very well known aspect of the Russian political system – Yeltsin's enormous power and his often illogical activity in the West have served to exacerbate a less than flattering view of Russia; at the same time, however, it was precisely Yeltsin who initially created the sufficient stability of the relationship.[66] Even the role of the personality is very great in Russia, it is likely that Russia will preserve more or less constructive relations with the West even after there are changes in the political leadership of the country. Russia's long-term weakness and its heavy dependency on the world's financial institutions are fairly powerful guarantees against a confrontational model of behavior. Accordingly, the Baltic states can count on relatively favorable external environment for their relationship with Russia. The Baltic countries can only be satisfied at the expansion of Russian-EU relations which has occurred since an agreement on partnership and cooperation came into force on 1 December 1997.

Another factor which has and will continue to have great significance in the development of the Russian-Baltic relationship is the level

of relations between the Baltic states and the West. Briefly, I can say the following: the closer the relationship between the Baltic states and the West (including the EU and NATO), the more stable the foundation for constructive relations with Russia. At the one-on-one, bilateral level, the Baltic states cannot ensure favorable relations, and sooner or later they would inevitably end up Russian satellite states. After all, Russia's offer of security guarantees to the Baltic countries, which Moscow packaged as a "positive program" in the relationship, indicated that the pro-western course of the Baltic countries is the right one, but Russia's policies of the last several years, which have consisted almost exclusively of threats, blackmail and constant rejection of Baltic security choices, have not yielded much in the way of results. That does not mean that the Baltic states will not face serious challenges in the next several years. Even though Estonia has been invited to begin real membership negotiations with the EU, and Lithuania and Latvia will participate in the enlargement process at a lower status, full accession will require enormous effort on the part of the Baltic states, and the result of the process can be influenced by developments within the EU itself – something that the three Baltic countries cannot affect.

Another important factor in the Baltic relationship with Russia is American interest in Northeastern Europe. Even though the US-Baltic Charter, the Hansa project, and extensive and varied US support for the Baltic could be essential factors in improving Baltic relations with Russia, the Balts cannot exclude the possibility that American involvement in European affairs will not expand any further. The American public is becoming less interested in foreign policy, and there is a growing contradiction in the only remaining superpower between the country's obligations and ambitions abroad and the financing which the political system provides for that purpose. William Pfaff has written a commentary called "Global Ambition and Isolationist Politics Don't Mesh", and that title speaks for itself. "Isolationism is a defensible policy," Pfaff wrote. "However, one cannot practice isolationist politics and globalistic ambitions at the same time."[67]

A third factor which continues to affect Russia's Baltic policy very

significantly (in addition to the content of Russian-western relations and Baltic-western relations) is the internal stability of the Baltic states. The more rapidly the Balts achieve economic development, reform their legal systems, and integrate their minority populations, the less Russia will have opportunities to subordinate the Baltic countries to Moscow's influence.

2. The relationship between the Baltic states and Russia: 1997

2.1. Security issues

The mission for the Baltic states in 1997 was not an easy one: The main goal of their security policy (in the traditional military-political sense of the word) was to achieve as favorable a formulation as possible in the final declaration of the Madrid Summit and as binding a US-Baltic Charter as possible, while simultaneously maintaining good and predictable relations with Russia, which opposed both the mention of the Baltic states in the Madrid document and the US-Baltic Charter.

The position of all three Baltic states on the eve of Madrid was the same: Until the very end they must demand that the Baltic countries be mentioned in the summit declaration, as favorably as possible. On 26 May 1997 the presidents of the three Baltic states adopted a resolution in which they called on NATO to invite the second round of potential members to start negotiations even before the *de facto* accession of Poland, the Czech Republic and Hungary (i.e., by the spring of 1999). This request was identical to the aforementioned recommendation by Zbigniew Brzezinski and Anthony Lake, but it was unrealistic from the very start. Second, the presidents asked that an institutional mechanism be created for the accession of the Baltic states.[68] Without abandoning their demand to be admitted to NATO, the Baltic countries rejected a proposal from French President Jacques Chirac that a bilateral NATO-Baltic charter be elaborated – something analogous to the NATO-Russian Founding Act and the NATO-Ukrainian Charter. The idea was expressed rather unclearly during a visit to France by Estonian President Lennart Meri early in 1997. The Balts consistently stuck to the principle that their goal is not a special relationship with NATO,

but full integration in NATO as member countries of the alliance. The idea of the NATO-Baltic charter was seen as an effort to postpone Baltic accession.[69] On the eve of Madrid, the leaders of the Baltic states (especially Meri and Lithuania's Vytautas Landsbergis) offered quite a few excessively emotional statements: If the Baltic states were not to be mentioned in the Madrid declaration, they said, that would represent a "second Yalta". In the event, the Balts were not certain until the very last moment that they would even be mentioned in the declaration. But after the text of the declaration was released and it turned out that although the summit participants had made note of the Baltic desire to join the alliance, they had said nothing about whether this would actually come to pass, the Baltic leaders became too optimistic. This was particularly true of Latvian President Guntis Ulmanis, who proclaimed that the Baltic states would join NATO within five to seven years. Foreign Minister Birkavs added that because of the persistence of the Baltic states, not only had they been mentioned in the summit declaration, but a specific time frame for the next round of enlargement (1999) had also been specified.[70] In fact, of course, the Madrid summit had not specified any specific date for the next round of enlargement, much less stated that the Baltic states would be included in that process. Spokesman Nicholas Burns of the American State Department said clearly that the United States had undertaken no obligations with respect to Baltic involvement in the next round of NATO enlargement. He added pointedly that a constructive relationship between NATO and Russia is, in America's view, one of the best ways to ensure peace in Europe.[71]

Throughout 1997, the Baltic states focused on the forthcoming US-Baltic Charter. The approach to this document revealed several differences between the views of Washington and those of the Baltic countries. The United States emphasized that the charter – a political pronouncement – is part of the so-called "Baltic Action Plan"; that plan addresses US support for the Baltic states in three major directions – integration into European institutions; development of constructive relations with Russia; and more extensive bilateral relations between the United States and the Baltic states in the economic, political,

military and other spheres of cooperation, the goal being to strengthen democracy and security in the Baltic countries. America never said that the charter might contain any elements of security guarantees, or that the charter would ensure Baltic membership in NATO. Washington did, however, emphasize that it would not undertake any obligations with respect to countries which do not meet NATO criteria and do not enjoy unquestionable support among existing NATO member countries.[72] From the very beginning America insisted that there must be a single US-Baltic charter instead of three separate documents for the three Baltic countries. America sees the Baltic states as a unit and has always stressed the need for closer cooperation among the three.

The position of the Baltic states with respect to the charter was the following: All three countries wanted as little in the way of political declarations and as much in the way of binding political obligations as possible in the document. All three wanted the creation of a special institutional mechanism for implementation of the charter – one which would be put into effect especially if there were any crises in the Baltic states (this showed that the Baltic countries were, after all, interested in including something similar security guarantee in the charter); all three countries wanted the document to mention American support for Baltic membership in NATO.[73] All three countries, and especially Latvia and Estonia, also expressed the hope that the charter would promote better relations with Russia; Lithuania accented this aspect of the process to a lesser extent, because Lithuania does not have two problems in its relations with Russia that Latvia and Estonia do have: the "Russian speakers" and the issue of border agreements. Lithuania initially wanted America to agree to three separate charters, in hopes that Lithuania's would be "stronger" that Latvia's or Estonia's. Vilnius' hopes were based on the illusion that Lithuania has better hopes of NATO membership than the other two Baltic countries due to its close links to Poland. Estonia, for its part, hopes that the charter would promote an increase in American financial investments in the country.[74] (For Latvia, those hopes were more linked to the fuzzy idea of an "Amber Gateway".) Even during the drafting of the charter, criticism

was heard in Latvia (from the former foreign minister Jānis Jurkāns, who now is head of the small People's Harmony Party) to the effect that the Foreign Ministry was not doing enough to ensure that the charter proclaim clearly that the independence of the Baltic states is a matter of American security interests. Jurkāns said that the ministry was ready to accept a "lukewarm piece of paper".[75]

The Partnership Charter between the Republic of Latvia, the Republic of Estonia, the Republic of Lithuania and the United States of America which was signed in Washington on 16 January 1998 was the best document that the Baltic states could hope for. The politically binding document did not contain any security guarantees, nor any guarantee of Baltic membership in NATO, but thanks to Baltic efforts Washington did announce that America has true, deep and lasting interests in the independence, security, sovereignty and territorial inviolability of the Baltic states. That was not quite what Jānis Jurkāns had demanded (that America admit its strategic interests in the Baltic region), but it was certainly better than nothing. As the result of Baltic pressure, America also included in the charter a reminder that Washington never recognized the violent incorporation of the Baltic states into the Soviet Union in 1940. This was of concrete political significance given that Russia, in January 1998, said once again that the Baltic states joined the USSR voluntarily and were not occupied.

The most important achievement for the Balts were the institutional mechanisms which are supposed to underpin the partnership with the United States: the quadrilateral Partnership Commission; bilateral working groups on defense and military issues; regular consultations on economic cooperation in the spirit of free market principles; and consultations in the event that any of the partners senses a threat against its independence of security. Reaction to the charter in the Baltic states was realistic, albeit, as usual, a bit skeptical. A positive factor is the fact that the Balts gradually began to understand that the implementation of the charter is largely dependent on the desire of the Baltic states to engage in the process instead of sitting back and waiting for gifts from the United States. What's more, Baltic leaders have begun to refrain

from their recent obsession with making predictions about when the Baltic states will be admitted to NATO. True, Algirdas Brazauskas said (with unjustified optimism) that it would happen in five years.[76]

There are two issues concerning the charter which are of particular significance: 1) The volume and durability of American interests in the Baltic region; 2) The effect of the charter on Baltic relations with Russia.

With respect to the first of these issues, it should be noted that American analysts, without focusing specifically on the Baltic states, have noted several trends which are significant to the Balts and may eventually become unfavorable: "No comparable consensus exists today on either the nature of the post-Cold War world or on what the United States should do to share it. [..] Europe and the Atlantic, which dominated world attention in the twentieth century, will cease to be the focal point of foreign attention in the twenty-first century."[77] It is also very important to the Balts to see how effectively the extremely varied and complicated new security system in Europe ends up working. That system includes such diverse elements and processes as NATO expansion, the NATO-Russian Founding Act, the NATO-Ukrainian Charter, the Partnership for Peace program, the US-Baltic Charter, the Euro-Atlantic Partnership Council and other elements. Although the Baltic states have said that they see their charter as a step toward NATO, the fact is that the Baltic states need nothing so much as greater moderation in forecasts about membership schedules and much greater focus on upgrading their military forces. It is in fact not really in Baltic interests to hope that the next round of NATO enlargement will come too quickly, because the Baltic states will probably not be included in that round anyway, and it could serve to weaken the alliance, to discount the Partnership for Peace program, and to threaten the work of the NATO-Russian Council.[78] It is in the Baltic interest to have a strong, not a diluted NATO;[79] to strengthen Baltic relations with NATO and the United States; and to have a successful NATO-Russian Council. The Balts need time and much more dedication toward the implementation of military, as well as socio-political reforms.

The issue of whether the charter might eventually have a positive influence on the improvement of Baltic-Russian relations is complicated. Representatives of the Baltic states, as well as the United States, have said that the charter will accomplish precisely that. Russia's position, however, has been if not completely opposite, then at least not nearly as optimistic as the mood which prevails in the Baltic states. The charter as such, I think, will not promote improvement and further development of the Russian-Baltic relationship. It may even be possible that it will promote Russian dissatisfaction, especially in the area of Baltic-US military contacts. The Baltic-Russian relationship may become more or less stable and constructive only if the Baltic states, especially Latvia and Estonia, consistently pursue a multi-faceted strategy, the main elements of which must be: purposeful and much more active actions in moving toward EU membership; expanded contacts with NATO; complete implementation of the US-Baltic Charter; increased internal stability; more rapid liberal and capitalist reforms; more energetic integration of the "Russian speakers"; and increased cooperation among the Baltic states. The three countries must be internally stable, and they must irreversibly strengthen their contacts with the EU and NATO. Only then will they be able to create the necessary conditions for constructive relations with Russia.

2.2. The border agreements

Neither Latvia nor Estonia managed to sign a border agreement with Russia in 1997. However, the two countries differed in their approach to the issue. Estonia, hoping to conclude the border agreement with Russia, was active in encouraging western countries to put pressure on Russia in this respect. As the result of Estonian activities, the assembly of the Western European Union, meeting in June 1997 in Paris, called on Russia to speed up the process of concluding border agreements with Latvia and Estonia. Finland was particularly active in defending Estonia's interests. Also seeking to influence Russia's activities was the foreign minister of Great Britain's Conservative government, Malcolm Rifkind, as well as other officials. Latvia was less active in this area, feeling that

the influence of western countries and organizations could not be particularly extensive. Even though neither Latvia nor Estonia achieved the final result of signing a border agreement, the Estonian position was more purposeful, especially if we take into account a second difference – the way in which the two countries are approaching Russia's demand that the issue border agreements be linked to improvements in the status of "Russian speakers" in Latvia and Estonia. Because Estonia keenly desires to join the European Union, it has implemented all of the OSCE's recommendations concerning elimination of legal differences between citizens and non-citizens. As it turned out, this did not lead to the signing of a border agreement, because Russia continued to drag its feet, and Moscow came up with a new set of demands – this time in the area of naturalization. In Latvia, however, where political will to join the EU and to find a more successful resolution to the non-citizen issue is much weaker, even the OSCE recommendations were not implemented in full. Attempts to conclude a border agreement were complicated by the fall of the Šķēle government in July 1997, which was followed by the appointment of a prime minister, Guntars Krasts, from the radical nationalist *Fatherland and Freedom* party. Russia found it politically unacceptable to sign a border agreement with a prime minister from that party, and in order to delay the process, Russia pointed to Krasts' own arguments – that the agreement must be signed without any link to the status of non-citizens, and the agreement must contain language concerning Latvia's legal succession and continuity. Even though Krasts personally was willing to jettison insistence that the agreement mention the 1920 peace treaty between Latvia and Soviet Russia, his party was not prepared to go so far. Other members of *Fatherland and Freedom* said that if a border agreement without mention of the treaty were to be ratified in Parliament, there would have to be a separate resolution on the importance of the 1920 pact.

Another argument used by Russia to postpone the signing of a border agreement was the negative atmosphere which prevails in the Russian Duma. It is likely that the Russian parliament would not ratify a border agreement with Latvia, seeking to link the issue to a whole range of

other matters (the status of the "Russian speakers", Latvia's desire to join NATO, etc.). It is likely that in 1998, at least until the Latvian parliamentary election in October, a border agreement will not be signed because of Russia's position on the matter. Estonia has better prospects in this regard, but there, too, Russia may not be satisfied with the implementation of the OSCE recommendations, choosing also to demand more rapid naturalization as a condition for signing the border agreement. The absence of a border agreement with Russia did not keep Estonia from being invited to start membership negotiations with the EU, but it may cause problems with accession to the Union – and that is precisely Russia's goal.

2.3. The problem of the "Russian speakers" in Latvia and Estonia

There are also differences in the way in which Latvia and Estonia have approached this problem. The reason for that is that Estonia has greater political will to join the EU. As I noted previously, Estonia has implemented all of the OSCE recommendations. In May 1997, Estonia eliminated from its government the post of minister for European affairs, creating instead the post of minister for inter-ethnic affairs. The first to take the post was the previous European affairs minister, A. Veidemann, and her job is to promote the integration of Estonia's 345,000 non-citizens. The minister has said that the creation of the new ministry affirms Estonia's intention to join the EU. In December 1997 Estonia completed work on a special integration program, at the center of which will be programs to improve the teaching of the Estonian language and culture and to promote the integration of Russian-speaking young people into Estonian society.[80] President Meri, meanwhile, rejected for the second time a new language law which would have meant excessive government interference in the private business sector.[81]

The situation in Latvia was different. Given the country's weak political will to join the European Union, as well as the fact that nationalist radical parties have more influence in Rīga than in Tallinn,

there were no changes in the naturalization process, much less in the field of integration. OSCE recommendations concerning elimination of bans against non-citizens working in specific professions were not implemented in full. As the result of pressure from the *Fatherland and Freedom* party, the government also refused to ratify the Council of Europe's convention on minority protection (which Latvia signed in May of 1995) and to apply Latvia's amnesty law to non-citizens. Latvia still has laws which limit the free market in the purchase and sale of land, permitting such transactions only among citizens. The *Fatherland and Freedom* party's disinclination to resolve the non-citizen issue faster is directly linked to Euro-skepticism in the party. A visible representative of the party, Parliament vice-chairman Aigars Jirgens, has said that Latvia's integration with the EU would benefit ... Russia.[82] In 1997 the government there were also efforts to pass a new language law which would mandate the use of the Latvian language at all meetings of organizations in Latvia, as well as in the private business sector. The law would also limit opportunities to receive an education in Latvia in the Russian language. The proposed law contradicts the European Convention on Human Rights and Basic Rights, as well as the European charter on regional and minority languages. The ambassadors of all of the EU's member countries in Latvia expressed their concern over the unnecessary severity of the language law.

Even though the EU has invited Estonia to begin membership negotiations, EU representatives said several times in 1997 that Estonia, and especially Latvia, must still do three things: 1) Resolve the citizenship issue more effectively; 2) Speed up the pace of naturalization; 3) Eliminate legal differences between citizens and non-citizens (which Estonia has already done in full and Latvia – in small part). It is clear that if Latvia hopes to begin true membership negotiations with the EU, it will have to do at least the following things: Repeal the "window system" in the naturalization process, allowing all non-citizens who meet the necessary qualifications to be naturalized at will; make naturalization easier for children of non-citizens who have been born since the restoration of Latvian independence in 1991; implement all

of the OSCE recommendations concerning legal differences between citizens and non-citizens; refrain from adopting a more severe language law (if the law as drafted is accepted, it may promote the consolidation of the numerous and quarrelsome Russian organizations in Latvia, which would not be a good thing). In January 1998, the European Commission specified its priorities in cooperation with candidate countries, and special emphasis was placed on the need to speed up the integration of non-citizens in Latvia.

Without greater dedication to resolving the non-citizen issue, it will also not be possible to improve Latvia's and Estonia's relations with Russia. The view of Latvian Prime Minister Krasts that it is possible to improve relations both with the EU and with Russia without changing the citizenship law (not even repealing the "windows") and even with adopting a new language law, aroused dissatisfaction in Russia,[83] which means that the prime minister, as could be expected, was wrong in his assessment.

2.4. The economic relationship between the Baltic states and Russia

The main trends in this area in 1997 were the following:

1) Despite discord with Russia over Baltic security policy and the "Russian speakers" in Latvia and Estonia, economic contacts with Russia increased for all three Baltic countries in absolute numbers. The main form of trade continued to be transit services, especially through Latvia, and Russian transit continued to increase in Latvia, reaching approximately 50 million tons of cargo turnover. A distinct new phase in the economic relationship in 1997 concerned an increase not only in Russian transit, but also in Russian investment in the Baltic states, and again – especially in Latvia. At the end of 1997, in terms of the volume of invested capital in Latvia, Russia ranked second only after Denmark.[84] Research by Russian and Latvian sociologists which was published in May 1997 showed that 42% of Latvia's business people (of whom 54% are Russians) felt that Russia was their main economic partner – the largest share in the three Baltic countries.[85] In June 1997,

a Latvian Trade Center was established in Moscow with the aim of promoting exports to Russia; the main shareholder in the center is the Latvian state.

At the same time, however, Russia's relative share in the economic contacts of the Baltic states continued to decline, especially in Estonia and Latvia (in 1997 Germany for the first time overcame Russia in terms of import volumes in Latvia; Russia continues to lead in terms of exports). The main foreign trade partner for all three Baltic states is the EU.

2) Even though economic contacts with Russia increased and developed successfully, none of the Baltic states managed to bring those contacts fully into order in terms of legal considerations. The most successful bilateral commission in the sphere of economics exists in Lithuania; there were three working group meetings in 1997, and it is expected that Lithuania and Russia will sign an agreement on the important issue of double taxation in the spring of 1998.[86] The intergovernmental commission between Latvia and Russia did not have a single full-fledged meeting in 1997, even though working groups continued to operate in both countries – more actively in Latvia, less actively in Russia. Toward the end of the year both countries had almost completed work on seven separate agreements.[87] Estonia has not even established its intergovernmental commission.

3) In all three Baltic states, business people whose main arena of operations is Russia became more politically active, encouraging improved relations with Russia, through the use of "unofficial diplomacy", if necessary. The well-informed newspaper *Biznes i Baltija* reported that at the beginning of 1997 in Latvia, especially on the eve of local government elections (when nearly all political parties were eager for the financial support of business, including the share of business run by "Russian speakers"), business circles began to demand improved political relations with Russia very actively, doing so because of business interests. Even though President Ulmanis and Foreign Minister Birkavs have promised several times to pursue a better relationship, there have been no real results.[88]

In Estonia, representatives of business circles (including Jaakk Saarnitt, the head of the Estonian Association of Big Business, as well as former prime minister Tiit Vahi) have engaged in unofficial diplomacy efforts which were crowned in 1997 with a meeting with Foreign Minister Primakov himself. The goal was to achieve MFN relations for Estonia, promising in return the passage of a law which would award citizenship to the children of non-citizens who have been born in Estonia since 1991.[89] This unofficial diplomacy did not, however, achieve anything. The citizenship laws of Latvia and Estonia were not changed, and Russia took advantage of this fact to hinder the settlement of several legal issues in the area of economic relations and to hamper Baltic exports to Russia.

What should the Baltic states do in order to create a trade relationship with Russia that is not only beneficial to the Baltic countries, but also facilitates their integration into the European Union?

First of all, mutually advantageous economic contacts with Russia will facilitate the integration of the Baltic states into the EU only if they also promote modernization of the Baltic economies and increased competitiveness for the three countries. This is particularly true with respect to Latvia and Lithuania.[90] The Baltic states, and especially Latvia (as representatives of the EU have said several times) must demonstrate much greater will in improving supervision of banks, which often become havens for Russian companies which do not pay taxes or have links to organized crime. When on 31 July 1997 the Russian tax police ordered that the accounts in Russian banks of 14 Latvian banks be frozen, that suggested that perhaps Moscow was moving toward ending an era in its history of financial operations – the era of coded accounts, which allowed Russian companies to use Baltic banks in order to avoid taxes, to launder money, and to export currency. Analysts noted that the Baltic states must do much more in improving their banking sectors and in strengthening legal systems in the financial sector. Neither the EU nor NATO will do this for the Balts.[91] The Baltic states, acting alone and in cooperation with Russia, must also upgrade the fight against money laundering, international

crime, etc. In 1997 there was increased cooperation between the interior ministries of the Baltic states and Russia (after Estonia and Russia signed an agreement on cooperation between their interior ministers on 4 December 1997, all three Baltic states had such cooperation agreements). Without serious efforts to fight crime, the opportunities of the Baltic states to join the EU will recede considerably.

Successful integration with the EU also will require radical improvements to the border control systems along the Baltic frontier with Russia. The weakest control exists on the Latvian-Russian border. Agreements on repatriation of refugees must be signed with Russia and Belarus; none of the Baltic states has such agreements at this time, largely because Russia has not been responsive on the issue.[92] Cooperation among frontier regions must be improved. With the financial support of the EU, on 24 October 1997 there was a meeting in the Latvian town of Alūksne of local government leaders from the frontier regions of Latvia, Russia and Estonia. Further cooperation would promote economic cooperation, as well as improve crime-fighting operations. Despite the fact that a representative of Vladimir Zhirinovsky's party was elected governor of the Pskov region, Latvia and Estonia have developed a good level of cooperation with the region. A similar situation exists in Lithuania, where more extensive cooperation with the Kaliningrad region has been hampered only by the fact that the Russian Duma had not yet adopted a law on free economic zones.

All three Baltic states have agreements on legal assistance with Russia, but implementation of these has not been sufficiently effective. There is a need to sign special agreements on cooperation among ministries of justice. But even the most urgent cooperation among law enforcement agencies may be hindered by Russia's insistence on the "package principle". In January 1998 Moscow announced that unless the situation with the "Russian speakers" in Latvia and Estonia is improved rapidly, there will be no further cooperation in legal issues.[93]

Conclusions

The Baltic states have greater security now than at any time in the 20th century. Even though there are no strict security guarantees for the three countries, they are involved in a many and varied institutions which are linked to all aspects of security. There are no traditional threats against the independence of the Baltic states. Since 1991 the three countries have established normal relations with Russia which are regulated by dozens of agreements in the widest variety of sectors.[94] At the same time, however, neither side is fully satisfied with the existing level of the relationship. On Russia's part, the dissatisfaction arises from the fact that Moscow could not force the Baltic states to make political concessions on security issues (all three Baltic states) and the issue of "Russian speakers" (Latvia and Estonia). On the part of the Baltic states, the problem has been that they have been unable to increase economic contacts with Russia as much as they would have liked without granting the political concessions which Russia has demanded.

I feel that further productive cooperation between the Baltic states and Russia will be influenced by the following factors:

1) The most important factor, of course, is Russia's ongoing development and its ability to refrain from, or at least reduce, its claims of a right of protectionism throughout the former Soviet Union. The aforementioned Russian analyst V. Nikonov has said that Russia's yearning to play a leading role in the entire post-Soviet territory (a yearning which is affirmed in the country's official doctrines) means that "... by proclaiming itself the leader, Russia makes others the followers". Nikonov added that even as Moscow proclaims itself to be the leader of the region, "... it often does not really know what it wants. [...] Russia's doctrine is contradictory..."[95]

The Baltic states are vitally interested in the productive development of Russia's relationship with the EU and NATO. In 1997 Russia not only signed a cooperation agreement with the EU, but it also managed to increase its trade volume with the Union considerably. At the beginning of 1998, the first meeting of the Russian-EU partnership and cooperation council was held. EU-Russian relations will largely

depend on the question of whether the EU recognizes Russia's economy as a free market economy, or whether free market status will be granted only to specific sectors and on the basis of specific anti-dumping research projects. Russian analysts have written that at this point the issue is not so much Russian integration into the global economy as it is Russia's dependence on international financial institutions True integration can happen only if it is based on extensive capitalistic reform. However, according to academician N. Moiseyev (Russian Academy of Sciences), Russia in 1997 continued to be dominated by the interests of clans which are involved in raw material extraction and export.[96] This increased, sometimes, pragmatism in Russia's foreign policy, but not deep economic reform. It is in the interests of the Baltic states to have the Russian-EU relationship deepened and to have Russia join the World Trade Organization. Given that the Baltic states also want to join the WTO, this would reduce Moscow's opportunities to apply economic sanctions to the three – a possibility which, unhappily, was mentioned by the Russian prime minister at the meeting of the Council of Baltic Sea States in Rīga in January 1998.

The world, not least the Baltic countries, is still fixated on the future of political developments in Russia. As Russian sociologists have noted, the population in Russia continues to move toward moderation in politics, rejecting any radical changes. The voter base of radicals is narrowing. At the same time, however, Russia has not yet reached the critical point where reactionary political or economic changes become impossible.[97] The Russian presidential election in the year 2000 will be of great importance.

2. Fully constructive relations between the Baltic states and Russia will not be possible without Baltic membership in the EU and further relations with NATO. The same must be said concerning the domestic situation in the Baltic states. The three countries must be economically modern, politically stable and nationally tolerant if they are to maintain equal and constructive relations with Russia. This last issue – domestic development – is particularly important. In 1997, skepticism of the EU and NATO continued to exist, if not to increase, in the Baltic states.[98]

This can be overcome only if the Baltic governments are firmly dedicated to economic reform and trust their declared foreign policy orientation. The Russian policy of the Baltic states must be based on their western policies, as well as their domestic stability. In order to improve relations with Russia, Latvia and Estonia should make a few concessions which would strengthen, not weaken, the two countries: more liberal policies must be implemented with respect to integration of non-citizens. At the same time, however, the Baltic states must strictly hold to their chose security policies, rejecting any future offers of Russian security guarantees. As has been noted by the former German foreign minister Klaus Kinkel: "Bilateral guarantees would not live up to the challenges of today's Europe, which is defined by post-Cold War multinational security structures. Neither do we want a special status, say, for the Baltic states..."[99]

Consistent pro-western policies must also govern the bilateral military contacts between the Baltic states and Russia; these must not be excluded from the realm of possibility, but only **after** the Baltic states have managed to build up small but relatively modern armies which are free of post-Soviet influence and which are commanded by officers who have been educated in the West. These contacts should not expand **before** this has happened, although that does not mean that there cannot be consultations between defense ministries, exchange of information about defense cooperation, and cooperation in cleaning up the pollution which the Soviet army left behind in all three Baltic states. The dominant form of military contacts must occur under the framework of multilateral programs (such as the Partnership for Peace program).

3. Latvia is the weak link in Baltic policy with respect to Russia. There are several reasons for this. First of all, Latvia has had fewer achievements than Estonia in making liberal, capitalist economic reforms. Latvia also has the greatest number of Russians and "Russian speaking" non citizens among the three Baltic countries. Furthermore, Latvia has a chaotic political system with a large number of unstable parties and increasing nationalist and socialist populism. And, of

course, Russia has an especially large interest in Latvia because of transit services and the "Russian speakers". In 1997 there was a certain lack of coordination, and even some discord, in Latvia among the President, Parliament, the country's political parties, and the Foreign Ministry with respect to the policies which should be implemented vis-a-vis Russia. Foreign Minister Primakov's announcement that Russia must reach agreement with "sensible politicians" in the Baltic states in order to encourage them to adopt a policy of neutrality that would be satisfactory to Russia was aimed specifically at Latvia.[100] This means that the parliamentary election in Latvia in the fall of 1998 will be important to Latvia, as well as the other Baltic states. The issue will be whether a majority of seats in Parliament is won by parties which support Latvia's integration with the EU and NATO, continuation of liberal, capitalist reforms, and, by extension, the strengthening of conditions for constructive relations with Russia; or whether victory is gained by nationalists and populists who will hamper the implementation of Latvia's pro-Western policy and, in the end, will increase Russia's opportunities in the Baltic states.

Fully proper and successful relations between Russia and the Baltic states are simply not possible at this time. The main reason for this is that the two sides cannot agree on what "good" relations really are. Russia feels that a proper relationship would involve Baltic states which are oriented toward Moscow, which are neutral, which abandon efforts to join NATO (and, if possible, the EU as well), and which can completely be manipulated as satellite countries. In the views of the Baltic states, at least as far as their official doctrines a good relationship would be one in which Russia recognizes the right of the Baltic states to choose their foreign and security policies freely, refrains from interference in their internal affairs (especially with respect to Latvia and Estonia), and stops looking at the three countries as part of the "post-Soviet" territory. It cannot be expected that these two viewpoints will be reconciled in the near term, but that does not mean that multilateral and pragmatic cooperation is not possible. The volume of such cooperation, however, will be dictated by all of the aforementioned factors.

POSTSCRIPT

The beginning of 1998 brought a few new accents to the Russian relationship with the Baltic states. First of all, it became obvious that Russia's relationship with the EU and the WTO, which is of fundamental importance in the Baltic-Russian relationship, is not developing as promisingly as could have been expected. The EU has not made a clear determination that Russia is a free market economy (indeed, it is not), and this has created friction between the two sides. Russia's accession to the WTO, which, if it came to pass along with Baltic accession to the organization, would significantly hamper Moscow's ability to implement economic sanctions or any other kind of pressure against the Baltic states, will be a more complex and time-demanding process. Even if Russia manages to join the WTO in the near term, it will continue to use import tariffs and other elements of protectionism as much as is possible under WTO rules in order to protect local producers.[101] The Baltic states must keep this in mind.

Second, the issue of the Baltic-Russian frontier is becoming increasingly important. At the beginning of 1998 we saw the publication of fragments of a new research project by the aforementioned Karaganov council, "Ugroza naciji" (Threats to the nation), which was devoted to the emerging problem of narcotics addiction in Russia. The authors concluded that Russia is about to witness the establishment of transnational narcotics cartels and that since 1996 the "narcotics Mafia" has been buying shares in companies, especially in the energy and telecommunications sectors.[102] The narcomafia's sphere of interest is the entire territory of the former Soviet Union. For the Baltic states this means very clearly that there cannot be successful integration into the EU until the eastern borders of the three countries are brought under control in a civilized way.

Third, as can be seen in the recent crisis in Russian-Latvian relations (after the scattering of an unauthorized picket in Rīga on March 3), the issue of integration of non-citizens – irrespective of Russia's cynical yearning to exploit the issue as a means for discrediting Latvia and Estonia – has become one of the most important problems not only for

domestic policies in Latvia (especially) and Estonia, but also in terms of the relations of those two countries with the EU and Russia.

NOTES

[1] Stranga, A. "Russian Relations: 1995-Beginning of 1997", in Small States in a Turbulent Environment, pp. 222-225.

[2] Foldin, A. "In Russia, Private Doesn't Mean Independent". *Transition*, Vol. 4, No. 5, October 1997, pp. 90-92.

[3] See two very typical sources which provide some idea of Russia's definition of its national interests: Arbatov, A. "Vnešnepolitičeskij Consensus v Rossiji" (Foreign policy consensus in Russia), *Nezavisimaja Gazeta*, 14 March 1997. (Arbatov is a deputy in the Russian Duma from the pro-liberal "Jabloko" party, which conditionally can be said to be in opposition.) See also an interview with Russian Foreign Minister Yevgeny Primakov, "Nacionalnije interesi Rossiji" (Russia's national interests), *Obščaja Gazeta*, 14-20 August 1997.

[4] Trenin, D. "Baltijskij Šans. Strani Baltiji, Rossiji i Zapad v skladivajuščeisja Bolšoi Evrope" (The Baltic opportunity: The Baltic states, Russia and the West in the newborn Europe Major). Carnegie Endowment for International Peace (1997), pp. 15-16.

[5] See, e.g., Weidenfeld, W. (ed.). A New Ostpolitik. Strategies for a United Europe. Guetersloh: Bertelsman Foundation Publishers (1997), p. 36, which argues that integration is not the aim of Russia, which is rather striving for old-style reintegration. See also Pipes, R. "Is Russia Still an Enemy?", Foreign Affairs, Sept.-Oct. 1997, p. 71. The influential Russia specialist feels that Russia's goal is reintegration.

[6] Foldin, op. cit. [Note 2].

[7] *Nezavisimoje Vojennoe Obozrenije*, 12-18 July 1997, p. 4.

[8] *Nezavisimaja Gazeta*, 18 September 1997, p. 2.

[9] Makarevich, L. "Voina za resursi istoščajet Rossiju" (The fight over resources impoverishes Russia), *Finansovije Izvestija*, 8 July 1997, p. II and V. See also a statement in *Finansovije Izvestija*, 9 October 1997, p. VI, that "parasitism in raw materials extraction" will, for the next 15-20 years, be the main factor in the country's economy.

[10] *Moskovskije Novosti*, 21-28 September 1997, p. 7.

[11] When in July 1997 there was a crisis in the clique involving Russia's seven largest banks, employees of the Russian Federal Security Service were active in denouncing one of the banks, the National Reserve Bank (which is run by *Gazprom*) in favor of the others. *Obščaja Gazeta*, 7-13 August 1997, p. 8.

[12] The Russian press has written that the shadow economy represents between 23% and 25% of the entire economy. *Nezavisimaja Gazeta*, 18 October 1997, p. 1.

[13] In June 1997, the Russian Interior Ministry had more than 9,000 criminal groups with more than 100,000 active members listed in its files. *Nezavisimaja Gazeta*, 14 June 1997, p. 2. The Russian press has linked even the country's largest companies (including *Lukoil*, which is active in the Baltic states) with organized crime.

[14] In 1997, Russia provided 0.3% of the world's science-capacious output. Labor productivity was 10 times lower than in developed countries, and fundamental research received 2.8% of the national budget. *Finansovije Izvestija*, 9 October 1997, p. 1.

[15] This process of "economization" was admitted by Sergei Prihodjko, a foreign affairs assistant to Boris Yeltsin, in an interview which was published under the significant title "Menjajem lozungi na rubli" (We're changing our slogans to the ruble). *Moskovskije Novosti*, 8-15 February 1998, p. 11.

[16] *Moskovskije Novosti*, 21-28 September 1997, p. 7.

[17] Another example of the conflict between "high" strategic interests and the yearning of Russia's monopoly companies for profits is revealed by *Gazprom's* activities in Bulgaria. Russian analysts who are faithful to the country's geopolitical interests did not hide their disgust at the fact that *Gazprom*, completely ignoring the need to keep Bulgaria in Russia's sphere of influence, has refused to give Bulgaria any concessions in insisting that Sofia pay world prices for *Gazprom's* gas. See Kobrinskaja, I. "*Gazprom* ne zamenit MIDA" (*Gazprom* will not replace the Foreign Ministry). *Moskovskije Novosti*, 5-12 October 1997, p.5.

[18] Ukraine, Georgia, Azerbaidzhan, Turkmenistan, Uzbekistan and Kirghizia have developed bilateral and multilateral cooperation, especially in the extraction and transportation of oil products. *Nezavisimaja Gazeta*, 30 January 1997, p. 3.

[19] Kortunov, S. and S. Vikulov. "Vnešnepolitičeskije izmerenije vojennoj reformi" (The foreign policy dimension of military reform), *Meždunarodnaja žizn*, No. 9, 1997, p. 75.

[20] Medvedev, S. "Rethinking Democracy in Russia", *The International Spectator*, Vol. XXXII, No. 1, Jan.-March 1997, p. 80. Medvedev is a researcher at the European Institute of the Russian Academy of Sciences.

[21] Ševcova, L. "Molodije reformatori i partija vlasti" (The new reformers and the party of power), *Izvestija*, 9 October 1997, p. 4. See also Yeltsin's Russia: *Challenges and Constraints*. Moscow: Carnegie Moscow Center (1997), p. 12. Ševcova is a well-known Russian analyst at the Carnegie Moscow Center.

[22] *Moskovskije Novosti*, 21-28 September 1997, p. 7. The inability to deal with identity problems and to create a stable system of values was also reflected in the search by the so-called Russian intelligentsia for a "pure" Russian "mental identity". Nothing was found except for the nonsensical idea that Russia needs "liberal collectivism" (sic!). See Popov, V. "Zakon mentalnoj identičnosti" (The law of mental identity), *Nezavisimaja Gazeta — Scenarii*, 14 August 1997, p. 7.

[23] See an interview with Yeltsin's foreign policy adviser Prihodjko in *Izvestija*, 23 August 1997, p. 3.

[24] Fomenko, A. "Moskva-Tehran kak političeskaja realnostj" (The Moscow-Tehran axis as political reality). *Nezavisimaja Gazeta*, 21 May 1997, p. 2. In that

same issue, *Nezavisimaja Gazeta* editor V. Tretjakov was particularly chatty in proposing the formula "attack the West and retreat to the East" (*ibid.*, p. 1). It is not clear whether Tretjakov himself understood what that would mean. A bit later, in the autumn of 1997, Russia's deputy foreign minister, G. Karasin, said that Russia would not establish any alliances with Beijing or with any country: political scientists, he said, can write what they please, but that would have no influence on Russia's real foreign policy. *Nezavisimaja Gazeta*, 15 October 1997, pp.

[25] *Nezavisimaja Gazeta*, 13 May 1997, pp. 1 and 2. It is significant that among those to be influenced by the recommendations of Karaganov's council was the then secretary of the Security Council, Yuri Baturin (it has always been the goal of the Council to influence government representatives, especially in terms of personal contacts, while continuing to exist as a non-governmental organization.) In early May Baturin said that he would recommend that Yeltsin not sign the NATO agreement. Yeltsin ignored all objections, however.

[26] See articles by S. Kondrašov and K. Egert in Izvestija, 16 May 1997, p. 3; also a commentary by V. Gornostajev in *Nezavisimaja Gazeta*, 27 May 1997, p. 1.

[27] *Izvestija*, 24 May 1997, p. 3.

[28] See an interview with V. Nikonov in the magazine *Eksperts*, 26 May 1997, pp. 21 and 22.

[29] See conclusions by Paul Goble in *Diena*, 20 June 1997, p. 2, as well as other publications by him.

[30] Brzezinski, Z. and A. Lake. "The Moral and the Strategic Imperative of NATO Enlargement", *The International Herald Tribune*, 1 July 1997.

[31] S. Prihodjko in an interview in *Izvestija*, 23 august 1997, p. 3. See also Kobrinskaja, I. "Posle Madrida" (After Madrid), *Nezavisimoje vojennoje obozrenije*, 5-11 July 1997.

[32] Kortunov. S. "Rasširenije NATO nanosit serjoznij uščerb vojennim preobrazovanijam Rossiji" (NATO expansion causes serious losses to military restructuring in Russia), *Nezavisimoje vojennoje obozrenije*, 12-18 July 1997.

[33] Russian Foreign Ministry representative G. Tarasov announced that Russia is upset by the mention of the Baltic states in the Madrid declaration. *Neatkarīgā Rīta Avīze*, 10 July 1997.

[34] First of all, there is BALTNET, a project to monitor the airspace of Latvia, Lithuania and Estonia – a project which is to be financed by the United States and which, if implemented, will be headquartered at a former Soviet military air base in Kaunas, Lithuania. It would be part of an analogue system which covers Poland, the Czech Republic, Slovakia, Romania and Bulgaria, and it could be merged with the NATO air surveillance system. In late May of 1997, the Russian Foreign Ministry announced that it was following the technological nature of the project very closely. *Izvestija*, 30 May 1997, p. 3. Also distressing for Russia is the increasing number of American military officers (especially in Lithuania and Estonia) who re taking significant posts in the armed forces of the Baltic states. *Izvestija*, 11 July 1997.

[35] Shortly after the signing of the agreement between Russia and NATO, Russia's deputy foreign minister, I. Ivanov, announced that the agreement was an important part of the European security architecture. Any other agreements or charters, he said, would have to be subordinated to the agreement, meaning that they would be less important than the Russian-NATO agreement (he was speaking of the planned NATO-Ukrainian charter). *Nezavisimaja Gazeta*, 31 May 1997, p. 1. Even though the US-Baltic charter was indeed less significant than the May 27 basic act, Russia still saw it as an undesirable "interference" in Russia's sphere of interests.

[36] A long-time mouthpiece for Foreign Minister Primakov, the *Izvestija* commentator S. Kondrashov, announced that Russia's union agreement with Belarus was a warning to the Balts who were seeking to join NATO. *Izvestija*, 3 June 1997, p. 2. The agreement with Belarus was occasionally presented as the foundation for a collective defense alliance against external threats, unlike the 1992 Taskhent treaty which was defined as a process of collective security. *Moskovskije Novosti*, 30 March-6 April 1997, p. 7. Russia was not able to create any kind of alliance, however. At the end of the day, Russia's "countersteps" were nothing more than hints that Russia would respond to NATO expansion by developing a new destroyed and a new tactical military airplane. *Nezavisimaja Gazeta*, 14 August 1997, p. 1.

[37] *Neatkarīgā Rīta Avīze*, 26 May 1997.

[38] "Rossija i Pribaltika (Analitičeskij doklad). – Sovet po vnešnej i oboronnoj politike. Koordinatori rabočej grupi: I.J. Jurgens, S.A. Karaganov. Učastniki rabočej grupi: J.S. Hromov, P.T. Podļesņij, A.V. Vuškarnik. Moscow, 1997.

[39] Russia was most reticent with respect to the Partnership for Peace program until 1997. In Russia's eyes, the program was of value only insofar as it served as an alternative to NATO enlargement. In the event, however, the program did quite the opposite – it promoted much closer relations between some participants and NATO, and this irritated Russia no end. But eventually Russia concluded that the PfP program was leading to increased NATO influence in the so-called "Soviet space", and in 1997 there were changes in Russia's position. It began to demonstrate greater interest in the PfP, the aim being to encourage coordination between the CIS countries and Russia in their approach to the PfP program, thus gaining greater leverage in relations with NATO. Smirnov, A. "Delegacija MO RF pobivala v Brussele" (A delegation from the Russian Foreign Ministry visits Brussels), *Nezavisimaja Gazeta*, 18 June 1997, p. 4. To a certain extent the same has been true with respect to Russia's attitude toward Baltic participation in the PfP. It can be expected that Moscow will demonstrate a greater interest in becoming involved in the PfP together with the Balts, instead of offering bilateral contacts outside the PfP (the main goal until 1997) and suffering a rejection of the overtures.

[40] As I noted in our previous project (Small States in a Turbulent Environment..., p. 229; Note 22), Russia's military relations with the Baltic states are

weakly developed. The protocol of intent that was signed between Latvia and Russian in December 1996 spoke only to cooperation in emergency rescue operations on the sea. A proposed bilateral meeting with representatives of Russia's main military headquarters in April 1997 was not accepted by Latvia. Russia's proposals concerning bilateral military training, visits by Russian military ships in Latvian ports, training of Latvian cadets at Russia's military schools, etc., went unanswered. In addition to the aforementioned BALTNET project, Russia is interested in BALTSEA – a military Internet project (with the participation of NATO countries) – and the intention to establish a Baltic military college in Tartu, Estonia; Russia would like to see its country's cadets at that institution. One can forecast that low level military contacts between Russia and the Baltic states could expand (e.g., trust-enhancing projects in the Baltic Sea), but outside the context of any offers of guarantees.

[41] It is also possible that the Kremlin was hoping for special support from Lithuanian President Algirdas Brazauskas. Russian analysts who are close to the government even suggested that after the successful conclusion of the border agreement Brazauskas might change his mind about not running for another term as President of Lithuania. Trinkov, A. "Govorim "Brazauskas", podrazumevajem Baltiju" (When we say "Brazauskas", we mean the Baltic). CM, 29 October 1997. Trinkov represents the Russian Institute for Strategic Research.

[42] The only country in which there was a small but significant event with respect to the Russian proposals was Germany, where a representative offered an unclear announcement of support for the proposals – an announcement which later was withdrawn. It is important to remember in this context something which the American analyst Paul Goble has written – that after the first round of NATO enlargement, Germany will think more about ways to avoid alienating and irritating Russia, less about future expansion rounds. *Diena*, 20 June 1997, p. 2.

[43] An interview with the Russian ambassador to Latvia, A. Udaļcov, in *Neatkarīgā Rīta Avīze*, 14 November 1997, p. 4.

[44] An interview with Primakov written by the foreign minister's voice at *Izvestija*, S. Kondrashov, *Izvestija*, 23 December 1997, p. 3. The director of the Baltic Department of the Russian Institute for Strategic Research (a government institution), A. Trinkov, has said that Russia wants America to have neutral relations with the Baltic states and Russia instead of leaning toward the former. Trinkov, A. "Baltija – god novih nadežd" (The Baltic – a year of new hopes), CM, 29 December 1997. After the signing of the charter, the Russian Foreign Ministry officially announced that it will closely monitor events in order to ascertain that the charter is not bringing the Baltic states closer to NATO membership. *Diena*, 21 January 1997; CM, 21 January 1997.

[45] Bluth, C. "Russia and Europe. Priorities in Russian Foreign Policy". Swedish Defense Research Establishment, Stockholm, January 1997, p. 41.

[46] An announcement by a representative of the Russian Foreign Ministry, A. Fomin, on 18 June 1997. *Diena*, 19 June 1997, p. 1.

[47] In 1996, Ventspils handled 13% of Russia's oil exports. The increase in transit volumes through Baltic ports continued throughout 1997, in comparison to a certain amount of stagnation in the turnover of cargoes at Finnish ports in 1996 and 1997. Diena, 30 May 1997, p. 5; Diena, 6 October 1997, p. 9.

[48] *Finansovije Izvestija*, 8 July 1997.

[49] Simonjans, R. "Strani Baltiji hotjat videtj Rossiju glavnim torgovim partnerom" (The Baltic states want to see Russia as their main trade partner), *Finansovije Izvestija*, 10 February 1998, p. VI.

[50] Diena, 25 April 1997.

[51] The report said that the main centers for money laundering were Berlin, Istanbul, Cyprus and Warsaw, as well as off-shore banks in the Bahamas, in the Cayman Islands, in Antigua and in Barbados. *Moskovskije Novosti*, 20-27 April 1997, p. 15.

[52] A commentator at the Latvian newspaper Diena, Sandris Točs, wrote of the Hansa project that it would represent a "division of Russia" in economic terms. Diena, 20 November 1997, p. 2. Leaving aside the issue of whether the project really involves any "dividing", we can note that the Russian government is afraid of precisely that happening.

[53] *Gazprom* hopes to build a large methanol plant in Kohtla-Jarve, which would be financed by Russian, German and Estonian banks. The project is seen as the largest foreign investment in Estonia's history. Maranik, U. "*Gazprom* grows in Estonia", *The Baltic times*, 20-26 November 1997, p. 10.

[54] An interview in *Diena*, 10 October 1997, p. 2.

[55] In April 1996 the fund received 5 billion rubles, which were deposited in the *Minmašbank* and "disappeared". Harket, E. "Fond 'Rossijane' ne rabotajet' (The 'Rossijane' fund is not working). *Nezavisimaja Gazeta*, 13 September 1997.

[56] Baburin, S. "Spor vokrug Klaipedi" (The dispute over Klaipeda), *Nezavisimaja Gazeta*, 22 November 1997, p. 6. See also *Diena*, 24 January 1997, p. 1.

[57] *Neatkarīgā Rīta Avīze*, 22 May 1997, p. 3.

[58] CM, 5 November 1997, p. 1.

[59] Here we must especially make note of publications by the director of the Baltic Division of the Russian Institute for Strategic Research, A. Trinkov. See Trinkov, A. "Kaliningradskaja oblastj v sisteme obespečenija nacionalnoj bezopasnosti Rossiji" (The Kaliningrad region in Russia's national security system), in *Problemi Vnešnej i Oboronnej Politiki Rossiji, Sb. statej* (Russia's foreign and defense policy problems; a collection of articles), No. 4, Moscow (1997), pp. 146-163. See also Trinkov, A. "Čem bliže Madrid, tem bolše Kaliningrada" (The closer Madrid,, the more Kaliningrad), CM, 2 June 1997.

[60] "Kaliningrad against new border", The Baltic Times, 20-26 November 1997, p. 6.

[61] *Diena*, 30 October 1997, p. 2.

[62] An announcement by the Russian ambassador to Estonia, A. Gluhov. *Neatkarīgā Rīta Avīze*, 1 November 1997, p. 6.

[63] Latvian Foreign Minister Birkavs has said that some of Russia's offers, e.g., on joint control of air space, involve "untenable impositions on Latvian sovereignty". "Before the Luxembourg Summit", a conference organized by the Konrad Adenauer Foundation and the Latvian Institute of Foreign Policy, Rīga, 6 December 1997.

[64] Friedman, T.L. "America and Russia Need a Fresh Start Together", *The International Herald Tribune*, 25 November 1997.

[65] Arbatov, A. "Prezidentskoje slovo i jadernije bojegolovki" (The president's word and nuclear warheads). *Moskovskije Novosti*, 7-14 December 1997, p. 5.

[66] Friedman, T.L. "But What About the US-Russian Relationship?", *The International Herald Tribune*, 1 August 1997.

[67] *The International Herald Tribune*, 21 November 1997.

[68] *Neatkarīgā Rīta Avīze*, 27 May 1997.

[69] An interview with the director of the Security Policy Department of the Latvian Foreign Ministry, P. Viņķelis. *Fokuss*, 6 October 1997. The Estonian ambassador to NATO, J. Luik, expressed an identical view. *Diena*, 10 July 1997.

[70] *Neatkarīgā Rīta Avīze*, 10 July 1997. Rīgas Balss, 23 July 1997.

[71] *Rīgas Balss*, 17 August 1997.

[72] An interview with R. Asmus of the United States Department of State in *Diena*, 1 July 1997. With respect to the American position on the charter, see Neuman, T. "US-Baltic charter links East and West", *The Baltic times*, 20-26 November 1997, p. 3.

[73] Tihonovs, J. "Baltija gaida atbalstu hartai" (The Baltics expect support for the charter), *Diena*, 30 May 1997. The state secretary of the Latvian Foreign Ministry, Māris Riekstiņš, said in late August 1997, after returning from a trip to the United States, that the institutionalization of the charter (i.e., the establishment of a consultative mechanism in times of crisis) was still an open issue. *Diena*, 29 August 1997.

[74] *The Baltic Times*, 7-13 August 1997, p.7.

[75] See Note 73.

[76] Tračevskis, R.M. "Lithuanians greet charter", *The Baltic Times*, 22-28 January 1998, p. 8.

[77] Haas, R.H. "Fatal Distraction: Bill Clinton's Foreign Policy", *Foreign Policy*, No. 108, Fall 1997, pp. 117-120.

[78] Friedman, T.L. "NATO Expansion, or the Whitewater of Clinton's Foreign Policy", *The International Herald Tribune*, 20 May 1997.

[79] This has been noted by the head of NATO's Military Committee, General K. Naumann. *The Baltic Times*, 31 July — 6 August 1997, p. 7.

[80] Kahar, A. "Euro-minister by any other name", *The Baltic Times*, 29 May — 4 June 1997. "Making Estonia Estonian", The Baltic times, 18 December 1997 — 7 January 1998.

[81] Ludescher, S.I. "New Russian language law, so to speak", *The Baltic Times*, 8-14 January 1998.

[82] Točs, S. "Diskusijas imitācija" (An imitation of true discussion), *Diena*, 29 November 1997. Also Točs, S. "Trūkst politiskas gribas Eiropas Savienībai" (Lack political will for the European Union), *Diena*, 30 August 1997.

[83] In an interview with *Lauku Avīze*, the Russian ambassador to Latvia, A. Udaļcov, termed Krasts' position "not constructive".

[84] Denmark's share in overall investment was 27%, Russia's – 14%. *Latvijas Vēstnesis*, 24 January 1998.

[85] The share of business people who want to see Russia as their main trade partner has increased over the last four years from 30% to 42%; in Lithuania the increase has been from 38% to 39%, but in Estonia it has decreased, from 31% to 28%. Simonjan, P., op. cit. [Note 49]. See also *Finansovije Izvestija*, 15 May 1997, p. VI.

[86] *Izvestija*, 23 January 1998, p. 3.

[87] One agreement on double taxation, one on investments, one on non-trade payments, one on regulation of financial disputes, one on cooperation in manufacturing, one on mutual assistance in customs issues, etc.

[88] *Biznes i Baltija*, 23 May 1997, p. 2.

[89] The press reported on Primakov's meeting with Sarnitt in March 1997 and with Vahi on 1 April. *The Baltic Times*, 17-23 April 1997, p. 1.

[90] In May 1997 the Economics Institute of the Latvian Academy of Sciences reported in one of its research publications that exports to the CIS countries can hamper Latvia's economic growth if they are not accompanied by modernization of manufacturing and greater competition, especially for the food processing industry, in the markets of Western Europe. The fact that food imports into Latvia continued to grow suggested that the country's agricultural system is not efficient, and its orientation toward eastern markets alone may make the problem permanent. Transit services, which are one of the main components of Latvia's GNP growth, also increase dependency on Russia's policies vis-a-vis Latvia. *Diena*, 20 May 1997, p. 8.

[91] Goble, P. "The security NATO can't provide", *The Baltic Times*, 23-28 October 1997, p. 23.

[92] Latvia submitted a proposal concerning an agreement on refugee repatriation in June 1995, but no progress has been made on the issue since then. In 1995 and 1996, Latvia ejected approximately 1,400 people, 90% of whom had entered the country from Russia. *Diena*, 3 May 1997, p. 3.

[93] An interview with Russian Justice Minister S. Stepašin in CM, 31 January 1998, p. 3.

[94] In the fall of 1997 Latvia alone had 24 bilateral agreements, as well as 17 agreements of a lower level with Russia. *Neatkarīgā Rīta Avīze*, 8 August 1997, p. 2.

[95] *Izvestija*, 27 January 1998, p. 2.

[96] *Finansovije Izvestija*, 30 December 1997, p. VIII. With respect to the Russian-EU relationship, see Portanskij, A. "Zapadu nužni dokazeteļstva" (The West needs proof), *Izvestija*, 13 February 1998, p. 2.

[97] Vainštein, G. "Vibor-2000: bitva ludej i bitva idej" (The choice of 2000: the battle of people and the battle of ideas), *Moskovskije Novosti*, 28 December 1997 — 4 January 1998, p. 7.

[98] Data published in the West in 1997 indicated that no more than one-third of survey respondents in the three Baltic states support EU membership; an equal number of respondents did not have a clear understanding of the EU. Even less than one-third of survey respondents favored NATO. Cunningham, G. "EU and NATO: How public opinion is shaping up in some candidate countries", *NATO Review*, No. 3, May-June, 1997, p. 16. The greatest level of skepticism in Latvia was reached in September 1997, when a survey showed that more than 40% of respondents were skeptical or even negatively inclined toward the EU (this was among citizens; the views of non-citizens have not been examined very much, but it is often assumed that many are skeptical or negatively inclined toward NATO, less so toward the EU). Neatkarīgā Rīta Avīze, 16 September 1997.

[99] *The International Herald Tribune*, 30 May 1997, p. 8.

[100] *Diena*, 2 January 1998, p. 6.

[101] See an interview with Russian Deputy Prime Minister J. Urinson in *Izvestija*, 6 March 1998, p. 2.

[102] Timofejev, L. "Jestj li v Rossiji narkomafija?" (Is there a narcomafia in Russia?), *Moskovskije Novosti*, 22 February - 1 March 1998, p. 23.

Dietrich A. Loeber

HARMONIZATION OF THE LAW OF THE BALTIC STATES

THE INTER-WAR PERIOD (1918—1940)

The legal system of the Baltic states in the inter-war period was characterized by the fact that it was part of the continental European legal system. This means that it was based on codified law in contrast to the common law system of the Anglo-American world. It was secular law in contrast to the religious law of the Islamic or Jewish world.

(1) The law of Estonia and Latvia was largely based on Roman law, inasmuch as their civil law originated in the Baltic Provincial Code compiled from Roman law sources in 1864. The law of Lithuania, on the other hand, was shaped by Russian imperial law which had its own roots and was not linked to Roman law. The Russian law had replaced the Lithuanian Statute of 1588 as well as other Lithuanian legal sources.

(2) The law of Latvia as well as the law of Lithuania was each broken up into two or more legal systems, operating mainly in border regions. Latvia included Latgale, its eastern province, where Russian law was in force, until unification was achieved in 1937. Lithuania also comprised regions where the Code Napoleon was in force (as in Poland) or the German Civil Code (in Klaipeda/Memel).

One specific feature of the three Baltic states was their effort to achieve harmonization and unification of their laws in the inter-war period.

Part 1: Harmonization and Unification of Laws of the Baltic States

1. The collection of documents which follows shows how the idea of harmonization and unification of laws in the Baltic states was born, and

how it developed from a private initiative into a systematic effort at the government level.

The first step on record toward the goal of harmonization of laws in the Baltic states was an article published in a law journal in Riga (Latvia) in 1927 (Doc. 1—2). It was followed by a private conference in Tartu/Dorpat (Estonia) in 1928, convened on the initiative of a group of Baltic–German lawyers in Riga. (Doc. 3—5)

The conference papers of the Tartu/Dorpat conference were published one year later, in book form. The book has become a rarity and is almost unknown today. Hence, I have arranged for a reprint. (1996)

The Tartu conference led to a semi–official conference in Kaunas (Lithuania) in 1931. It resulted in the setting up of a joint legal office of the Baltic states. The 1934 Treaty on Cooperation provided a legal basis for its operation. (Doc. 10—11)

The experience of the Nordic countries in legal cooperation served as a model right from the beginning. Already in 1929, the Riga law journal (mentioned above) carried an article by Birger Ekeberg, known as one of the most outstanding advocates of joint Nordic legislation. (Doc. 7)

2. The work of harmonization and unification was difficult and not smooth by any means. nevertheless, four conventions were adopted by the Baltic states in the course of four–years:

1935 — Convention on Recognition of Civil Judgements (Doc. 14)

1935 — Convention on Recognition of Criminal Judgements (Doc. 14)

1938 — Convention on the Uniform Law on Bills of Exchange (Doc. 15)

1938 — Convention on the Uniform Law on Checks (Doc. 15)

In spite of the difficulties which had to be overcome, this is an impressive record which fares quite well when compared to the progress made in the European Union.

3. Significant, not only from a human perspective, but also for legal history, is the fate of those persons who were active in the field of harmonization — who advocated it in law journals, who organized conferences and who drafted legislation to be adopted in the three countries. These persons were about 25 in number. Most of them are represented in the collection of documents (referred to above).

Biographical data show that out of 25 persons active in the field, three had died prior to Soviet incorporation. The fate of one person could not be traced. Of the remaining 21 persons:

6 were deported to the USSR

14 emigrated

1 died a natural death in the Baltic region during the German occupation.

This is a truly tragic and frightening balance.

Part 2: Perspectives and the Tasks Ahead

1. What followed were 50 years of Soviet rule. The 1934 Treaty of Cooperation was annulled by the new governments in 1940 on the demand of the USSR. All work on harmonization was stopped. In fact, no room remained for any intra–Baltic harmonization and unification for the simple reason that Soviet law was introduced into the Baltic states which was uniform for the whole Union.

2. The Baltic states regained sovereignty in 1989 and independence in 1991. Each state was faced with the task of rebuilding its legal system. Proceeding from the idea of legal continuity with pre–World War Two statehood, legislators began their work immediately and produced many new laws in haste. This led to a drifting apart of the laws of Estonia, Latvia and Lithuania.

3. Therefore, the issue of harmonization and unification of laws in the Baltic states is once again on the agenda.

To accomplish the task, an organizational framework has been created. It operates on various levels:

- the Chairmen of the three Baltic parliaments renewed in 1990 the 1934 Treaty on Unity and Cooperation and revived the "Baltic Council" (liquidated on Soviet demand in 1940)
- on the parliamentary level each parliament delegates 20 deputies into the "Baltic Assembly" (founded 1991). Its secretariat is located in Riga
- on the governmental level a "Baltic Assembly" on the basis of a

treaty concluded in 1994. Both bodies together form the "Baltic Council".

- on the ministerial level a wide range of governmental agencies have agreed to cooperate, for instance in such areas as foreign affairs, internal affairs, defence, justice, culture, health, social welfare, environment, finances, customs, transport
- on the level of local self-government
- on the non-governmental level. One example is the cooperation among scholarly and educational institutions.

These bodies meet frequently and are active in a wide range of fields. But in the specific area of harmonization and unification of legislation the results are not impressive. Although agreements on cooperation include commitments to the objective of harmonization and unification of laws, words have as yet not fully been followed up by deeds. The commercial code can serve as an example. In Estonia, a Commercial Code was adopted in 1995. In Latvia, the draft of a commercial code was published in 1996. In Lithuania, a commercial code is still being drafted. The texts are not uniform.

4. The reasons for the slow pace of harmonization of laws in the Baltic today are manifold:

Any harmonization delays the adoption of legislation. The slowest country determines the pace of the joint work. However, the Baltic states are in haste and lack in patience. A uniform commercial code, for example, would be important for economic recovery and investment, but requires long and painstaking drafting.

Hectic law-making has produced uncoordinated, sometime contradictory laws and subordinate legislation. This creates problems internally within any given country, but impedes even more a trilateral harmonization.

The first generation of legislators in the Baltic after the countries regained their independence is — by education, training, experience and world outlook — to some degree not receptive to the idea of harmonization and unification of laws. The efforts of these legislators is directed primarily at their own country and does not always reach

beyond one's own borders. In other words, such legislators are not convinced of the necessity of harmonization and do not see its advantages. This attitude may change over time, when feverish legislative activity ceases and when the situation has stabilized.

5. A significant factor in weighing the prospects for a harmonization of law in the Baltic is the European Union. Since the aim of the Baltic states is to join the European Union, an approximation of their legislation to the standards of the Union is required. It will thus be necessary to provide for structures and mechanisms to operate under a common market. It is natural for the Baltic states to coordinate their efforts toward this aim.

6. Apart from these more practical considerations, there is another important factor which determines the prospects for harmonization and unification. It is to be found in the intellectual and mental sphere, in the minds of those who legislate. A generation of jurists which has engaged in the study of comparative law, which has studied abroad for some time or even graduated from a law school abroad (e. g. in the Nordic countries) or which has gained experience with another legal system in the course of professional work, are all likely to be more favorably disposed toward the idea of harmonization and unification of law than a generation of jurists without such insights. In other words, what matters is also the academic background of legislators and their mental outlook.

What is needed most, is the political will. Experience of the past and the demands of the future suggest to work in the direction of a harmonization and unification of law.

Harmonization of the Law of the Baltic States
The Inter-war Period (1918—1940)
Selected Materials (Excerpts) in Translation
I. Initiatives for a Harmonization of Laws at the Private Level

1. Rigasche Zeitschrift fur Rechtswissenschaft. Extends its Coverage to Include Estonia.

   To our Readers by Benno Berent, Editor of Rigasche Zeitschrift für Rechtswissenschaft (1927).

2. Harmonization of Laws is Identified as an Objective.
   Editorial Note by Benno Berent, Editor of Rigasche Zeitschrift fur Rechtswissenschaft (1928).
3. Tartu (Dorpat) Conference of 1928.
   Foreword to the collection of conference papers (1929),
   published in Baltische Rechtsanleichung, 10 Jahre Gesetzgebung Eslands und Lettlands (Riga) (1929).
4. Tartu (Dorpat) Conference of 1928.
   Paul von Sokolowski (Riga), Introduction to the collection of conference papers (1929),
   published in Baltische Rechtsanleichung, 10 Jahre Gesetzgebung Eslands und Lettlands (Riga) (1929).
5. Resolution of the Tartu (Dorpat) Conference of 1928,
   published in Baltische Rechtsangleichung, 10 Jahre Gesetzgebung Eslands und Lettlands (Riga) (1929).
6. Maksis Lazersons (Riga), Proposal for a Legal Research Institute of the Baltic States,
   published in Tieslietu Ministrijas Vēstnesis (1929).
7. Birger Ekeberg (Stockholm), Joint Legislation of the Nordic States, published in Rigasche Zeitschrift fur Rechtswissenschaft (1929).
8. Igor Tiutriumov (Tartu), On Unification of Civil law,
   published in Zakon I sud (Riga) (1929).
9. RZR Extends its Coverage to Include Lithuania.
   Drafts of four Lithuanian commercial laws. Editorial comment by Benno Berent, Editor of Rigasche Zeitschrift fur Rechtswissenschaft (1930).

II. Harmonization of Laws at the Government Level

10. Arturs Dzirkalis (Riga), Cooperation of the Baltic States in the Field of Law,
    published in Tieslietu Ministrijas Vēstnesis (1934).
11. Aleksandrs Mengelsons (Riga), Work of the Joint Legal Office of the Baltic States,
    published in Tieslietu ministrijas un tiesu vēsture 1918—1938 (1939).

12. Armins Rusis (Riga), On Unification of International Legal Assistance,
    published in Tieslietu Ministrijas Vēstnesis (1932).
13. Hermanis Albats (Riga), On the Conventions on the Mutual Recognition of Court Decisions, published in Tieslietu Ministrijas Vēstnesis (1936).
14. Conventions on the Mutual Recognition of Court Decisions of 1935. (Valdības Vēstnesis N° 272 of November 29, 1935).
15. Conventions on a Uniform Law on Bills of Exchange and a Uniform Law on Checks of 1938.
    (Valdības Vēstnesis N° 143 of June 30, 1938).

Document 1

Rigasche Zeitschrift fur Rechtswissenschaft Extends its Coverage to Include Estonia

To Our Readers

[1927]

...

Estonia should be included in the area covered by our work since both neighbouring countries share not only common economic interests and the same historical past, but also because both Latvia and Estonia have a like inheritance in the field of law. Since close cooperation of both states is now being initiated in the economic sector, it appears necessary to bring development in the legal sphere onto common ground as far as possible. The purpose of our journal will be further this objective.

...

The Editor
[Benno Berent]

Source: Rigasche Zeitschrift fur Rechtswissenschaft, 1 (1926/27) 209.

Document 2

Harmonization of the Laws of Latvia and Estonia is Identified as an Objective

Editorial Note of the Rigasche Zeitschrift fur Rechtswissenschaft

[1928]

...

Our aim is to continue to expand the cooperation of Estonian jurists with the Rigasche Zeitschrift. This cooperation shall express efforts in legal and economic life which can best be described by the concept of harmonization — an objective being shared by the editors and leading circles in the Baltic States. We are not alone in our work to harmonize legal developments in Estonia and Latvia. Among others, the General Secretary of the Latvian Foreign Ministry, Minister Albats, as well as Prof. Piip, Dorpat scholar of international law, vigorously support a harmonization of laws between the two countries, and this objective of harmonization of laws was clearly expressed at the September 22 and 23, 1928, Dorpat meeting of Baltic jurists.

A significant role in the discussion at this meeting was played by the recognition of the acute danger of an unnecessary alienation and separation of the Baltic states in their development of the legal sphere. It was particularly the practical necessities of economic life which most cogently demonstrated the urgency of harmonizing legal systems. The purpose of the meeting consisted primarly in presenting reports on legal development in both countries in order to alert organizations of jurists and state officials in Estonia and Latvia of the urgency of a positive solution to the problem of legal harmonization, and in order to stimulate the start of practical work on the problem.

...

The aim which the journal RZR has set for itself is only one aspect of the larger problem of the harmonization of laws and legal systems. This larger problem of harmonization can only be solved by the responsible organs of both states and we hope that this solution will be found, supported by public opinion in both countries.

The Editor
[Benno Berent]

Source: Rigasche Zeitschrift fur Rechtswissenschaft, 2 (1927/28) 286–288.

Document 3

Tartu (Dorpat) Conference of 1928

Foreword to the collection of conference papers

The publication of the papers presented at the 1st Baltic Conference of Jurists held on September 22 and 23, 1928, in Dorpat serves two purposes: first, to draw attention to the dangers inherent in a divergent development of the laws of Estonia and Latvia and to argue for the necessity of legal harmonization between both countries, and; second, in order to enable for the first time an overview of the legislative development in both countries in the 10–year period from 1918 to 1928.

Future work toward a harmonization of laws in the Baltic states should also include the third Baltic state, Lithuania.

...

The jurists assembled in Dorpat agreed among each other that the great objective of unifying the laws of the Baltic states could only be achieved through the support of public opinion and the consensus of all law associations in both countries, including the responsible state organs of Estonia and Latvia.

...

Source: Baltische Rechtsangleichung. 10 Jahre Gesetzgebung Estlands und Lettlands. Referate der 1. Baltischen Juristenkonferenz zu Dorpat (1928), Reval, 1929, pp.3–4.

Document 4

Tartu (Dorpat) Conference 1928

Introduction to the collection of conference papers

Professor Dr. Paul von Sokolowski (Riga)

...

The large and populous nations of the world, in spite of greatly varying cultural and political histories, are — in their own vital interest — today actively engaged in regulating the entire field of commercial law according to uniform standards and principles. It is therefore disconcerting that the two Baltic republics have each passed their own legislation on important questions of commercial law, doing so in

unnecessary haste and without due deliberation and also without the slightest effort at bilateral agreement.

...

The strongest bonds between the nations on the Baltic Sea and the culture of the West are the legacy of Roman law, which extends far beyond national boundaries, and the deeply rooted appreciation for the legal order. These protect against the influence of the East, which is formless and without boundaries. Prior to the great war, the Russian intelligentsia pursued the destruction of the hated European culture in the Baltic, but succeeded only in part — failing due to the legal order in the Baltic.

...

Although the introduction of Roman law in Latvia and Estonia occurred relatively late in terms of history, its elementary influence was quick and strong. It provided the only well-established way to escape from the enormous confusion of law which dominated in these countries due to the frequent change of rule, the destruction caused by war and the chaos of economic depression. The acceptance of Roman law is the result of self-government, aided and abetted by the diligent faculty of law of the University of Dorpat.

...

Source: Baltische Rechtsangleichung. 10 Jahre Gesetzgebung Estlands und Lettlands. Referate der 1. Baltischen Juristenkonferenz zu Dorpat (1928), Reval, 1929, pp. 5–11, here pp. 6–7.

Document 5
Resolutions of the Tartu (Dorpat) Conference of 1928 (Unanimously adopted)

Among the elements of culture, law is a cultural value, which — due to its common foundation — is strongly suited to serve as a bridge from one people to another people and from one state to another state.

The common foundation of the law in force in Estonia and Latvia — based on mutuality which goes back many generations and which shares a common economic and political legacy within a newly ordered Europe

— should not be given up without compelling reasons, but should be renewed and supplemented in certain areas. The special situation of each country within its ethnographic, geographic–historical and economic–social conditions should be taken into account.

The shared character of the law in force should be achieved by unification of domestic legislation and international agreements.

In the first instance, one should strive for harmonization in the area of commercial law. There is imminent danger here because of the continual passage of new laws in this sector and because a drifting apart at this level would substantially hinder the economic revitalization in both countries.

In view of the fact that a systematically ordered commercial law is lacking in both states, the Conference proposes the creation of a commercial code which is based on common ground (law on checks, law on bills of exchange, law on firms, law on corporations, mutual recognition of legal documents).

It is noted with satisfaction that the Russian draft of 1903 serves as the common basis in both states for new drafts of a criminal code and that the procedural regulations of 1864 continue to serve as the legal foundation for matters of criminal and civil procedure. Therefore, a harmonized development of law in these areas appears to be assured.

In view of the significance which the common Baltic civil law in force has achieved in the legal consciousness of the inhabitants of both states, it is natural for both states to follow the same path in civil law legislation, especially in law on obligations and property.

The Conference thus resolved:

that private lawyers' associations and official organs of the states of Estonia and Latvia should be made aware of the urgency of a positive solution to the problem of harmonization of laws and that practical initiation of the work be stimulated.

Source: Baltische Rechtsangleichung. 10 Jahre Gesetzgebung Estlands und Lettlands. Referate der 1. Baltischen Juristenkonferenz zu Dorpat (1928), Reval, 1929, pp. 240–241.

Document 6

Proposal for a Legal Research Institute of the Baltic States

(Project)

Maksis Lazersons

[1928]

Today, in the aftermath of change on the political map, completely new and thus far unresolved challenges face all of Europe in the economic and legal sphere, and it appears indispensable, that also the universities should express their authoritative word in the transformation and reform of these new relations. The legislative institutions and especially the separate departments are frequently unable to do research in the required depth. They work from one matter to the next. Information is often gathered casually and with insufficient thoroughness, since action is required without delay. All of this leads to the necessity of often having to revise and amend what has already been done.

...

If the Legal Research Institute in Riga wishes to fulfill its important mission to harmonize Baltic law, then it must first establish close contacts with all of the institutions and offices which currently are engaged in the process of preparation and drafting of legislation.

...

Without question, such contacts could not be established without the cooperation of the respective governments. Only in the instance that the individual governments of the Baltic states become fully conscious of and accede to the importance of this objective, will it be possible for the harmonization of Baltic law to continue its course. A Legal Research Institute in Riga must, in its work, enjoy the cooperation of all the Baltic governments, since this is not an idea of simply academic interest, but one of great practical significance. In this era of developing codification of international law, a Legal Research Institute in Riga will earn broad sympathy not only within the Baltic states themselves, but also far from its borders in the nations of Western Europe and in America. The harmonization of Baltic law will not only be an important

cultural–legal achievement, but will also be the best counter–argument to the so–called balkanization of the Baltic.

Without the existence of regular relations with individual parliamentary committees and judicial organs and their offices, a Legal Research Institute must establish an Institute of the Standing Congresses of Baltic Jurists. These congresses must be held on a rotation basis in the different Baltic states. This will create a foundation for mutual rapprochement and familiarity between the jurists and the legislators, and will also serve government research. Furthermore, these congresses will promote the flourishing of Baltic legal science, without which a harmonization of legal systems is not possible.

...

A Legal Research Institute in Riga, including its various branches and links, can without question occupy one of the most honored places in the current renewal of legal science in the Baltic states.

Source: Tieslietu Ministrijas Vēstnesis, 10 (1929) 379–390, here pp. 379, 388–390.

Document 7

Joint Legislation of the Nordic States

Dr. Birger Ekeberg

Former Member of the Swedish Supreme Court

Chairman of the Commission for Reform of the Civil Code

[1929]

The prerequisites for successful cooperation between Denmark, Finland, Iceland, Norway and Sweden in the area of lawgiving can be regarded today as being extremely favorable from any point of view. The strong feeling among all of these peoples of belonging to each other is based on a sound historical foundation. Since ancient times, there have been personal, cultural and economic ties between them — to a large degree furthered by not only geographic location, but also by ethnographic, linguistic, social and political conditions. The Danish, Norwegian and Swedish languages are not only spoken in all of Scandinavia, but are also understood widely in Finland and Iceland. Economic and

social conditions, customs and views are in the main so similar, that the legislative problems are basically the same: the lack of conflict in the sphere of religion has also been significant in certain legislative areas.

...

Source: Rigasche Zeitschrift fur Rechtswissenschaft, 3 (1929) 225–234, here p. 225.

Document 8
On Unification of Civil Law
Igor Tiutriumov
[1929]

...

Coordination of the legislation of the Baltic states can be easily achieved, especially between Estonia and Latvia, where the same law is in force — Part 3 of the Collection of Provincial Law of the Baltic governments. The situations is somewhat more difficult in the case of Lithuania, where the civil law in force is based on a great variety of sources, namely, the Russian Civil Code (Volume 10, Part 1 of the Collection of Laws), the Provincial Law of the Baltic governments (Part 3), the Code Civil and others. This diversity...can render the harmonization of law in Lithuania with the legislation of the other states of the Baltic region more difficult, but it does not exclude this possibility.

...

Source: Zakon I sud (Riga), 1 (1929) col. 4–7, here col. 7.

Document 9
Drafts of Four Lithuanian Commercial Laws (1930)
Translated, annotated and provided by Oskar von Buchler, Kaunas. The drafts were prepared by the Valstybes Taryba (State Council)... and published in February, 1930.
Editorial Comment to the Drafts

The question of the harmonization of laws between the Baltic states — in contrast to the strongly furthered unification of laws within each of the states — has not been turned into reality, even though the necessity of the realization of this objective has been recognized in important economic circles as well as among the jurists.

One of the most serious obstacles to the achievement of the major task of harmonization is the fact that almost all legislative drafts and laws, regardless of whether they come from Estonia, Latvia or Lithuania, are almost exclusively written and published in the respective official language of the state, thus precluding an examination of the new legislative works by experts in the other countries.

The necessity of finding a common language in the Baltic has been expressed often enough – up to now however without success, since the official state organs do practically nothing in this direction, regardless of whether their offices are in Estonia, Latvia or Lithuania. As a result, it is not surprising that nearly every new law and draft of law is made in ignorance of the newest legislative developments in the neighbouring countries. Hence, the community here must resort to self–help and set a good example for the state organs. Accordingly, we take particularly great pleasure to present our readers with four drafts of Lithuanian commercial law [in German translation] in the hope that these drafts can be used as materials for the draft of a Latvian commercial code.

The Editor
[Benno Berent]

Source: Rigasche Zeitschrift fur Rechtswissenschaft, 4 (1930) 280.

Document 10
Cooperation of the Baltic States in the Field of Law
[covering the period from 1931 to 1934]
Arturs Dzirkalis
[1934]

...

The young Baltic states are bound by a common history, by good neighbourly relations, but especially important are their economic interests and political considerations. When the new nations obtained their liberty, they were initially forced by practicality to continue using Russian laws. However, very soon both Latvia and the neighbouring Baltic states discarded many of the previous Russian legal institutions

which were not in conformity with the principles of liberty of the new states, with their national cultures and with the structure of life in their society. Hence, whereas the Russian government — with few exceptions — had previously issued the same laws for all of the three Baltic states, each of these countries, upon obtaining their liberty, took completely independent paths. In the first years of independence, the new states were involved with the extremely feverish task of reconstruction and renewal. There was not much time to examine how this or that legal issue had been resolved in the neighbouring countries. On the other hand, today — nearly 20 years later, when the legal systems of the Baltic states have achieved stability, the time has come to examine whether the Baltic states should not only seek a common path politically, but also juridically.

I.

...

The next stage of cooperation is the harmonization of legislation. This harmonization of legislation is mandated by the proximity of common interests of the Baltic states and by their shared history. Of course, legislation can not be harmonized in government and administrative legal branches, since issues here are decided by each state individually based on internal political circumstances. The necessity of harmonization also does not apply to laws on procedure and the judiciary system. Here it is sufficient to have a solid exchange of information.

On the other hand, unity and uniformity of legislation is extremely desirable in material private law, commercial law, corporation law and material criminal law. As far as these branches of law are concerned, we might adopt the following principles: insofar as the laws of the three Baltic states are uniform, it is desirable that changes of these laws be done jointly and be harmonized with the laws of the other states. Insofar as the laws of the three Baltic states differ from each other, it is desirable that changes of these laws do not increase the distance between them, but rather that they approach the existing laws in the Baltic states. In general, one should note that changes of laws which increase the

distance between the legislation of the Baltic states should only be permissible if mandated by utter necessity.

II.

Continuing at this point with the practical steps toward cooperation in the legal sphere, it must be pointed out that jurists in the Baltic states already expressed the idea of cooperation ten years ago. The discussion at the time was limited to smaller individual cooperative efforts. Only much later, when the matter had become ripe for action, was there a movement to call a conference of jurists. In this connection, at the initiative of Lithuania, a conference of the representatives of the Latvian, Lithuanian and Estonian ministries of justice took place on January 13, 1931 in Kaunas, at which conference the participants concluded that the question of the unification of laws was very difficult and demanded through preparation beforehand, that it was not possible immediately to turn to the work of drafting common legislation, that it was first necessary to become familiar with what had previously been achieved in the legislation of the three Baltic states, and that a congress of jurists of the Baltic nations should be called to stimulate cooperation in the legal sphere. Since the initiative in this matter had come from Lithuania, the conference participants resolved to hold the first congress of the jurists of the Baltic states in the Spring of 1931 in Lithuania.

III.

The congress took place on May 21, 22 and 23 in 1931 in Kaunas. There were 69 participants, 38 from Lithuania, 24 from Latvia and 7 from Estonia. In addition to the official state delegates from Latvia, Lithuania and Estonia, participants also included representatives of parliament, of the ministry of foreign affairs, of the ministry of justice, and of the courts, the universities and lawyers' associations.

...

Many papers were presented at the congress on the future cooperation among the Baltic states.

The congress resolved:

a) To carefully follow the activities of official as well as private

organizations who were working in the legal field and in the direction of unification.

b) To take part in the activities of such organizations if possible.

c) To discuss the question of acceding to conventions on legal unification as drafted by international organizations.

d) To acknowledge, a) that the fact that the Uniform Law on Bills of Exchange adopted at the 1930 Geneva Conference departs from the Russian regulations on bills of exchange is not so important as to preclude acceding to the Geneva Convention on a Uniform Law on Bills of Exchange, considering the option of making reservations provided therein; b) that the Uniform Law on Checks, adopted at the Geneva Conference of 1931, in its most important provisions with respect to the so–called external rights on checks is based on generally recognized principles applicable to checks as well as on fundamental principles adopted in the Uniform Law on Bills of Exchange, for which reason acceding to the Convention on a Uniform Law on Bills of Exchange also opens the possibility of acceding to the Convention on a Uniform Law on Checks, and; c) that it is desirable, that all three Baltic states jointly decide the question of acceding to the conventions discussed above.

e) To discuss the question of acceding to the convention on mutual execution of the decisions of courts and arbitrators.

f) To discuss the question of drafting norms for conflicts of law.

g) To acknowledge as desirable the working out of joint principles on bankruptcy law for all three states.

In order to put the named principles into action and to develop methods for maintaining standing contacts between the jurists of the Baltic states, the congress resolved to establish a permanent joint legal office for the representatives of the ministries of justice of Latvia, Lithuania and Estonia.

...

IV.

Based upon the congress resolution, the first meeting of the Joint Legal Office of the Baltic states took place on October 12 and 13, 1931 in Riga.

...

V.

Subsequent to the second, larger, meeting of the Joint Legal Office, the unification of laws and the cooperation of the jurists of the Baltic states continued unabated.

...

Taking into account the resolution of the commission of jurists, the Latvian Ministry of Justice asked Prof. Dr. A. Loeber to draft the text of the Law on Bills of Exchange. Professor Loeber had already drafted the Uniform Law on Bills of Exchange [for the Baltic states] and it has been sent for review to the ministries of justice of Estonia and Lithuania. Since the draft on the Uniform Law on Bills of Exchange was worked out according to principles recommended by the commission of jurists, no objections are expected from our neighbours and all three Baltic states will be able to accede jointly to the Geneva conventions discussed above.

It must be noted here that the League of Nations has a great deal of interest that as many nations as possible accede to these conventions, not only because of the importance of the laws themselves, but also as a matter of prestige. Moreover, it is very important for us to accede to these conventions, since in this manner we bind ourselves organically to the laws of Western Europe. Our en bloc accession would make a great impression in Geneva. This would bear witness to our cooperation and to our joint strength and would mandate that this strength be respected.

...

Source: Tieslietu Ministrijas Vēstnesis, 15 (1934) 320–328, here pp. 320–324, 327–328 (footnotes omitted).

Document 11

Work of the Joint Legal Office of the Baltic States

[covering the period from 1935 to 1939]

Aleksandrs Mengelsons

[1939]

In the last years the Ministry of Justice has been very active in the area of the international unification of the laws. After the 1931 congress

of jurists in Kaunas, the Joint Legal Office of the Baltic States was established with the objective of promoting legal unification in the three Baltic states — Latvia, Estonia and Lithuania — and to exchange information concerning current legislation in these countries. The first meeting of the Legal Office took place in 1931 in Riga, but had more an informative nature. The first actual working session occurred in March 29 and 30, 1935, in Tallinn.

...

The agenda of the Legal Office was the Law on Checks drafted by the Lithuanian branch of the Legal Office and the Law on Bills of Exchange, the Law on Bankruptcy, the Law on Conflicts of Laws, the Law on Extradition of Criminals and Criminal Statistics, all drafted by the Latvian branch.

The work is crowned with success — the Legal Office adopted the drafts on the Law on Bills of Exchange and the Law on Checks.

In the other questions on the agenda, the Legal Office exchanged opinions for the purpose of a subsequent complete drafting of the projects.

On January 10, 1937, the first two conventions concluded — the conventions on mutual execution of court decisions and on [criminal] recidivists — went into force.

From June 8–10, 1936, the next plenary session of the Legal Office took place in Riga. No draft was adopted here, with the exception of new regulations for the Legal Office, but the drafts were further discussed, especially the Laws on Bills of Exchange and Checks.

On April 9, 1938, in Kaunas, Lithuania, the Foreign Ministers and Envoys respectively signed the convention regarding the Laws on Bills of Exchange and Checks. On October 1, 1938, all three Baltic states introduced the new Laws on Bills of Exchange and Checks.

...

Source: Tieslietu ministrijas un tiesu vēsture 1918–1938, Riga (1939) pp. 116, 118.

Document 12
On Unification of International Legal Assistance in Latvia, Lithuania and Estonia
Armins Rusis
[1932]

...

Such subtypes of international legal assistance in criminal matters as the execution of tasks ordered by a court, summoning of witnesses, experts and accused, and issuance of property... have recently become ever more important. These subtypes are regulated mainly in the form of extradition conventions which are also called international legal assistance treaties in criminal matters... But since the said subtypes are increasingly regulated by international agreements [to which the Baltic states have not yet acceded], uniformity here is strongly endangered. Hence, these developments provide one of the most compelling reasons to obtain unification, as far as this is possible, in the internal legislation of the three Baltic states. This movement should go hand–in–hand with the unification of criminal law in Latvia, Lithuania and Estonia, before these states depart too far from the previously existing common foundations of their laws.[4]

...

Source: Tieslietu Ministrijas Vēstnesis, 13 (1932) 220–242, here p. 222.

[4] This idea has been raised several times by most honored mentor, H. Albats, regarding not only criminal laws but also with respect to conflict of laws norms applicable to international civil law (found particularly in his paper presented at the first congress of jurists of Lithuania, Estonia and Latvia in Kaunas in Spring of 1931.)

Document 13
On the Conventions of the Baltic States for the Mutual Recognition and Execution of Court Decisions
Hermanis Albats
[1939]

On January 10 of this year, two conventions signed among Latvia, Estonia and Lithuania went into effect, namely, the conventions on

mutual recognition and execution of court decisions, both in criminal and civil matters. These conventions are significant successes in the cooperation of the Baltic states in the judicial and legislative spheres. Moreover, they have a great practical importance.

...

Source: Tieslietu Ministrijas Vēstnesis, 17 (1936) 204–209, here p. 204.

Document 14
Conventions
Mutual Recognition of Court Decisions (1935)
Law on the Convention between Estonia, Latvia and Lithuania on Mutual Recognition and Execution of Judgements in Civil Matters
(Valdības Vēstnesis No. 272 of November 29, 1935)

1. The "Convention between Estonia, Latvia and Lithuania on Mutual Recognition and Execution of Judgements in Civil Matters", signed in Kaunas on November 14, 1935, is adopted and confirmed by this law.

2. The law takes effect on the day of publication. The convention mentioned in Section 1 of this law is to be published with this law, together with its translation in the Latvian language.

3. The convention takes effect pursuant to the time and manner provided for in Section 11 of the convention.

Riga, November 29, 1935 President of the State A. Kviesis

Law on the Convention between Estonia, Latvia and Lithuania on Mutual Recognition of Previously Made judgements in Criminal Matters
(Valdības Vēstnesis No. 272 of November 29, 1935)

1. The "Convention between Estonia, Latvia and Lithuania on Mutual Recognition of Previously Made Judgements in Civil Matters", signed in Kaunas on November 14, 1935, is adopted and confirmed by this law.

2. The law takes effect on the day of publication. The convention

mentioned in Section 1 of this law is to be published with this law, together with its translation in the Latvian language.

3. The convention takes effect pursuant to the time and manner provided for in Section 4 of the convention.

Riga, November 29, 1935 President of the State A. Kviesis

Source: Likumu un Ministru kabineta noteikumu krājums, 1935, No. 23, items 189, 191.

Document 15
Conventions
Uniform Law on Bills of Exchange
Uniform Law on Checks (1938)
Law on the Convention between Latvia, Estonia and Lithuania on a Uniform Law on Bills of Exchange
(Valdības Vēstnesis No. 143 of June 30, 1938)

1. The "Convention between Latvia, Estonia and Lithuania on a Uniform Law on Bills of Exchange", signed in Kaunas on April 9, 1938, is adopted and confirmed by this law.

2. The law takes effect on the day of publication. The convention mentioned in Section 1 of this law is to be published with this law, together with its translation in the Latvian language.

3. The convention takes effect pursuant to the time and manner provided for in Section 5 of the convention.

Riga, June 29, 1938 K. Ulmanis,
President of the State and Prime Minister

Law on the Convention between Latvia, Estonia and Lithuania on a Uniform Law on Checks
(Valdības Vēstnesis No. 144 of July, 1938)

1. The "Convention between Latvia, Estonia and Lithuania on a Uniform Law on Checks", signed in Kaunas on April 9, 1938, is adopted and confirmed by this law.

2. The law takes effect on the day of publication. The convention

mentioned in Section 1 of this law is to be published with this law, together with its translation in the Latvian language.

3. The convention takes effect pursuant to the time and manner provided for in Section 5 of the convention.

Riga, June 29, 1938 K. Ulmanis,
President of the State and Prime Minister

Source: Likumu un Ministru kabineta noteikumu krājums, 1938, No. 29, items 150–151.

Short Biographies of Pre–war Authors and Editors Whose Works Have Been Included in the Collection

Brief biographies of pre-war authors and editors whose works have been included in this collection

Albats, Hermanis (1879-1942). Secretary general of the Latvian Foreign Ministry, 1922-1933; docent at the University of Latvia, 1921-1939; professor, 1939-1940; lector in international rights; deported in 1941; died in Vjatlag. Sources: State Archive of Latvia, Records Group 1986, Inventory No. 1, File 38908. See also Birziņa, L. Profesors Hermanis Albats. Rīga (1992), 24 pp. Also Vidiņš, J., Karogs, No. 2, 1990. Also Es sapni par dzimteni pagalvī likšu. Rīga (1993), Vol. 1, pp. 92-94. Mention: Document 30.

Berent, Benno (1892-1946). Attorney in Rīga, 1920-1939; Minister of Justice of the Republic of Latvia, 1929; editor of Rigasche Zeitschrift fur Rechtswissenschaft, 1926-1931 (except 1929); emigrated in 1939; died in a Soviet prisoner-of-war camp near Valka. Sources: Temīda, No. 1, 1991, p. 18. Latvijas Jurists, No. 5, 1993, p. 11. Deutschbaltisches biographisches Lexikon. Cologne (1970). Mention: Doc. 1, 2, 7, 13.

Buchler, Oskar von. Mention: Doc. 6.

Bukovskii, Vladimir (1867-1939). Docent at the University of Latvia, 1921-1931; professor, 1932-1937; lector on civil procedure rights; senator, 1934-1937; died in Rīga. Sources: LU 1919-1929; LU 1919-1939; Tieslietu Ministrijas Vēstnesis, 1937, pp. 927-931; Jurists, 1937, col. 111, 113; Zakon i sud, 1937, col. 3666. Mention: Doc. 12.

Dišlers, Kārlis (1878-1954). Docent at the University of Latvia, 1920-1932; professor, 1932-1940; lector on administrative and state rights; dean, Faculty of Economics and Law, several occasions beginning in 1923; member of Parliament, 1925-1928; editor, Tieslietu Ministrijas Vēstnesis, 1937-1939; Deported with family in 1941, died during deportation. Sources: Latvian State Archive, Records Group 1986, Inventory 1, File 12956; Birziņa, L. LU Juridiskās fakultātes dibinātāji un tās ilggadējais dekāns profesors Kārlis Dišlers. Rīga (1991); Zvaigzne, No. 11, 1990, pp. 6-7. Mention: Doc. 27.

Dzirkalis, Arturs (1901-). Attorney in Rīga; member, Legal Consultation Office, Ministry of Justice, 1933-1940; emigrated in 1994, eventually to the United States. Sources: Tieslietu ministrijas un tiesu vēsture. Rīga (1939), p. 45; Es viņu pazīstu, 1939; Archīvs, Vol. 11, 1971, p. 254. Mention: Doc. 27.

Ekeberg , Birger (1880-1968). Justice, Swedish State court, 1925-1927; chairman, Legislation Commission, Swedish Parliament, 1927-1931; president, Swedish Crown Court, 1931-1946; Riksmarskalk 1947-. Source: Svenskt forfattarlexikon 1941-1950. Stockholm (1953). Mention: Doc. 3.

Freimanis (von Freymann), Rudolfs (1860-1934). Russian senator, 1914-1917; legal advisor, Latvian embassy in Moscow, 1922-1926; attorney in Rīga, 1926-1934; editor, Rigasche Zeitschrift fur Rechtswissenschaft, 1928-1929 and 1931-1934; author, "Der lettlaendisch-russische Friedensvertrag von 1920 und seine Verwirklichung", Rīga, 1927, 34 pp.; editor, Latvijas konkursa likumi. Rīga (1934). Sources: Latvis, 19 July 1934; Zakon i sud, No. 6, 1934, col. 1627-1628; Rigasche Zeitschrift fur Rechtswissenschaft, Vol. 8, 1934/1935, pp. 73-75; Deutschbaltisches biographisches Lexikon. Cologne (1970). Mention: Doc. 12, 16.

Freymann – see Freimanis.

Grohmann, Woldemar (1873-1950), dr. iur. Director, Department of Industry, Finance Ministry of Russia; active state counselor; counselor, Labor Ministry of Estonia, 1918-1940; Estonian representative to the International Labor Organization, Geneva, c. 1920-1930. Emigrated, lived in Poznan (Posen), died in Munich. Source: Eesti Vabariigi kodakondsuset lahkunud isikute nimestik. Tallinn (1940), p. 76. Report, Justus Grohmann, Kiel (1996). Mention: Doc. 9, 10.

Grunthal, Timotheus (1893-1955). Chairman, Civil Department, Estonian State court, 1928-1940. Emigrated in 1944, died in Stockholm. Source: Eesti Avalikud Tagelased. Tartu (1932). Report, H. Lender, Sweden (1983). Mention: Doc. 8.

Gruzenberg, Oskar Osipovič (1866-1940). Attorney in St. Petersburg, 1905-1917; Russian senator, 1917. Emigrated, 1920, lived in Berlin and, from 1926-1932, in Rīga. Attorney in Rīga; co-founder, Russian Legal Association of Latvia; editor, Zakon i sud. Lived in Nice, France, 1932-1940, died in France. Source: "I.L. Citron", in O.O. Gruzenberg, Očerki i reči. New York (1944), pp. 45-57. Mention: Doc. 5.

Hasselblatt, Werner (1890-1958). Attorney in Tartu, 1917 and 1920-1932; member of Parliament of Estonia, 1923-1932; secretary general, European Union of German Minorities, Berlin, 1932-1945; died in Luneburg. Source: Deutschbaltisches biographisches Lexikon. Cologne (1970): Thomson, E., "Werner Hasselblatt", Arbeitshilfe, Bonn, No. 57/1990. Mention: Doc. 9, 11.

Imberg, Kurt. Berlin. Mention: Doc. 8.

Jakobi, Petr Nikolaevič (1876 - c. 1945). Staff member, Russian Ministry of Justice in St. Petersburg; emigrated to Latvia after the Russian revolution; staff member, Legal Consultation Office, Latvian Ministry of Justice, 1920-1936; long-time member, punitive legislation commission; founder, Russian Legal Association of Latvia; co-editor, Zakon i sud, 1929-1938; arrested in 1940, deported, died in deportation. Sources: Tieslietu ministrijas un tiesu vēsture. Rīga (1939), pp. 41 and 45; Posev, No. 3, 1981, p. 46; Journal of Baltic Studies, Vol. 16, 1985, pp. 399, 402. Mention: Doc. 5.

Lazersons, Maksis (1887-1950). Member of Parliament of Latvia, 1922-1931; imprisoned after the Latvian coup of 1934; emigrated to Palestine, then the United States, c. 1935; professor, Columbia University, died in New York. Sources: The Jews in Latvia. Tel Aviv (1971), pp. 295-297; Šilde, A. Latvijas vēsture 1914-1940. Stockholm (1976), p. 590; Šilde, A. Pirmā republika. Brooklyn (1982), p. 314. Mention: Doc. 4.

Loeber, August (1865-1948). Senator, 1918-1938; docent at the University of Latvia, 1920-1930, professor, 1930-1935; emigrated in 1939, died in Schleswig-Holstein. Sources: Tieslietu Ministrijas Vēstnesis, 1935, pp. 782-783, reprinted in Latvijas jurists, No. 10, 1990, p. 3; Temīda, No. 3, 1990, pp. 15-17; Zvaigzne, No. 9/10, 1991, pp. 26-27; Senators Augusts Lēbers. Rīga (1990); Ieskats Latvijas Senata spriedumos un senatora Augusta Lēbera rakstos. Rīga (1992); Birziņa, L. Senators August Lēbers. Dzīve un darbs. Rīga (1995). Mention: Doc. 10, 32.

Mengelsons, Aleksandrs (1896-1941). Director, Courts Department, Ministry of Justice, 1935-1940; chairman, Latvian Division, Baltic Attorneys Office, 1935-1940; deported in 1941 with his family, died in deportation. Sources: Latvian State Archive, Records group 1987, File 14002; Tieslietu ministrijas un tiesu vēsture. Rīga (1939), pp. 55, 57, 118, 280; Es viņu pazīstu. Rīga (1939); These Names Accuse. Stockholm (1951), p. 308. Mention: Doc. 25, 28.

Millers (Mueller), Vilhelms (1895-1945). Attorney in Rīga, c. 1925-1939; editor, Rigasche Zeitschrift fur Rechtswissenschaft, 1934-1939; emigrated in 1939; disappeared during military service in 1945 in Poland. Source: Album fratrum Rigensium. Hamburg (1981), p. 459. Mention: Doc. 20.

Mincs (Mintz), Pauls (1868-1941); Attorney in Rīga, 1890-1917 and 1918; State Controller, 1919-1921; member, Constitutional Convention, 1920-1922; docent at the University of Latvia, 1919-1921, professor, 1921-1938; lector in criminal law; Latvian delegate to the International Bureau for Unification of Criminal Law, Bucharest, 1935; co-editor, Zakon i sud, 1929-1930; deported in 1941, died in deportation. Sources: Latvian State Archive, Records group 1986, Inventory 1, File 17150 and Inventory 2, File 10145; Tieslietu Ministrijas Vēstnesis, 1938, p. 876; The Jews in Latvia. Tel Aviv (1971), pp. 254-156; Birziņa, L. LU profesori Roberts Akmentiņš un Pauls Mincs. Rīga (1992). Mention: Doc. 5.

Mueller – see Millers.

Noges, Valter (1905 -). Staff member, Estonian Ministry of Justice; reported in 1941, died in deportation. Source: Report from list of students at Tartu University. Mention: Doc. 19.

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CONTRIBUTORS

Atis Lejiņš	MA History, Latvian Institute of Internationale Affairs
Žaneta Ozoliņa	Dr. Paed., Latvian Institute of Internationale Affairs
Daina Bleiere	Dr. hist., Latvian Institute of Internationale Affairs
Aivars Stranga	Prof., Dr. habil. hist., Latvian Institute of Internationale Affairs
Dietrich A. Loeber	Dr. jur. Dr. h. e., emer. Professor an der Universität Kiel

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