

**NATO EURO-ATLANTIC PARTNERSHIP COUNCIL
INDIVIDUAL RESEARCH FELLOWSHIPS 2000 - 2002 PROGRAMME**

***THE EURO-ATLANTIC INTEGRATION AND THE FUTURE OF
KALININGRAD OBLAST***

by Česlovas Laurinavičius

Vilnius - 2002

CONTENT

Abstract	3
Aim of the Research	4
Methodology	8
1. Main tendencies of Russia's foreign policy after the collapse of the Soviet Union	9
2. NATO enlargement and Kaliningrad	11
2.1. Military transit of the Russian Federation through the territory of the Republic of Lithuania: historic and political science profile	13
2.2. Circumstances of the Soviet military withdrawal from the Republic of Lithuania: Negotiations Process	15
2.3. 1994-1995 negotiations between Vilnius and Moscow over military transit agreement	18
2.4. Regulation of the military transit of the Russian Federation through the territory of Lithuania and its practical execution	27
2.5. Intermediate conclusion	29
3. The impact assessment of the EU enlargement on the Kaliningrad oblast	30
3.1. Relations between Moscow and Kaliningrad	30
3.2. The trends of the social, economical and political development in the Kaliningrad oblast of the Russian Federation	35
3.3. The EU <i>acquis communautaire</i> , the applicant countries and Kaliningrad: issue areas	37
3.4. Perspectives of the crisis prevention	45
Conclusions	50

ABSTRACT

The collapse of the Soviet Union has given impetus to the debate about the future of the Kaliningrad Oblast (KO) of the Russian Federation. The main cause for this is the fact that concrete exclave of the Russian Federation – which is the country's westernmost outpost – has been left cut off from Russia by Lithuania and Poland and surrounded by countries that are orienting themselves toward the European Union and NATO. The KO complicated geopolitical situations is exacerbated by additional problems. Nevertheless, the central questions are as follows: How Russia's army was withdrawn from Lithuania after the collapse of the Soviet Union and how the question of the Russians military transit to/from KO was solved? What about the perspectives of the KO in the context of the processes of NATO enlargement? How could the KO influence Baltic States and Lithuania stability and security from a political, economical, military, social and environment point of view? What are Russia's plans for developing this exclave? How the EU enlargement towards the East will influence the KO?

The research answering to the questions mentioned above is based on the methodology which evaluates three approaches – geopolitical, modernization and globalization and theirs impact on the development of KO (exclave).

The changes in the global balance of power have inspired the diversification of the KO issue. Kaliningrad oblast still remains for Russia the instrument for the military pressure. Nevertheless, it has no essential influence for the sovereignty of Lithuania and the other Baltic States. The power of the Western democratic defence structures eliminated the Russians possibility to use the issue of military transit as the factor to postpone the integration of Lithuania and other Baltic into NATO.

It is obvious, that KO issue is, first of all, the problem of the Russians internal politics. The issue could be solved in the context of the whole programme of Russia's modernization only. The EU's enlargement to the East demonstrates, that in order to avoid an encroachment on Russia's sovereignty Brussels waits for the internal transformation of the Russian Federation and/or Moscow's special decision on KO issue. The situation does not eliminate the threat of the economic and social-humanitarian crisis. The escalation of the last scenario could develop into the reanimation of the military tensions.

THE EURO-ATLANTIC INTEGRATION AND THE FUTURE OF KALININGRAD OBLAST

Aim of the research

The collapse of the Soviet Union has given impetus to the debate about the future of the Kaliningrad Oblast (KO) of the Russian Federation. The main cause for this is the fact that concrete exclave of the Russian Federation – which is the country’s westernmost outpost – has been left cut off from Russia by Lithuania and Poland and surrounded by countries that are orienting themselves toward the European Union and NATO.

Debates and discussions on the future of KO became especially popular right after the Spring of 1991 when the region was opened to the world. The discussions at that time prevalingly concentrated on two aspects of the problem of Kaliningrad. On the one side, it was attempted to analyse the possible threat presented by the level of its militarisation to the national security of the neighbouring states – first of all Lithuania and Poland. On the other side, there was a search for alternative scenarios for the development of the oblast, the majority of which, on one aspect or another, were related with the demilitarisation of the region or even change of its legal status.

In concrete terms, during several years some theoretical and practical speculations and approaches appeared on the subject.

1. Military outpost of Russia. The concept was very popular among Russian national patriots who promoted the plans for even stronger links with the “mainland”, with the goal of extending Kaliningrad’s role as a Russian garrison (the Kaliningrad Garrison State) against the supposedly hostile West. Nevertheless, the militarization of the region dramatically has changed after the Soviet Union collapsed. In the early 1990s an estimated 120 000 to 200 000 troops remained in the Oblast. Over the past three years there have been a fundamental decline in the number of Russian troops in Kaliningrad with estimates ranging from a low of 24 000 to a high of 40 000¹.

¹ Hoff M., Timmermann H. Kaliningrad: Russia’s Future Gateway to Europe? in *International Relations*, Vol. 2, No. 36, 10 September 1993. – P. 38-39; Petersen P. A., Petersen S., C. The Kaliningrad Garrison State in *Jane’s Intelligence Review*, February 1993. – Europe. – P. 59-61; Krickus R.J. *US Foreign Policy and the Kaliningrad Question*. – Copenhagen: DUPI, 1998. Working Papers No. 18. According to the last information – 18 000. The figure was cited during informal Round Table “Perspectives Regarding Co-operation with the Kaliningrad Oblast” which was organized by the Institute of International Relations and Political Science, Vilnius University

2. Internationalization. Desires for internationalization of the region – either through partition or the creation of a condominium. The nature of partition plans is demonstrated by one bizarre “unofficial Polish plan” which would subdivide the region, without apparent justification, into small, gerrymandered Polish, Ukrainian, Belarussian, and Lithuanian sections². There were scenarios which foreseen the creation of the condominium ruled by Germany, Russia, Poland, Lithuania and Sweden, the reverting territory of the KO to Germany or transferring it to Poland or Lithuania. Basically, these plans were based on some interpretations of international law and consequences connected with the Potsdam Agreement and the collapse of the Soviet Union³. The fact is that the official positions of the countries concerned converge at the present time and do not favor extreme options, i.e. as such, internationalization is unlikely to have any significant advocate on the international scene. On the other hand, the approach of internationalization is still popular because of the changing essence of “internationalization” (see, below).

3. Extraterritoriality and autonomy. The approach suggests the transformation of the region into the “Baltic Hong Kong” – an extraterritorial free trade zone drawing on the history of Königsberg as a member city of the Hanseatic League and far-reaching autonomy. The possibility of extraterritoriality has been raised mainly by academics and theorists, notably Zbigniew Brzezinski. On the other hand, the plans and the first steps were made by the Russian government which promulgated laws creating the “Yantar (Amber) Free Economic Zone in Kaliningrad. The project was based primarily on the consideration that, because of its geographically advantageous location, in the new circumstances Kaliningrad could become a center for economic cooperation in the Baltic⁴. Nevertheless it is clear the extraterritorial

on September 24-25, 1998. It is worth to mention that the remaining military in the KO does not constitute any classic threat or danger to neighbouring states, in light of the current financial crisis, since they do not play a serious political role in the region. However, the military, which is not being adequately supplied with food, is widely engaged in commercial activities, including the unauthorized sale of arms. There is also the danger of an environmental threat from the decaying military structures, which may include nuclear material.

² A map of this “unofficial plan” published in the German newspaper *Das Ostpreussenblatt* was reprinted in Lithuanian newspaper *Teviskės žiburiai*. – June 23, 1992.

³ It is necessary to emphasize that the author had no intentions to interpret the questions related to the so called problem of the dependence of Kaliningradskaya Oblast. Here let only to remind that Article Six of the Potsdam Agreement placed the territory of Königsberg under the administration of the Soviet Union and speaks of “the ultimate transfer to the Soviet Union of the city of Königsberg and the area adjacent to it”. The Paris Convention of 17 September 1990 did not transfer title to any state, however. For more details on the subject and the context of international law, see: Kedys J. Karaliaučiaus krasto teisinė padėtis (Juridical Situation of the Karaliaučiaus region) in *Pasaulio lietuvis*. – 1996. – No. 5. – P. 24-25; Sharp T. The Russian Annexation of the Königsberg Area 1941-1945 in *Survey*. – 1977-78. – Autumn. – Vol. XXIII. – No. 4. – P. 156-162; Smith R.A. The Status of the Kaliningrad Oblast under International Law in *Lituanus*. – 1992. – Spring. – Vol. XXXVIII. – P. 7-52; Micheev V. Potencial vrazhdy versus sotrudnicestva in *Pro et Contra*. – Vol. 3. – No. 2. – Spring 1998. – P. 62-63.

⁴ Kirkow P. The Concept of “Free Economic Zones” in Russia, *Osteuropa*. – 1993. – No. 3. – P. 229-243.

status would require that the region be prosperous enough to be self-sustaining, without the lack of legal security, protection of investments, clear tax provisions, an efficient administration, and, finally, the setting of clear objectives by the political authorities.

4. Independence or full independence as a “fourth Baltic state” of Russians. It has been discussed by some Russian intellectuals in the region as well as some Lithuanian politicians⁵. But such suggestions are almost certainly overblown. Few in the KO appear to be interested in independence. In contrast to the Baltic states, Kaliningrad has no tradition of independent statehood that might be reestablished. And despite the small “People of Koenigsburg” movement at the time of the collapse of the Soviet Union, both the officials and population of the Oblast overwhelmingly see their territory as a part of Russia. The existing so called “separatist movement” in KO is insignificant.

5. Resettlement. It means a homeland for the resettlement of displaced ethnic Germans, either Konigsbergers expelled after World War II or Volga Germans forcibly resettled by Stalin and further – the creation the German autonomous unit under the Russia’s jurisdiction. On purely logistical grounds (for instance, a factor of a standard of living), neither solution seems especially likely, however⁶.

Without doubts, no one of the scenarios mentioned above were fulfilled or implemented despite the fact that there is possible to observe tendencies of the approaches which were so popular at the beginning of 1990s. However, the scenarios stressed the obvious fact that a fundamental change of the geopolitical situation in Europe and the necessity to ensure economic welfare of the region in the context of the altered status of its relationship with Lithuania, Latvia and Belarus, determined the two main tendencies: geographical isolation of the KO from Russia, and its opening for direct contacts with the external world, first of all, with the neighbouring states (before the collapse of the USSR, the KO, a strategic military outpost, was a completely closed zone). In the middle of the decade, the visions of independence or internationalisation for Kaliningrad were essentially rejected, while the discussion acquired a new dimension (basically among the Russian political elite) – it gradually became obvious that, with the creation of a favourable legal environment, the geographical location of the oblast could enable it to turn into an attractive region for investments. In other words, the “Kaliningrad problem” of the beginning of the decade was

⁵ The idea of making Kaliningrad a fourth Baltic republic was pleaded by Romualdas Ozolas, the leader of influential Center party, and Vytautas Landsbergis when he was a leader of conservative opposition. See, Baltic Observer, 3 March 1994

⁶ For more details, see Smith R. A. The Kaliningrad region: Applications of the Civic and Ethnic Models of Nationhood in Journal of Baltic Studies, Vol. XXIV, No. 3 (Fall 1993). – P.236-237.

gradually transformed into the “Kaliningrad issue”, in the framework of which the geopolitical changes in Europe were started to be regarded as a challenge, opening new prospects for qualitatively new scenario for the development of the oblast.

On the other hand, after the withdrawal of the Soviet Army from the Baltic States and other Central and Eastern European countries, there also increased the relative geostrategic importance of Kaliningrad for Moscow⁷. The neighbourhood with the Oblast served as an extra incentive for Poland and the Baltic States to seek for “hard” security guaranties by means of NATO membership, while, at the same time, it was an additional Russian argument for blocking the NATO expansion eastwards, as potentially able to destroy the Russian front-line defence potential, thus strongly damage the country’s national security. The prospects for the development of Kaliningrad were started to be considered as a dilemma between the military outpost of strategic importance (especially in the context of the direct NATO approaching) and an economic bridge between the Western Europe and Russia.

At the end of the 1990s, with the start of the accession negotiations between Poland, and later between Lithuania, and the European Union confirming the irreversibility of the processes of integration of these countries into Western international structures, the issue of the Kaliningrad oblast – a potential Russian exclave surrounded by the EU member states – became the focus of attention of the international community. Contrary to NATO, the EU enlargement eastwards, according to the official position of Moscow, poses no threat to the national interests of Russia. In fact, some researchers acknowledge that in Russia the positive, or “positively neutral” image of the EU and its enlargement is essentially based on the belief that a united and strong Europe is capable of forming one of the world pillars for creating a balance against hegemonistic ambitions of the US, as well as on the conviction that the EU is a civilian-economic block of wealthy and liberal European states (military-political factors are still, by inertia, dominating the spectrum of threats to the Russian statehood⁸).

On the other hand, the EU enlargement is inevitably related with side effects on the third countries, including Russia and its integral part, the Kaliningrad oblast. In the perspective of the future EU membership of Poland and the Baltic States (and first of all Lithuania) the threat of social-economic lag from the neighbouring states acquires particular

⁷ D. Hartelius. *Kaliningrad: a European Challenge* // The EU & Kaliningrad. Kaliningrad and the Impact of EU Enlargement / eds. J. Baxendale, S. Dewar, D. Gowan. – London, 2000. – P. 223.

⁸ *Концепция национальной безопасности Российской Федерации* // Независимое военное обозрение [*The Concept of the National Security of the Russian Federation* // Independent Military Review]. – 2000. – Nr. 1 (174).

significance. Two scenarios for the development of the oblast are usually mentioned as the most likely⁴: Kaliningrad may become a “double periphery” (both in regard to the EU and the Russian Federation) – with Poland and the Baltic States enjoying the benefits from the elimination of restrictions on internal trade and the freedom of movement, Kaliningrad would find itself isolated from its neighbours, as Common Market and Schengen countries, and subsequently – Economic and Monetary Union members. However, if Russia and the EU managed to cooperate effectively in order to minimise negative effects of the EU enlargement to Kaliningrad, the oblast might even turn into a bridge between the EU and Russia. The brief review of the researches on the issue obviously demonstrates that the Kaliningrad oblast's complicated geopolitical situation exacerbated by additional problems compels to answer the following questions:

- How Russia's army was withdrawn from Lithuania after the collapse of the Soviet Union and how the question of the Russians military transit to/from Kaliningrad was solved?
- What about the perspectives of the KO in the context of the processes of NATO enlargement?
- How could the KO influence Baltic states and Lithuania stability and security from a political, economical, military, social and environment point of view?
- What are Russia's plans for developing this exclave?
- How the EU enlargement towards the East will influence the KO?

Methodology

The research methodology will be based on the evaluation of three approaches – geopolitical, modernization and globalization and their impact on the development of Kaliningrad Oblast (exclave) of the Russian Federation.

In geopolitical terms the issue of Kaliningrad oblast could be evaluated as an arena of the collision among world powers. From the one hand, Kaliningrad is an expression of Russians (as heartland) expansionism and as an instrument to control the Baltic States and Poland too. From the other hand, there is the aim of the Western sea-powers to neutralize (to contain) the Russians' military and expansionistic pressure toward Europe generally and toward the Baltic States specifically.

The modernization implies the economical and societal transformation of the region in the context of the similar processes which are going on in Russia; the globalization – the impacts of the processes of the Euro-Atlantic integration. The KO's search for adaptation to

these processes creates a lot of tensions which have the geopolitical influence for the future of KO and the Baltic Sea region as well. Especially, the EU enlargement involves an inevitable side effect on the third parties including Russia and the Kaliningrad region, an integral part thereof. In the light of membership of Poland and the Baltic States (prominently Lithuania), the threat of Kaliningrad's social and economic underdevelopment and deterioration into "a double periphery" (with regard both the EU and the Russian Federation) becomes especially relevant.

The research considers the solution of "the Kaliningrad question" as a case of crisis prevention⁹. The analysis will be based on the model maintaining two types of conditions need to be satisfied in order for crisis prevention to succeed: sufficient political will of decision makers (including an adequate definition of the problem, solidarity in terms of objectives and measures for solving the problem resulting in the crisis) and sufficient power of decision makers (including power/authority to make necessary decisions and disposition of efficient instruments).

On the other hand, in case of the crisis prevention, political will is essential for both reaching of an agreement on the agenda and measures, and development of efficient instruments. Therefore the basic assumption of the research proposes that if the majority of the regional players fails to treat the Kaliningrad issue as material concern with due priority, the crisis prevention is not likely to be successful. On the other hand, crisis situations are often viewed as a challenge: crisis enables to break up with inertia of the "normal" decision making process and allows for innovatory decisions. Therefore Kaliningrad region may de facto turn into a pilot region stimulating development of the new forms of co-operation between Russia (including the KO) and the international environment.

With the consideration of the discussed methodological approaches and insights the research shall proceed according the plan given bellow.

1. The main tendencies of Russia's foreign policy after the collapse of Soviet Union

It is evident that the loss of the super-state status after the Cold War has posed to Russia a whole range of problems and questions. For instance, what does it mean to Russia not to be a super-state? Some analysts maintain that at present Russia may be granted the

⁹ For more details, see 't Hart P. Political Leadership in Crisis Management: an Impossible Job? // The Future of European Crisis Management. - Uppsala University, 21 March 2001. - 13 p.; 't Hart P., Stern E., Sundelius B. Crisis Management: an Agenda for Research and Training in Europe // Cooperation and Conflict. - 1998. - Vol. 33 (2). - P. 207-224.

status of a regional power. It should be noted, however, that the Russian political self-identification vocabulary simply does not contain such a concept. Thus, their political consciousness may fail to foresee such a vision altogether.

Such a statement might be manifestly illustrated by the Russian foreign policy development after the Cold War. In the initial period (Minister for Foreign Affairs Andrej Kozyrev), Moscow was anticipating to preserve the status of a great state by sophisticating on* the importance of international organisations for the world politics. The Kremlin hoped to sustain its influence with the help of these organisations (UN, CSCE/OSCE, CIS). The institutionalist phase in the Russian foreign policy was transformed by the efforts of Jevgenij Primakov to turn back to the classical balance of power by employing the “zero-sum game” rules. However, such course exacerbated international situation (Kosovo crisis) and revealed the impotence of Russia (the *Kursk* submarine catastrophe).

When Vladimir Putin came to power, it became necessary to look for qualitatively new ways. From the very beginning, V.Putin promoted the idea of creating a strong and security effective Russia. The underlying thought of his statements being that the only way to raise the country from the crisis was by directly linking together the establishment of internal order with the increase of international respect towards Russia. Practical political directions – revival of economics, termination of disintegration, restoration of Russia’s international authority – were geared for this strategic vision. Nevertheless, at the same time, a new brutal war was waged in Chechnya, human rights were violated, a model of authoritarian political system was shaped, and a new national security doctrine based on anti-Western attitudes was worked out (spring of 2000). Analysts have not yet managed to answer the question of whether the beginning of the Putin epoch is an outburst of authoritarianism, nationalism, Euro-Asian reaction, or a premeditated course towards pro-Western orientation started pursuant to the principle of extinguishing fire with fire, i.e. to pay tribute to the slighted Russian ambitions with the view of subsequently starting a rationalistic reformation of policy.

The 11th September events manifestly enhanced the pro-Western tendencies in Putin’s politics. This is evidenced by the calm response of the Kremlin to the withdrawal of the U.S. from the 1972 ABM Treaty, establishment of the U.S. military bases in the former Soviet republics in the Central Asia and Transcaucasia, and finally the tranquil reaction likewise to the second stage of NATO enlargement, which eventually will encompass the Baltic states as well. Nevertheless, the Russian political lexicon continues to feature the principal disapproval of NATO enlargement, and the West is still regarded there as something alien or even hostile. Incidentally, the latter view may be illustrated by Moscow’s statements which sound like an

ultimatum concerning the future of the Kaliningrad oblast that decisions on this exclave of Russia allegedly entail the genuine test of the relations between Russia and the West.

What it was said above means that Russia itself is still in transition. When relations between Russia and West became more softened and the threat of the direct military confrontation decreased the economic and social problems have started to prevail. Nevertheless it is important to notice that the nature of Russia's self-identification is still unclear. That's why the priorities of the Russians foreign policy are relative only. The Kaliningrad issue presents the problem in the good fashion.

2. NATO enlargement and Kaliningrad

It is maintained that the military transit poses a threat to Lithuania's security and may create an obstacle for Lithuania in its endeavour to join NATO. Supporters of such attitude believe that with Lithuania becoming a NATO member, the military transit would also turn into the Alliance's problem in its relations with Russia. Thus, this gives rise to a seemingly logic questions why would the Alliance need one more problem in its relations with Russia?

Vytautas Landsbergis, the former Chairman of the Seimas of the Republic of Lithuania, said that, " the alleged political problem – Russian military transit to the Kaliningard enclave – ... will disappear when Lithuania becomes a NATO member"

In the summer of 1996, the famous analysts of the RAND Corporation Ronald D. Asmus and Robert C. Nurick, explaining the guarded position assumed by NATO member states in regard of the Baltic states' membership, wrote inter alia:

"Kaliningrad (Kaliningrad factor – authors' note) and Russian military presence there only reinforce these concerns. The former East Prussia was incorporated into USSR under Joseph Stalin at the end of the Second World War. It is now a strategic military outpost, albeit one of uncertain long-term value. Troops from the former Soviet Union withdrawn from both the Baltic states and Eastern Europe have been stationed there. The issue of transit rights for Russian military through Lithuania evokes memories of past corridor arrangements in the region that proved to be the source of subsequent conflict. NATO enlargement to Baltic states would, in effect, encircle a piece of Russian territory, one that continues to host a major concentration of Russian military power.

These negative factors are not meant to suggest that Baltic states should not or never will join NATO. But the Baltics' unique circumstances make them a special case...¹⁰.

In one of her numerous articles on the Kaliningrad Oblast of the Russian Federation, Lyndelle D. Fairlie, Associated Professor of San Diego University, California, emphasises:

“In my opinion, Russia and Lithuania have been, relatively speaking, successful in negotiating transit arrangements and the bilateral nature of these agreements has kept policy issues at a relatively “low politics” regional level. If one follows the Landsbergis suggestion, one elevates these issues to “high politics” negotiations between Russia and NATO. That might work out fine if the partnership agreement between Russia and NATO works and cooperation continues. However, there is also the risk that transit access issues between Kaliningrad and mainland Russia could repeat the problems of Berlin in the Cold War, meaning “access” could either be a problem or not be a problem depending on who wished to use the area as barometer of tensions. To this author, it seems unwise and unnecessary to take the risk of elevating transit access issues to a “high politics” level of negotiations between Russia and NATO. Carrying this argument to its logical conclusion, this author favours keeping Lithuania involved in neighbourly cooperation such as Partnership for Peace but this author also thinks that Lithuania should not be admitted to NATO.”¹¹

In the period between 1995 and 1997, Christian Wellmann was also fond of indicating that the Kaliningrad factor turned the position of the Baltic states in general and that of Lithuania in particular into “a strategically unfavourable sandwich position and allows to instrumentalize – if so wanted – transit issues as a pretext for challenging transit states”¹².

Referring to the future of the military transit, it is necessary to emphasise that the issue is still on the discussion level. At the present time, armaments and military personnel are being transported through Lithuania under a special agreement with Russia. The agreement is based on Lithuanian legislation approximated with the acquis. During the visit of the Lithuanian President Valdas Adamkus to Moscow in late March 2001, the Russian side unsuccessfully demanded to change the regime of the military transit through Lithuania, i.e.

¹⁰ Asmus R. D., Nurick R. C. *NATO Enlargement and the Baltic States in Survival*. – 1996 Summer. – Vol.38 – No. 2. – P.122-123.

¹¹ Fairlie L.D. Kaliningrad – Recent Changes in Russia’s Exclave on the Baltic Sea. – The unpublished paper presented for the participants of the first round-table discussion “The Future of Kaliningrad Oblast” organised by the Institute of International Relations and Political Science, Vilnius University and Lithuanian Foreign Ministry. – September, 1998. – P.6.

¹² Wellmann K. Kaliningradskij eksklav Rosiji na pereputje o vzaimosvrazi mezhdu ekonomicheskim razvitijem i politikoj bezopasnosti in Kaliningradskaja Oblast. – Segodnia, Zavtra. – Moskva, 1995. – S. 62-63; Wellmann Ch. The Kaliningrad Oblast in the Context of Baltic Sea Region Security. – Draft version. 1997. – P. 7-8.

the Kremlin attempted to legitimise it pursuant to “international law”¹³. Such efforts had a certain effect as they provoked a corresponding discussion in Lithuania.

The discussion revealed that influential members of the Lithuanian parliament and analysts regard the issue of the Russian military transit to Kaliningrad as one of the most serious unresolved questions within the context of the Lithuanian integration into NATO. In interviews published in the weekly “Atgimimas”, they emphasised that Russia’s attempts to “play” the Kaliningrad card were only natural. They were convinced that Lithuania had to make every effort possible to avoid instability in the region, thus creating the most favourable conditions for the country to become a member both of NATO and the European Union¹⁴.

The references mentioned above in fact submit the essential arguments to prove that the military transit of the Russian Federation through the territory of the Republic of Lithuania proves to be problematic. The present part of the study challenges the presented arguments:

- a. the juxtaposition of the “high” and “low” politics is groundless, as it will be proved by the analysis that the latter neither contradicted nor complicated the former;
- b. references to historic precedents of military transit in the region are likewise baseless as there was an essential difference between the contexts of the precedents concerned.

2.1. Military transit of the Russian Federation through the territory of the Republic of Lithuania: historic and political science profile

Approximately in the period of mid 1990 and early 1991 there started the withdrawal of the Soviet army from the countries of the Central Europe. This once again evidenced that the Soviet Union was withdrawing from the area where it could no longer bear the geopolitical pressure – the Euro-Atlantic area.

The withdrawal of the army from Czechoslovakia and Hungary, where it was comparatively not numerous, went quite smoothly. The major problems emerged in relation with the pullout of the Soviet army from the territory of the former German Democratic Republic, as the greatest part of the Western Group army was deployed in that country. In essence, there were two major routes available for the withdrawal of the army: by sea (by

¹³ Prezidento V.Adamkaus vizito į Maskvą kontekstas [“The Context of the President V.Adamkus’ Visit to Moscow”] // Lietuvos Rytas. – March 2001.

¹⁴ Atgimimas. – Vilnius, 13 April 2001.

ferries via Klaipėda port) and by land, through the territory of Poland. In January 1991, in response to the statement made by General V. Dubinin, Chief Commander of the Northern Group army that Moscow intended to withdraw its troops through the territory of Poland irrespective of whether an agreement was reached with the government of that country, the Polish government stopped several military trains with armaments and personnel on the Polish-German border denying their entry into the Polish territory.

It was, most probably, namely after the January events in Vilnius, that the Soviet government and military commandment started procrastinating the issue of army withdrawal from Poland. The signing of an agreement on the procedure of transit through the territory of Poland of the army withdrawn from Germany was also repeatedly delayed¹⁵.

Poland managed to reach agreement over these issues only in the spring of 1992 already with the Russia governed by B. Yeltsin. During the visit of the Polish President L. Wałęsa and Foreign Minister K. Skubiszewski to Moscow on 22 May 1992, several treaties and agreements were signed, including agreements on the withdrawal of the “former Soviet Union army” from the territory of Poland and the transit through the territory of Poland of the army withdrawn from Germany. The latter agreement subsequently made the foundation for the 18 November 1993 agreement already between Lithuania and Russia “On the Transit of the Troops and Military Cargo of the Armed Forces of the Russian Federation Withdrawn from the German Federal Republic through the Territory of the Republic of Lithuania”, which is often known as the “German Transit Rules”.

It is important to emphasise that this “German Rules precedent” in itself implies temporariness as it refers to the Russian military transit withdrawn from Germany.

On the other hand, it should be noted that neither the 1992 Lithuanian-Russian verbal agreement on the Russian military transit nor the 18 November 1993 agreement mentions the Kaliningrad Oblast of the Russian Federation, they just refer to the Russian military transit from Germany. Thus could be inferred that in 1992-1993 Moscow still had no definite attitude concerning the future of the Kaliningrad Oblast (maybe there were even plans to conclude a deal with Germany concerning that territory similar to that made with Japan over the Kuril Islands¹⁶). It looks like Russia was at that time most concerned about securing the possibility for its army to eventually use the territory of the Republic of Lithuania. This could

¹⁵ Clark D. Poland and Soviet Troops in Germany in RFE/RL, Report on Eastern Europe. January 25, 1991, P.40-44.

¹⁶ It should be noted that even in April 2001, the Russian State Duma held public hearings on the both issues of the Kurils and Kaliningrad Oblast. See: Public Hearings Kurils, Kaliningrad held in Moscow. – ITAR-TASS. – April 17, 2001.

be additional evidence that the issue of military transit to/from Kaliningrad was not an independent question.

*2.2. Circumstances of the Soviet military withdrawal from the Republic of Lithuania:
Negotiations Process*

In the aftermath of the botched Moscow putsch on 19-21 August 1991, the balance of power between the USSR and the RSFR started rapidly changing in favour of the latter. At the same time it was paralleled with a change in the relations between Lithuania, which then was already recognised internationally, and Russia which was taking over the rights of the USSR position in the world and turning into a world power. It could be easily predicted that within this dynamics of the change of powers, Lithuania would find increasingly difficult to negotiate with Russia, and first of all, on the withdrawal of occupational army.

The first meeting of the delegations of both countries took place in Vilnius on 31 January 1992, and there the Russian Deputy Prime Minister Sergej Shachraj raised an issue of a possibility for some USSR military objects important to Russia to remain in the territory of Lithuania for a certain time. The Lithuanian side rejected this request without considering it, and demanded all military formations to be pulled out already in 1992. The Russian delegation found this deadline unacceptable. The communiqué signed after the meeting recorded just an agreement to start the withdrawal of the army from Lithuania in February 1992, with the procedure of withdrawal and the time limit for its completion to be further negotiable.

The Lithuanian delegation was more active in the negotiations than the Russian party. In early February 1992, draft agreements were prepared and submitted to the Russians. The main negotiations between experts were carried out on 11-14 February 1992 in Vilnius, on 18-19 March in Moscow and on 23-24 April in Vilnius. However, no reconciliation of positions upon the draft agreements proposed by Lithuania was reached, as Russia was not prepared to accept the main provisions of Lithuania.

In the process of the negotiation, Lithuania built its arguments upon the fact of the Soviet occupation of Lithuania and its forceful incorporation into the USSR, hence the resultant unconditional international obligation of Russia to withdraw the occupational army. The standpoint taken implied negotiations not on the withdrawal of the army per se, but on its time limits and procedure. Therefore, the final word was supposed to be not with Russia, but with Lithuania. Meanwhile Russia wanted to tie the arising of its duty to withdraw the army

exclusively with the signature of the agreement, and tried to make the withdrawal subject to various conditions. In other words, Russia was maintaining the same attitudes it had adopted in respect of intended agreements upon the army with the CIS republics.

The Russians demanded legitimisation of the status of their army's interim presence in our territory and the representation of the army itself in the negotiations. This was categorically rejected by the Lithuanian delegation which held that the Russian army, as being unlawfully present in Lithuania, could not be a subject of law but only constitute an object of negotiation. Nevertheless, the Lithuanian delegation agreed to recognise the fundamental human rights of the persons serving in this army. Thus, the subsequent negotiations regulated only the rights of the persons belonging to the withdrawing army, but not those of the army or its formations.

Russians wanted to provide for a wide range of freedom for the withdrawing military formations, its jurisdiction in regard of them, Russia's right of ownership to military objects, and demanded compensation for them. They were seeking to legitimise at least a part of the military personnel in Lithuania with their citizenship rights and housing guarantees ensured. Russians also sought to obtain financing for the installation of new deployment sites in Russia. The Lithuanian delegation rejected these demands and counter-demanded alongside with the time limits and procedure of the military withdrawal to resolve within the framework of the negotiations the issue of compensation of damage. Lithuania claimed *inter alia* the armaments and military property of Lithuania seized in 1940 to be compensated with new armaments and military equipment necessary to restore the Lithuanian military potential. Though the Russians did not deny the reasonableness of this demand, at the end of the negotiations they nevertheless refused to sign the agreed clauses upon the compensation of damage.

It likewise took a long time to agree upon the time limits for the army withdrawal. Therefore on 30 June 1992, the Lithuanian state delegation for the negotiations with Russia officially submitted its own detailed timetable for the withdrawal of all military formations of the former USSR from the territory of Lithuania by 31 December 1992. The timetable was worked out by calculating the amount of cargoes, the relevant demand for railway carriages, and in conformity with the technical capacity of the Lithuanian railways. The Russians found it unacceptable.

With the negotiations having reached an impasse, it was decided to hold a referendum in Lithuania in order to enable the nation itself to express demand for unconditional withdrawal of the USSR army and compensation of the damage caused by the USSR. Such referendum

took place on 14 June 1992. There is no doubt that it also contributed to the fact that in Article 15 of the CSCE Helsinki Summit Declaration on 10 July 1992 a call was inscribed to conclude, without delay, appropriate bilateral agreements, including timetables, for the early, orderly and complete withdrawal of foreign troops from the territories of the Baltic States. Within the procedure of adopting the Helsinki Summit Declaration, the head of the Lithuanian delegation Vytautas Landsbergis read the “Explanatory Statement” which became an official document of the Summit meeting. Lithuania, relying on the demands of the June 14th referendum, stated in this Statement that Russia as an inheritor of the USSR’s duties and rights would be obliged to fulfil the duty transferred thereupon to eliminate all the consequences of the 1940 occupation, including the duty to compensate for the damage caused by the occupation.

In the aftermath of the Helsinki Summit, Russia resorted to the tactics of pressure in respect of the Baltic states. On 6 August 1992, the Russian Foreign Minister Andrej Kozyrev invited to Moscow the Foreign Ministers of the three Baltic states and submitted a number of requirements as a precondition for the military withdrawal. In addition to several conditions for military withdrawal raised previously during the negotiations, he presented an additional demand to relinquish claims for the compensation of damage inflicted by the USSR in the period between 1940 and 1991. The Russian Federation also demanded “to guarantee transit rights in respect of military cargoes to Kaliningrad”¹⁷. Lithuania treated all these requests as possessing a character of ultimatums, unlawful, baseless, and therefore unacceptable. In late August 1992, Russia rescinded most of its groundless conditions and demands, and paid regard to Lithuanian arguments. This enabled both sides to reach a compromise and arrive at a consensus over most of the points in the agreement. The key positions of Lithuania in the negotiations were protected. The process of negotiation became easier and more constructive also due to the fact that in Russia the initiative from the Ministry of Foreign Affairs was taken over by experts of the Ministry of Defence who belonged to a progressive group of officers “Shield”.

The final round of the arduous negotiations was carried out with the representatives of the Russian Foreign Ministry in Moscow and ended early in the morning of 8 September 1992. The Russian delegation was headed by the Russian Deputy Minister for Foreign Affairs Vitalij Churkin and Ambassador Viktor Isakov. The result of the round was 7 completely agreed and ready to be signed agreements, including the agreement on the timetable for the

¹⁷ Bungs D. Progress on Withdrawal from the Baltic States in RFE/RL, Research Report. – June 18, 1993. – Vol.2. – No, 25. – P.52.

army withdrawal. However, during the closing meeting between the heads of the Lithuanian and Russian delegations in the Kremlin in the evening of the same day, Russia decided to sign only three of the agreed documents.

Even though only the withdrawal timetable was signed, in 1993 there were no more negotiations on the pullout of the Russian troops from the territory of Lithuania. The agreements on the timetable and procedure of withdrawal signed on 8 September 1992 were sufficient for the withdrawal of the troops, and they were duly carried out. It was also acknowledged on the international level (e.g. by the United Nations General Assembly resolution unanimously adopted on 25 November 1992) that these agreements on the timetable and procedure of withdrawal were sufficient. The subsequent dialogue between Lithuania and Russia was no longer about the procedure or time limits of the military withdrawal, but just concerning the Russian demands to revise for its benefit the 8 September 1992 agreements in order to satisfy the earlier claims which Russia had abandoned during the September negotiations. Thus the negotiations from October 1992 onwards were exclusively over new negotiations. For this purpose Russia increased political pressure by proclaiming *inter alia* suspension of the withdrawal. Nevertheless, Lithuania withstood and preserved unchanged the positions achieved during the previous negotiations.

After the long process of negotiations on August, 1993 Yeltsin reassured the leadership of Lithuania that the withdrawal timetable would be complied with. On 31 August, the Russian army was withdrawn.

Nevertheless, it is also necessary to note that Lithuania failed to achieve an acceptable political agreement on the withdrawal of the army. The withdrawal timetable recorded just the existing state of affairs reflecting the sensitive balance between Russia, already a major power, Lithuania, as a sovereign state in the neighbourhood of Russia, and the international community, with only moral influence on the regulation of the Russian-Lithuanian relationship.

2.3. 1994-1995 negotiations between Vilnius and Moscow over a military transit agreement

After the completion of the Russian military withdrawal from Lithuania, the relations between Lithuania and Russia entered a new stage in late summer of 1993. Though formally Moscow started demanding a conclusion of an agreement on military transit to/from the Kaliningrad Oblast of the Russian Federation through the territory of Lithuania already in 1992, the Lithuanian government in protection of the country's sovereignty rejected such an

idea¹⁸. Instead, the official Vilnius and Moscow made a verbal agreement that there would be no complications for the movement of the Russian Federation troops to and from the Kaliningrad Oblast. It is very important that in choosing this particular model, Vilnius was coordinating its actions with NATO and the U.S.¹⁹. At that time the Russian military were satisfied with such arrangements, as more important for them was the issue of the army withdrawal.

Namely within this context, the procedure of the Russian military transit through the territory of Lithuania was starting to take shape.

Apart from the military transit, there were a number of other issues to be dealt with: compensation for the damage caused by the Soviet occupation and annexation; regulation of mutual trade and economic relations, etc. It should be emphasized that Moscow in essence acknowledge the absence of levers in its disposal to retain Lithuania within the framework of the Soviet legitimacy, nevertheless it was making consistent effort to hold Vilnius in the sphere of its influence.

Russians, apparently, related the implementation of this aim first of all with the resolution of the issue of military transit through the territory of Lithuania. Even though Lithuania was now free from the presence of the Russian army, it nevertheless was surrounded with it from all sides. On the one hand there was movement from the West to the East as the army was being withdrawn from the East Germany, and on the other hand there was some movement from the East to the West, as Russia had to ensure supply of its military formations concentrated in the Kaliningrad Oblast. In addition, military forces of the Russian Federation were continued to be deployed in Latvia (and Estonia). It should be noted that a part of the Russian army withdrawn from Latvia and Estonia was channelled to the Kaliningrad Oblast.

Hence, it is understandable that already from January 1993 Lithuania “agreed to allow Russia” to use Klaipėda port in transporting its military formations from Germany “homeward bound as well as to/from Kaliningrad”²⁰.

¹⁸ In January 1993, Č.Stankevičius, head of the Lithuanian state delegation for the negotiations with Russia, informed the Lithuanian Foreign Minister P.Gylys about a draft agreement on the military transit submitted by the Russian delegation in the negotiations which included proposal for Lithuania “to award Russia with the right of free military transit through the territory of Lithuania to the Kaliningrad Oblast, likewise to allow military transit transportations of the Russian armed forces withdrawn from Germany”. See: Archives of the Lithuanian Ministry of Foreign Affairs (LFM Archives). See also: Krickus R. The Kaliningrad Question. – Lanham, Maryland and Littlefield, 2002. – P. 62.

¹⁹ From the author interview with the then Minister of Defence Audrius Butkevičius. 13 February 2002.

²⁰ Baltic News Service, January 21, 1993.

During the negotiations between Lithuania and Russia, which took place in mid September 1993, it was essentially agreed on the Russian military transit from Germany through Lithuania alongside with a compromise over payments for it. It was also agreed over the cooperation in the area of air, sea and river transport. Finally, on 4 November the Lithuanian President A.Brazauskas went to Moscow for his first official visit where he met with the RF President B.Yeltsin. In the course of negotiations important agreements were discussed, though they were not signed due to technical obstacles. Therefore, it was agreed that the RF Prime Minister Victor Chernomyrdin would come to Vilnius in mid of November to sign these documents.

As it was agreed, on 18 November, the RF Prime Minister Victor Chernomyrdin arrived to Vilnius for an official visit. He noted that in the course of negotiations mention was also made about military transit from Russia to Kaliningrad through the territory of Lithuania. He stated that it was decided that agreements for regulating all the issues related with military transit would be signed already in the first quarter of 1994. Ten agreements were signed on the same day, the most important of which was the agreement signed by the Lithuanian and Russian Prime Ministers A.Šleževičius and V.Chernomyrdin on economic relations which granted Lithuania the most-favoured-nation status in trade and ensured tax free transit of goods through the territories of the countries concerned.

It should be noted that another equally important agreement was signed to regulate transit transportation of Russian armed forces and military cargoes withdrawn from Germany through the territory of the Republic of Lithuania, as well as an agreement providing for relevant tariffs and payments. This agreement established the procedure for the movement of the Russian army through the territory of Lithuania which was expected to become effective from 18 November 1993, but be valid not longer than until 31 December 1994. It is worth to note that during the negotiations on the Agreement of 18 November, 1993 the questions of the military transit from Germany and from/to Kaliningrad Oblast were not separated.

This constituted the famous November 1993 “Agreement Package” which has since been regulating a whole range of areas of the Lithuanian-Russian relationship. Nevertheless, the implementation of the agreements was far from easy. The rules regulating the passage of the Russian army through the territory of Lithuania came into effect immediately. Though the ratification of the agreement on the most-favoured-nation status in trade which was important for Lithuania continued to be delayed in fact all through 1994. As the agreement between Lithuania and Russia on the passage of the Russian army through the territory of Lithuania was effective only until 31 December 1994, all through the year of 1994 Russia was actually

pressing Lithuania to sign a special transit agreement granting Russia special rights to freely execute military transit to/from the Kaliningrad Oblast through the territory of Lithuania by rail, air and road transport.

In late 1993 and early 1994, Russia submitted to Lithuania several draft agreements on military transit. Upon having analysed those draft agreements and "having assessed the possible consequences of the military transit", the Lithuanian working group for talks with the CIS states, already in March 1994 decided that "no bilateral or multilateral agreements on military transit should be signed with individual countries" and proposed to prepare uniform rules on the transportation of military and hazardous cargoes through the territory of Lithuania approved by the Government and valid for all countries²¹.

Moreover, it should be noted that in late 1993 and early 1994, there occurred important changes in the Lithuanian internal and foreign policy. Under the pressure from the opposition and in response to the outcome of the December 1993 Joint North Atlantic Council and WES Council meeting, the Seimas of Lithuania adopted a resolution on 23 December 1993 which recommended the Government to submit an official request for Lithuania to be accepted to NATO and prepare the foreign policy conception of the country²². On 4 January 1994, the President of Lithuania Algirdas Mykolas Brazauskas sent a letter to NATO Secretary General Manfred Woerner with a formal request for membership in NATO.

An interesting fact is that on the same day – 4 January – the Embassy of the Russian Federation in Vilnius prepared a note to the Lithuanian Ministry of Foreign Affairs with a request to explain "the order for the issue of permits for military transit transportation from Latvia and Estonia to/from the Kaliningrad Oblast", as from 1 December 1993 Lithuanian authorities allegedly were not dealing with those issues. On 6 January already the Lithuanian Embassy in Moscow received a note prepared (on 5 January) by the Russian Ministry of Foreign Affairs stating that "transit transportation of military units through the territory of the Republic of Lithuania to the Kaliningrad Oblast and back have recently become complicated." Pending the conclusion of an agreement on the military transit, Moscow requested Vilnius not to hinder the transportation of military units. The Lithuanian Ministry of Foreign Affairs answered to those Russian notes only on 14 March. In its note to the Embassy of the Russian

²¹ Pastabos apie karinį transita [Comment on the Military Transit]. – LMFA.

²² Lopata R., Vitkus G. NATO: vakar, šiandien, rytoj [NATO: Yesterday, Today, Tomorrow]. – Vilnius, 1999. – P.242.

Federation, the Lithuanian Ministry of Foreign Affairs stated that transportation of military cargoes was regulated by the November 18, 1993 agreement²³.

On 19-20 February 1994 an incident occurred on the border of Lithuania. Without due permission to do so, Russia sent a train with military cargoes. The train was detained by Lithuanian officials. As soon as on 28 February, the head of the Lithuanian negotiating team Ambassador Virgilijus Bulavas informed that Lithuania was going to prepare its own regulations on military transit while in the interim the procedure which was previously valid in respect of the Russian army withdrawn from Germany was to be applied²⁴.

On 9 March 1994, the Lithuanian Government adopted a decision pursuant to which, pending the approval of the regulations on transporting dangerous and military cargo, such transit transportation was in the interim to be regulated by the 18 November 1993 agreement and protocol on Russian military transit transportation from Germany via Lithuania. The Russian side found such position unacceptable.

Instead of agreeing with the general regulations on transporting dangerous and military cargo proposed by Lithuania, Russia continued demanding a special political agreement tailor-made for Russian military transit to Kaliningrad. Thus in a meeting of working groups in June 1994, the head of the Russian delegation tried to convince the head of the Lithuanian working group for talks with the CIS states that Lithuania ought to abandon the attitude based on emotions, use propaganda to convince the society, and sign a “political document” with Russia. The Russian side argued that on this occasion Russia could not decide the issue in the same way as it dealt with the withdrawal of the army, i.e. without an agreement²⁵.

The requirement of Russia to sign a political agreement was met with a particularly strong resistance on the part of the opposition political forces. They believed that by signing a political agreement with Russia on military transit Lithuania would automatically be included into the Russian military-political sphere of influence and find itself under certain political commitments in respect of Russia, while the Lithuanian freedom of manoeuvre on international scale would be considerably more restricted and far more dependent on Russia than before. Under the pressure of the right parties, the Lithuanian Government also decided to give up political agreement and just limit itself to adopting unilateral technical transit

²³ See: LMF Archives.

²⁴ BNS, 28 February 1994.

²⁵ At the same meeting the regulations on military transit prepared by Vilnius were presented to the Russian delegation. The Russian officials in essence approved them though concurrently put forward several requests of their own: passage of 2-3 trains a year with army conscripts through the territory of Lithuania; military transit by road; no customs control for military transport.

regulations. Seeing the lack of support on the Lithuanian side to its proposal, Russia in its turn started finding fault with the technical regulations proposed by Lithuania.

Thus no definite agreements were reached in the first half of 1994. In pursuit of its own goals, Russia continued postponing the ratification of the economic agreement signed on 18 November 1993 and started issuing threats that it would limit gas and oil supply and apply other measures of economic pressure. The doubling of taxes on import to Russia could be attributed to the latter. The Lithuanian Prime Minister A.Šleževičius characterised such economic policy of Russia as aggressive and hinted about a possibility of limiting electric power supply to the Kaliningrad Oblast. Double taxation applicable to the export of Lithuanian goods to Russia was disadvantageous not only for Lithuania but likewise to Russia itself. On 19 August, the Moscow Mayor Jurij Luzhkov visited Vilnius and promised to encourage the Russian Government to renew relations with Lithuania. The Mayor expressed his concern about the notable decrease in the exports of relatively cheap Lithuanian goods to Moscow brought about by double taxation. The same was reiterated by Vladimir Shumeiko, Chairman of RF Federation Council who visited Vilnius on an official two-day visit on 5 September. He acknowledged Russia's delay in granting Lithuania most-favoured-nation status in trade. He maintained that the document would have to come into effect before the agreements on visa-free travel and military transit were signed.

In the summer of 1994, Vilnius prepared the final version of the regulations on military transit and sent it to be evaluated by foreign experts who concluded that Lithuania's position in unilaterally establishing regulations on the military transit could be justified by the fact that it was requesting no military transit through the territory of the Russian Federation²⁶. On 16 September a meeting of the Lithuanian and Russian delegations was held in Vilnius which was also attended by the President of the Republic of Lithuania A.Brazauskas. The head of the Russian delegation, deputy Foreign Minister S.Krylov noted that Moscow was awaiting for the draft agreement prepared by Lithuania and would welcome an expedited completion of the work. The President expressed a similar attitude by stating that the agreement on military transit was expected to be prepared without delays and lengthy discussions.

On 29 September 1994, the Lithuanian Prime Minister A.Šleževičius announced that the regulations on transit transportation of dangerous and military cargo through the territory of Lithuania were prepared by the Government. On 3 October these regulations were

²⁶ See: LFM Archives.

approved by the Government Resolution No. 938²⁷. The process of discussion of the issues of military transit was accompanied by constant reproaches to the Lithuanian Labour Democratic Party (LLDP) from the part of the opposition concerning a possible loss of independence and the “ambiguous” position in respect of Moscow. The opposition maintained that the ambiguity of the Government’s political position on this issue and the confidentiality of negotiations, where vital decisions for Lithuania were taken just by a narrow circle of persons, presented a great danger. “Still the question remains”, spoke the leader of the opposition V.Landsbergis in the conference held by the Conservative party on the issues of transit on 12 November 1994, “how far are the leaders of Lithuania gone with their obscure promises and commitments”²⁸.

It was most probably late in the autumn of 1994 that Lithuania’s position in negotiations finally took shape, the essence of which could be described as follows: military transit should not be stopped, negotiations should continue, though avoid entering into any binding agreements with Russia and submit the regulation of transit to the rules established by Lithuania on sovereign grounds. Such attitude of Lithuania was also supported by the US Deputy Secretary of State Lynn E. Devis who visited Vilnius on 26 October 1994. During her visit, according to the Lithuanians negotiators, she stated, “I believe that whatever is the decision, it would not prevent Lithuania from becoming a full member of European political and military organisations, nevertheless the issue ought to be resolved in such a way that it would not impair the sovereignty of your country [Lithuania]”²⁹.

It is, however, necessary to note that the attitude of other Western countries towards the Russian military transit via Lithuania was different from the American position. Thus, on 21 December 1994 the German Embassy to Lithuania promulgated a statement on behalf of the European Union states where the official Vilnius was invited to conclude an agreement with Russia³⁰.

The following day after L.Davis’s statement, A.Šleževičius announced that the regulations adopted by Lithuania were to come into effect on 1 January 1995, and “they were not subject to negotiation with any foreign state”³¹. On 28 October, this position was reiterated by A.Brazauskas.

²⁷ Government of the Republic of Lithuania Resolution “On the Approval of Regulations for Transportation of Hazardous and Military Cargo of Foreign States through the Territory of the Republic of Lithuania”. 1994.

²⁸ Landsbergis V. Derybos vienam atsiklaupus? [Negotiation with One Party on his Knees?] // Lietuvos Aidas. – 1 December 1994.

²⁹ Extracts from a book to be published by Č. Stankevičius, presented to the author for use in the present study.

³⁰ Ibidem.

³¹ Ibidem.

Nevertheless, Russia continued to pressurise Lithuania into signing an agreement on military transit, and refused to acknowledge the regulations established by Lithuania on 3 October. On 11 November, the Russian negotiation delegation headed by Isakov visited Lithuania. No agreement was nevertheless reached at that time either. On 17 November, A.Sleževičius repeatedly announced that the unilateral regulations on transit established by the Government of Lithuania were to come into effect on 1 January 1995³².

The next round of negotiations was held in Moscow in late December 1994. The Lithuanian negotiating group was headed by A. Januška, Secretary of the Ministry of Foreign Affairs, and the head of the Russian negotiators was S.Krylov, Deputy Minister for Foreign Affairs. It looked like no agreement would be reached that time either. The Russian side based their arguments on the fact that the military transit from Germany was over, and demanded a new agreement to guarantee that the order of transit was changed only by means of bilateral negotiations. The Lithuanian delegation refused to accept such a position. Vilnius offered an outcome from the impasse by suggesting a return to the idea of the exchange of notes. Thus it would enable to continue applying the old transit procedure established by the agreements of November 1993, which meant postponing the enforcement of the October 1994 regulations, concurrently rendering unnecessary any formal bilateral agreement³³. After this suggestion, the Russian delegation asked for an adjournment of the negotiation.

Finally, in the aftermath of the negotiations of the Lithuanian Foreign Minister P.Gylys held in Moscow on 18 January 1995, it was announced that the Lithuanian Government extended for the benefit of Russia the period of validity of the military transit rules established on 18 November 1993 by the agreement between the Governments of both countries on the transit of Russian army and military cargoes withdrawn from Germany via Lithuania. According to P.Gylys, those rules were expected to be effective until the end of 1995, subject to prolongation. The Lithuanian Foreign Minister maintained that it was a victory for both sides. He insisted that the differences between the regulations in force from January 1995 and those adopted by the Government in the autumn of 1994 were only of technical character. The new regulations were expected to be more specific and provided for the possibility of transit by air. Flights over the territory of Lithuania were allowed exceptionally upon special permits. In explanation why the new transit regulations did not

³² Vitkus G. Lietuvos ir Rusijos santykiai 1990-1996 [Relations between Lithuania and Russia in 1990-1996] in *Politologija*. – 1997. – No. 1 (9). – P. 89.

³³ LMF Archives.

come into effect on 1 January, P.Gylys stated. “It was not a categorical attitude of Lithuania, just a negotiating position”³⁴.

In response to the concession made by the Government of Lithuania by extending the validity of the so-called “German” regulations, Russia finally allowed the implementation of the most-favoured-nation regime in the trade with Lithuania. On 18 January 1995, the Lithuanian Ambassador to Russia R.Kozyrovičius received two notes of the Russian Ministry of Foreign Affairs. One of them informed about the coming into force of the agreement on trade and economic relations signed on 18 November 1993, effective on the date of the presentation of the note concerned. By its other note, the Russian Ministry of Foreign Affairs notified about Russia’s consent with the proposal of the Lithuanian Government to further apply the existing procedure of transporting dangerous and military cargoes through Lithuania.

How should the agreement established in the notes of 1995 be assessed? At that moment, this agreement was treated as a compromise. This kind of assessment could be supported by the fact that Vilnius did not manage to make Moscow accept the regulations on military transit adopted by Lithuania, while Moscow was not able to make Vilnius sign a political agreement on military transit.

However in retrospect, the exchange of notes which took place on 18 January 1995 ought to be regarded as a victory of the Lithuanian diplomacy. The fact is that the notes were based on the agreement of 18 November 1993 which fixed military transit of the Russian Federation from Germany and did not legitimise the military transit through the territory of Lithuania to/from Kaliningrad. This means that with the completion of the “German” transit, Moscow had no legal grounds to claim that the Russian military transit via Lithuania was legitimised permanently (in practice, from the 18 November 1993 agreement there remained in force only a protocol supplement concerning the technical aspect³⁵ – transit – of the process; it was naturally replaced by more detailed regulations on military transit adopted by the Government of Lithuania on 3 October 1994³⁶).

It is also very important to emphasise that the exchange of notes did not have the effect of international agreement. It only testified, and still does, a certain state of consensus between the two countries. There is still more to it. Having in mind the sequence in the

³⁴ Ministrui – lanksti politika, o opozicijai – vėl apgaulė [Flexible Policy for the Minister, Deceit again for the Opposition] // Lietuvos Rytas. – 19 January 1995.

³⁵ Sirutavičius V., Nekrašas E., Lopata R. (eds.). Svarbiausios Lietuvos Respublikos tarptautinės sutartys [Basic International Agreements of the Republic of Lithuania]. – Vilnius, 1997. – P. 190 – 199.

³⁶ Lietuvos Respublikos Vyriausybės 1994 m. spalio 3 d. nutarimas Nr. 938 [Resolution No.938 of the Government of the Republic of Lithuania adopted on 3 October 1994] // Vyriausybės Žinios. – Nr. 78-1478.

exchange of notes (Lithuania was first), it is obvious that Russia in essence agreed with the unilateral decision of Lithuania (to grant temporary permit in respect of the military transit of the Russian Federation).

2.4. Regulation of the military transit of the Russian Federation through the territory of Lithuania and its practical execution

As it was mentioned above, the agreement between the Governments of the Republic of Lithuania and the Russian Federation “On the Transit of Troops and Military Cargo of the Armed Forces of the Russian Federation Withdrawn from the German Federal Republic through the Territory of the Republic of Lithuania” (18 November 1993) intended to regulate military transit of the Russian Federation through the territory of the Republic of Lithuania to/from Kaliningrad operates on the basis of a political ritual.

In practice, there *de facto* operates the “Regulations for Transportation of Hazardous and Military Cargo of Foreign States through the Territory of the Republic of Lithuania” approved by the Government of the Republic of Lithuania Resolution No. 938 adopted on 3 October 1994. This Resolution was modified on 6 June 1997 by the following acts: Government of the Republic of Lithuania Resolution No.572 “On the Authorised Representative of the Government of the Republic of Lithuania for Military Transportation through the Territory of the Republic of Lithuania”; Government of the Republic of Lithuania Resolution No.691 (“On Partial Amendments to Resolution for Transportation of Hazardous and Military Cargo of Foreign States through the Territory of the Republic of Lithuania”³⁷) of 19 June 2000; Government of the Republic of Lithuania Resolution No. 695 “On Partial Amendments to 3 October 1994 Resolution No 938 of the Government of the Republic of Lithuania for the Approval of the Regulations for Transportation of Military Cargo of Foreign States through the Territory of the Republic of Lithuania” of 11 June 2001 and “On Recognition as Invalid Resolution No. 572 of 9 June 1997 “On the Authorised Representative of the Government of the Republic of Lithuania for Military Transportation through the Territory of Lithuania”; Government of the Republic of Lithuania Resolution No.63 of 17 January 2002 “On Partial Amendments to 3 October 1994 Resolution No 938 and on the Recognition as Invalid Resolution No. 97 of 20 January 1995”³⁸.

³⁷ Vyriausybės Žinios [Official Gazette]. – No.51 – 1464.

³⁸ It is stated *inter alia* in this Resolution of the Government of the Republic of Lithuania (17 January 2002) that “It shall be forbidden to execute military transit through the territory of the Republic of Lithuania where this

These amendments served to improve the practical execution of the military transit of the Russian Federation through the territory of Lithuania (the institutional framework for the process of the Russian military transit was determined, e.g. the Transportation Service of the Lithuanian Ministry of Defence was the institution responsible for planning, coordination and control of the execution of military transit, regulating the issuance of single-use permits, etc.).

Some of the amendments to the Government Resolutions mentioned above are related with the process of Lithuania's accession to the European Union. On 17 January, the European Commission stated that the current military transit was regulated by special agreements between Lithuania and Russia and underlined the necessity to review those agreements within the context of enlargement, having in mind the Lithuanian commitments within the framework of the implementation of European Union directives on the transportation of hazardous cargo, likewise the Lithuanian commitments in implementing the Schengen *acquis*. It is worth mentioning that the EU does not introduce any definite requirements, and the issue of military transit is not included in the negotiations chapters.

The entire practice of the Russian military transit via Lithuania proves that despite sporadic events (arrival of unscheduled transports; untimely submission of additional plans; cases of transports bearing no longer existent forwarding company codes; instances when the cargo specified in the plans does not conform to the items indicated in the cargo documents; parts of transport separated in the result of a breakdown arrive without cargo documents; instances of the failure of commanders to check in with the Commandant's Headquarters) Lithuania has formed quite an efficient and functional mechanism for the regulation/administration of the military transit.

It should be noted that the military transit of the Russian Federation via the airspace of the Republic of Lithuania is also regulated. This is determined by the Republic of Lithuania Law on the State Border and Protection Thereof and the Regulations on the Use of the Airspace of the Republic of Lithuania. These documents establish the procedure for such transit flights (procedure for obtaining permits, form of application, routes, etc.). It is necessary to state that Lithuania still lacks the necessary instruments to adequately determine the content of the cargo under transportation.

constitutes violation of sanctions established by the UN, EU or OSCE, or it is required by the national interests of Lithuania, international agreements or the commitments of the Republic of Lithuania. No reasons have to be given for a refusal to issue a permit on the grounds specified in the present Point”.

2.5. Intermediate conclusions

To start with, the part of the research shows that the juxtaposition of the so-called “high” and “low” politics in the literature devoted to military transit of the Russian Federation to/from the Kaliningrad Oblast through the territory of the Republic of Lithuania lacks foundation. It has been proved that the currently existing concrete – military transit – issue and its regulation was determined by the position of Western states, and first of all that of the U.S. In other words, the signals sent at certain periods by Washington to Vilnius played a truly significant, perhaps even crucial role.

A formal analysis of the issue would testify that the presently operating Russian military transit to/from the Kaliningrad Oblast through the territory of the Republic of Lithuania constitutes no legal-political grounds to encumber Lithuania’s Euro-Atlantic integration.

The course of the transit history evidenced a dilemma. On the one hand, the Russian Federation was seeking to formalise the military transit by a political agreement, thus actually retaining Lithuania in its sphere of influence. Moscow tried to realise this endeavour by relating it primarily with economic issues, thus procuring a sufficiently strong support in Lithuania itself.

Another tendency: Lithuania’s efforts to stay away from political commitments to Russia over transit and resolve this issue within the competence of Lithuania’s will.

A certain compromise between these two tendencies was the 18 January 1995 exchange of notes. These notes “enframed” a certain status quo by recording the existing state of affairs – the Russian military transit was executed in accordance with the so-called German Rules (endorsed by the 18 November 1993 agreement) which regulated the order and procedure of essentially the same kind of transit.

In the course of time, the practice of the military transit of the Russian Federation to/from the Kaliningrad Oblast via Lithuania underwent evolution and started to be executed pursuant to the regulations approved by the Government of Lithuania “On Transportation of Hazardous and Military Cargo of Foreign States through the Territory of the Republic of Lithuania” (No.938 of 3 October 1994, with some derogation). It should be emphasised that the order provided for in these Regulations was getting more stringent, i.e. the amendments introduced by the Government of Lithuania on 19 June 2000, on 11 June 2001 and on 17 January 2002 prescribed a stronger dependence of the Russian military transit via the territory of Lithuania upon Lithuania’s decisions. In such a

way Lithuania emphasised its political will to honour commitments in relation with the Euro-Atlantic integration.

It is necessary to stress that this “German rules precedent” per se conditioned temporariness, as it referred to the transit of Russian troops withdrawn from Germany. Consequently, there is in essence no legal agreement between the Republic of Lithuania and the Russian Federation to legitimise the Russian military transit to/from Kaliningrad via the territory of Lithuania. The factually operating transit constitutes an issue decidable within the discretion (arbitrary competence) of Lithuania.

3. The impact assessment of the EU enlargement on the Kaliningrad oblast

3.1. Relations between Moscow and Kaliningrad

Under Boris Yeltsin, the Russian Federation treated a decentralization of the state prompted by the weakness of the central state structure institutions and structures. This encouraged regional governors to increase their powers and influence at the cost of the Moscow. At the same time Kremlin deliberately gave more responsibilities to regional administrations. For example, during the period 1991-1993 a free Economic Zone (FEZ) for Kaliningrad had been established. Duty-free policies were intended to help the oblast compensate citizens for the higher costs for goods from mainland Russia because they had to pass through foreign countries. In addition, special initiatives for business development were included. The introduction of the FEZ was terminated by Yeltsin in March 1995. After pressure from Kaliningrad officials, Moscow introduced the idea of a Special Economic Zone in January 1996. In addition, Kremlin granted the governor of Kaliningrad the right to hold negotiations and to conclude agreements with administrative-territorial units, ministries and other institutions of foreign states. Yeltsin also instructed the governor to put forward proposals for the establishment of a structure for regional cooperation between Kaliningrad and Lithuania (Lithuanian – Kaliningrad oblast Cooperation Council)³⁹.

Since the rise of Vladimir Putin, Russia has seen a quick re-centralisation of state powers away from its regions and back to the Kremlin. The President got rid of secessionist powers in the regions, domesticated their governors and made them into

³⁹ For more details, see Lopata R., Sirutavicius V. Lithuania and the Kaliningrad Oblast: A Clearer Frame for Cooperation in Lithuanian Political Science Yearbook – 1999. – Vilnius, 2000. – P. 269.

“Kremlin supervisors”. Putin obtained the power to sack governors and to dissolve regional dumas when federal laws were violated. Kaliningrad has come under the North-West Federal District, which has its in St. Petersburg and is headed by Viktor Cherkessov, a favourite of Putin. Cherkessov’s tasks are to rewrite regional laws so that they conform to federal law, to supervise anti-corruption campaigns and security institutions, and to monitor elections and the mass media. He has monthly meeting with Putin.

Putin also heavily influenced the gubernatorial elections. He was dissatisfied with Kaliningrad’s governor Leonid Gorbenko and delicately stated his support for Admiral (now – the former admiral and the former Commander – in – Chief of the Russian Baltic Fleet) Vladimir Yegorov who indeed became the new governor after the elections of November 2000⁴⁰.

It is hard to disagree that the year 2001 was a crucial year in the development of so called Kaliningrad’s puzzle. It is possible to notice that the Kaliningrad issue experienced two phases of development in 2001. Both of them coincided with internal processes in Russia and external events.

First phase started on January, 2001. Kaliningrad has found itself in the news when *The Washington Times* reported that Russia was deploying nuclear weapons in Kaliningrad to support its threat to resist in every possible way NATO enlargement to the east. The US State department said it was watching the developments closely, and would discuss the matter with the Kremlin.

The matter, however, did not rest at that. *The Daily Telegraph* decided to outdo *The Washington Times*. The London newspaper announced that secret negotiations between Russia and Germany had taken place on the return of the region and the city to Germany. Moscow was advised not to pay Berlin back its 22-billion-pound debt, and renounce its rights to Kaliningrad instead⁴¹.

And although the world did not take this news seriously⁴², some recalled Anatoli Dugin, a conservative Russian geopolitician and foreign adviser to the chairman of the

⁴⁰ For more details, see: Sirutavicius V. Kas nori lango i pasauli, privalo naikinti bastionus. Kaliningrado srities politinio elito sustabarejimas uzkerta perspektyvioms permainoms in Lopata R., Laurinavicius M. Tarptautine politika: komentarai ir interpretacijos. – Vilnius, 2002. – P. 166 – 168; Sirutavicius V. Maskva vis tvirciau ima I ranka sallies regionu valdzias. Po Kaliningrado gubernatoriaus rinkimu lieka dvieju Lietuvai svarbiu raidos scenariju galimybe in Lopata R., Laurinavicius M. Tarptautine politika: komentarai ir interpretacijos. – Vilnius, 2002. – P. 215-217; Huisman S. A New European Union Policy for Kaliningrad. – Institute for Security Studies. – Occasional Papers, - March 2002. – No. 33. – P. 29.

⁴¹ Germany in secret talks with Russia to take back Konigsberg in *The Daily Telegraph*. - January 21, 2001.

⁴² It is necessary to remind that the question of debts has been a subject of Russian-German negotiations in Berlin over the last few weeks of January. While the existence of the mentioned secrete negotiations could indeed be contested, the fact that the negotiations have brought about an agreement on possible conversion of

State Duma, who for several years has been urging that Kaliningrad be given back to Germany in exchange for firm German commitments to strategic cooperation between Moscow and Berlin⁴³.

On January 2001 the European Commissioner Chris Patten announced in Moscow that the European Commission's Communication on Kaliningrad, would envisage a range of certain measures in this area that are to be taken either unilaterally or with both Russia and the EU. The suggestions concern special economic conditions for Kaliningrad, whereby, while any special EU trade regime is not necessary Kaliningrad would have to adopt EU technical norms and standards to be able to trade with the Union. It has also been suggested that the functioning of the border crossing and control in Kaliningrad should be considered by specialists in the context of development of Pan-European Transport Corridors. There should also be the creation of a "multi-modal" transport system for the region. Such issues as fisheries and energy network should be dealt in the similar fashion⁴⁴.

Having developed its own proposals on the issue, the EU retained a certain ambiguity toward Kaliningrad Oblast for that moment. It was some sort of message that it can potentially limit the action and resources that otherwise would be available from Europe. It was also clear that resources cannot be invested into areas being covered by vague long-term policies and having an uncertain status, like one of Kaliningrad within the Russian Federation.

It seems that Moscow has understood the "signal". In either event the Kremlin reacted in two ways: externally and internally. The reaction coincided with the beginning of the second phase of the Kaliningrad issue.

On March 21, 2001 the Russians presented to the European Commission document titled "Trade and Economic Consequences of the Forthcoming Enlargement of

debts to shares cannot. The only thing, which does not entirely satisfy Berlin, is that Germany does not want to exchange the Soviet debts for shares of the unknown, probably unprofitable Russian enterprises. At the same time, Moscow has stated that it would not allow the shares of natural monopolies – the only reliable enterprises for Western investors, - to be used if such a debt-shares conversion would take place. However the Russian government could create its own holding corporation, possibly in Kaliningrad, which would incorporate only those natural monopolies that exist outside of Russia's main economic, i.e., in Russia's European exclave. The percentage of shares in such sectors as transport, airlines, amber and energy, could then be traded to Germany. In fact, while still in office in March 2000, Kaliningrad's former governor Leonid Gorbenko has proposed creating such a holding. Whether his own or state's interests guided him in his actions will remain a mystery. See, Jakobson-Obolenski S. Russia's New State in Europe: from "Kaliningrad Puzzle" to "Kaliningrad Experiment". – University of Glasgow, 2001. – P. 3.

⁴³ Dugin A. Osnovy Geopolitiki. Geopoliticheskoje budusheje Rosiji. - Moskva, 1999. - P. 228.

⁴⁴ For more details, see "Communication from the Commission. The EU and Kaliningrad". – January, 2001.

the EU⁴⁵. It was emphasized that the forthcoming enlargement of the European Union to the East will have diverse economic consequences for Russia.

On the one hand, Russia will have certain advantages: some improvement of the trade and political conditions of the access of certain Russian commodities to the markets of the countries joining the EU in comparison with the current situation will occur in case the Russian Federation – EU Agreement on Partnership and Co-operation will apply to such countries; the application of the General Agreement on Tariffs and Trade regime, in particular by acceding countries, will mean that the generally accepted international standards will be extended to Russia even before its accession to the WTI which could result in the elimination of discrimination; the joint ventures with the participation of Russian capital in the candidate countries will enjoy equal rights with the economic agents of the EU member countries in the entire space of the united Europe, etc⁴⁶.

On the other hand, it was underlined that the EU enlargement also creates several problems for Russia and promises economic losses. According to Russians, the most significant damage from the enlargement of the EU the Russian side could suffer as a result of the reduction of the shipments of the energy generating goods after the principles of the EU energy policy will apply to the candidate countries (maximum possible losses could amount to \$6 billion per year). Actual economic losses for Russia could also be the result of the application to the candidate countries of the principles of the EU policy regarding antidumping (\$105.1 million annually). Russia will also incur losses due to the application to the candidate countries of the EU quantitative restrictions on the deliveries of Russian steel production (to \$156 million), etc.⁴⁷

Almost at the same time Brussels received "Possible solutions to the specific problems of Kaliningrad region in connection with the EU enlargement" from Moscow⁴⁸. Amid Lithuania's integration into the European economic and security organization, Moscow has called for unimpeded transit through Lithuania between Russia and the Kaliningrad region and unprecedented visa regulations for its citizens. In reply to the abundant proposals by the European Union (EU) and Lithuania regarding the future of Kaliningrad, Russia handed Brussels and Vilnius a set of documents requiring what

⁴⁵ Trade and Economic Consequences of the Forthcoming Enlargement of the EU. - March 21, 2001. Groupe Europe Orientale et Asie Centrale. Doc. Séance No. 103/01.

⁴⁶ Ibidem, p. 1.

⁴⁷ Ibidem, p. 5.

⁴⁸ BNS/Interfax@BBC Monitoring, 4 April 2001. Please, see the "Russian version" of the proposals: Predvidia "Okruzhenije" Kaliningrada in Trud. – 14 March, 2001.

Moscow believes is protection of the Kaliningrad exclave against isolation after the neighbouring Lithuania joins the EU in the future.

Russia has proposed a dozen measures in transport and transit, visa policy, energy, fisheries and other areas to pursue this goal. Furthermore, Russia has called for a possibility to transport cargo by road transport and trains via Lithuania, Latvia and Poland without checking at the borders. It requested an air corridor with an opportunity to land in Lithuanian airports in emergency situations. Moscow required a visa-free regime for people travelling from Russia to the Kaliningrad region by fixed train or bus routes, calling for a special permit system for travel by car.

According to the set of documents, permanent residents of the Russian enclave should be granted yearly Schengen visas for trips to Lithuania, Poland and Latvia. A request was also made for a right to lay oil and gas pipelines and electricity lines in the three countries, and permission for Kaliningrad fishermen to fish in the EU zone in the Baltic Sea. Russia has proposed that all deals concluded between Kaliningrad companies with firms of the EU and candidate countries should be valid for a set number of years, even if they run counter the law of the 15-member organization. A part of the above proposals, which were passed over to the EU and Lithuania in March, have triggered debates in Russian media.

The European Commission has never liked special cases, and it will hardly forgo this principle in this case. Especially as it has not become clear whether, by offering such an agreement, Russia simply expects financial injections into Kaliningrad, or whether it seriously intends to help the region.

The answer will transpire only when the Russians themselves show clearly that they not only have a strategic vision for the region's development, but are also trying to put it into practise. In addition, this has to be demonstrated by both Kaliningrad and Moscow. Only then will the region become a test-bed for economic development and a showcase for other regions. That would be one way of turning the liability into an asset.

Nobody doubts Russia is still undergoing structural reform. In such a situation Kaliningrad can experience a major domestic twist and be turned from simply an ensuing and retrograde problem into a valuable and beneficial instrument. Present conditions are favourable for it to become finally a veritable locomotive for Russia on its road of integration into the global and European economy. To do this Russia needs to settle her previous debts to the West, increase state's capacity in administering its own territory,

population and resources, its control and servicing of the economy, and provide guarantees for foreign investors.

Of course, this cannot be done immediately nor simultaneously. Russia's huge and economically uneven territory has to be differentiated and its development set a various speeds. Integration into European economic space can be realised step by step within a particular location, like Kaliningrad, which would not affect other, less prepared Russian provinces, and still be beneficial and promotional for Russia's internal and external interests.

Specifically, the future of Kaliningrad Oblast, short- and medium-term strategy for it's development were discussed in Moscow at the end of March. The government of Russian Federation adopted four-blocs programme for the social-economic development of the Region till 2010. It includes:

a) the development of the energy sector (the decision to renew the building of the second thermal electric power station; "Gazprom" was authorized to build a second line of the pipeline to Kaliningrad⁴⁹);

b) the improvement of the road system in the Region;

c) the re-structuring of the industry and the conservation of the amber extraction;

d) the revision of the regime of the Special Economic Zone and the establishment of the regime of the export production⁵⁰.

For the moment it is expected the appearance of the government decision to assign the first financial injection for the programme implementation (the sum total of the programme is approximately 100 billion roubles⁵¹).

3.2. The trends of the social, economical and political development in the Kaliningrad oblast of the Russian Federation

It is necessary to acknowledge that the Kremlin tried to take into the account the trends of the social, economical and political development in the Kaliningrad oblast. Of course, the question – to which regard the decisions taken over the Kaliningrad's are

⁴⁹ It is interesting, that the idea was fixed in the joint Lithuanian-Russian "Nida initiative" on February, 2000.

⁵⁰ Pravitelstvo Rosiji prinialo programu po Kaliningradu ("Russia's government approved the programme for the development of the Kaliningrad") in Baltic News Service. - March 22, 2001.

⁵¹ Cherkesov i Jegorov vysoko ocenivajut itogi pravitelstvenogo zasedanija ("Cherkesov and Jegorov appreciate the results of the government meeting") in Baltic News Service. - March 22, 2001.

based on the realistic estimations – is still open. Nevertheless, it is possible to present the general picture of the oblast for the independent analysts at least.

Unfortunately, it seems that Kaliningrad still illustrates, alas, the worst features of modern Russia.

- The market is sensitive; there is a lack of qualified labour; economy is dependent on obsolete industries, and the Federal Centre constantly questions the status of the special economic zone and certain privileges that come with it. From the 1st of January 2001 a decree by the State Customs Committee that abolished all economic privileges in Kaliningrad, came into force over the whole of Russia. It did not take long to feel the effects: prices shot up by 20 to 25 per cent, and social unrest rose.
- Local bureaucracy, mostly depending on Moscow, flourishes. Unsurprisingly, investors have stayed away, and those present (BMW, and "Klaipedos Maistas" from Lithuania) often complain about the unclear, confusing and non-transparent business environment in the Region⁵².
- Agriculture is abandoned; industry has no perspectives; several cellulose processing factories will not help as there are no woods in the Region; it is unlikely that seaport of Kaliningrad will withstand the competition of the Baltic seaports (last year it had only 4 per cent of annual turnover);
- 50 per cent of GDP is produced by shadow or so called black economy;
- If to look the purchasing power the difference between the Kaliningrad Region and its neighbours is particularly impressive (during the period of 1996 - 2000 an average monthly salary decreased down to 32 USD⁵³; Lithuania's GDP per capita is approximately 9 times higher than the Kaliningrad Region's). About one-third of the Region's population lives below subsistence level. Official unemployment is about 7 percent, which is high for Russia, but the real jobless rate is estimated at 20 percent⁵⁴.
- Problems abound: Kaliningrad is one of the biggest sources of pollution in the Baltic; HIV infection and tuberculosis are rife, etc.

The situation is hardly an optimistic one. There are some signals and some projects promising changes for the better. However, realisation of them is probable only in

⁵² The dynamic of the foreign investments in KO is as follow: 1998 – 39,4 mln. USD, 1999 – 18,3 mln. USD, 2000 – 19,1 mln. USD, 2001 – 24,6 mln. USD.

⁵³ In interview the Chairman of Oblast Duma Vladimir Nikitin said due to the wrong statistics and "shadow economy" the monthly salary is approximately 50 USD (June 24, 2001).

⁵⁴ McMahon C. Baltic Region Caught in East-West Tug. Russia's Tight Rein Hinders Economic, Social Progress in Kaliningrad in Chicago Tribune. - 18 June, 2001.

a coming future. Today we have to be realists - Kaliningrad faces very serious social and economic problems.

*3.3. The EU *acquis communautaire*, the applicant countries and Kaliningrad: issue areas*

As far back as the December 2000 European Council of Ministers Report on the Union's Common Strategies (CS), which also includes the EU's strategy on Russia, indicates that the effectiveness of strategies is rather low, despite the high expectations they raise. Therefore, they should be reviewed in order to make them more focused on priority issues⁵⁵.

According to the European Commission "Communication from the Commission 'The EU and Kaliningrad'" of January 17, 2001 it looks at the impact of EU enlargement and distinguishes between issues which will arise for all Russian regions (and all neighbouring third countries) and those which are specific to Kaliningrad. Enlargement of the EU will be a positive development for its neighbours, contributing to stability and prosperity. Russia stands to benefit substantially from enlargement and regions such as Kaliningrad as well placed to take advantage of the new opportunities which will be created.

The adoption of the *acquis* by Poland and Lithuania will inevitably imply changes in some existing rules and practices between Russia, the EU and the new Member States. Some of these changes will have an equal impact on all Russian regions while others will have specific implications for Kaliningrad, mainly on the movement of goods, people, and the supply of energy.

Concretely speaking, the European Commission suggested:

"to examine the trade impact of enlargement on Kaliningrad...";

"to discuss [with Russia, Poland and Lithuania] the functional management of border crossings, particularly those linking the region [Kaliningrad] to the Pan-European Transport Corridors I. Discussions should include customs, border guard, phytosanitary, veterinary and health aspects. Discussions could be held in ad hoc working groups under relevant PCA sub committees";

"the practical measures to conduct proper and efficient border control be continued, facilitating the movement of persons and goods across the future external border, without pre-empting accession negotiations with Poland or Lithuania";

⁵⁵ Jakobson-Obolenski S. Russia's New State in Europe: from "Kaliningrad Puzzle" to "Kaliningrad Experiment". – University of Glasgow, 2001. – P. 1.

“EU technical and financial assistance can contribute to creation of a functioning border control system, including appropriate sufficiently take – proof travel documents”;

“the suitability of Community rules on small border traffic and transit for specific situation of Kaliningrad be assessed. The possibility to take advantage of any special arrangements permitted by *acquis* should be looked into, using examples offered by existing arrangements including in candidate countries”;

“the cost of passports (the responsibility of Russia) could also be examined as well as the costs of visas (responsibility of current and future EU Member States) should be examined. Both new and current Member States could consider opening consulates (or sharing facilities to reduce costs) in Kaliningrad, to facilitate visa insurance and manage migration flows efficiently”;

“the EU should provide the administration and population of Kaliningrad and bordering regions information on the way in which the future external border of EU will function taking into account the need for fast and efficient border crossing for goods and people whilst preventing illegal activities”.

As it is was mentioned before the differences between the EU and Russia approaches toward the EU enlargement toward the East in general and the consequences on the development of the KO appeared at the beginning of 2001. The differences revealed in more concrete terms during the spring of 2001. At least four for fields raised the concerns and anxious for the Russians, namely, transit, the question of visa-regime, energy sector, fishery. Let's examine these issues more precisely.

1. Transit. It should be noted that the adoption of the EU *acquis* in the sphere of transit will have no effect on the bilateral agreement between Lithuania and Russian Federation on the Russian transit of goods to and from the Kaliningrad Oblast. Studies of Lithuanian and foreign experts show that costs of the transit through Lithuania after its EU membership will decrease⁵⁶. Currently, Poland applies few times higher tariffs for the transit to Kaliningrad. At last, Russians themselves acknowledged that the application of the EU common tariff will have a positive effect for Russia⁵⁷.

After Lithuania and Poland's accession process rates of the transit tariffs will be unified and Kaliningrad will have more diverse transit routes. As a matter of fact, Lithuania and Russia already today coordinate their activities more effectively by

⁵⁶ Joenniemi P., Lopata R., Sirutavicius, R. Vilpisauskas. Impact Assesment of Lithuania's Integration into the Eu on Relations Between Lithuania and Kaliningrad Oblast of the Russian Federation in Lithuanian Foreign Policy Review. - 2000. - No. 2 (6). - P. 133-178.

⁵⁷ Trade and Economic Concequences of the Forthcoming Enlargement of the EU. - P. 5

involving the representatives of maritime, rail and land transport operators. During the Lithuanian president Valdas Adamkus visit to Moscow (March, 2001) both sides recognized that the declared cooperation between the seaports of Klaipeda and Kaliningrad will gain real substance soon. It is necessary to emphasize, that Lithuania is inclined to agree on the Russia's proposed project of "Two 'K'" (Kaliningrad and Klaipeda ports). The idea is to make Kaliningrad and Klaipeda ports not competitors but respectively specialized units.

One aspect of the transit as well as the movement of goods requires a particular attention is border crossing. At present, there are 23 crossing points between Kaliningrad, Poland and Lithuania. In order to ensure the efficient flow of goods across the EU's external border, improvement could be made both in physical infrastructure and in processing, including through upgraded information systems. As it is indicated in "Communication from the Commission. The EU and Kaliningrad" (p. 2), "considerable investments have been made in infrastructure and in procedures in Lithuania" which should lead to the same positive results exactly like there was the introduction of the *acquis* on the border between Finland and Russia. However, the problems exist on the Russians side. The Russians authorities appeal to the impossibility to start any border crossing improvements because the State Duma is still in hesitation to ratify the Border Agreement with Lithuania⁵⁸.

What concerns the future of military transit it could be said that the issue is still at the discussions level. At present military goods and personnel are transported through Lithuania under a special agreement with Russia. The agreement is based on the basis of Lithuania's legislation which is harmonizing with the *acquis*. The Russian side unsuccessfully demanded to change the military transit regime during Lithuanian president Valdas Adamkus visit to Moscow, i.e. Kremlin wanted to legitimate it according "international law"⁵⁹. Such attempts had some impact because it provoked some kind of discussion on the topic in Lithuania.

The discussion showed that influential Lithuanian MPs and analysts believe Russia's military transit to Kaliningrad Oblast is among the most serious unresolved

⁵⁸ On April 16, 2001 the Institute of International Relations and Political Science, Vilnius University and the Russian Embassy in Lithuania organised round-table discussion "Lithuanian-Russian relations". The Russians tried to explain that the reason why the State Duma is still not ratified the Agreement is purely technical. However, diplomats did not deny that Moscow attempts to correlate the ratification of the Agreement with the EU enlargement and Vilnius-Brussels negotiations.

⁵⁹ Prezidento V. Adamkaus vizito į Moksavą kontekstas ("The context of the visit of the President V. Adamkus to Moscow") // Lietuvos Rytas. - March 31, 2001.

issues for Lithuania's integration into NATO. Speaking to the Lithuanian newspaper "Atgimimas", they said Russia's efforts to play its Kaliningrad trump card was only natural. In their opinion, Lithuania should do its best to prevent instability in the Region and that should enable the country to join the EU and NATO⁶⁰.

2. *Visa-regime*. On April 2001, during consular consultations Lithuania and Russia agreed that the existing liberties or special arrangements of the border - crossing procedures will be abolished for the Russian citizens and Kaliningrad residents correspondingly from January 1, 2003 and July 1, 2003. As the representative of the Russian Foreign Ministry for Kaliningrad, ambassador Kuznecov declared the introduction the visa-regime for the residents of the Kaliningrad Region should not be painful. The visa will cost approximately 5 dollars or about 4 euro⁶¹.

Poland is of an opinion that the Communication rightly points out to the need for Member States to have consulates in Kaliningrad and fix low charges for visa. In addition, Warsaw is planning to open new consulates in the Region, i.e. cheap and efficiently issued visas.

Last year Lithuanian Foreign Ministry informed Moscow that Vilnius will do the best in keeping the border crossing liberties on Lithuanian - Kaliningrad border as long as possible. There were some fears that after the introduction of visa-regime Kremlin will get the new point for blaming the EU enlargement which is bringing the negative consequences for Kaliningrad Oblast only in 2001 even⁶². That was confirmed during the last the EU – Russia Summite in St. Petersburg on May, 2002 when Putin openly and strongly opposed the idea of the introduction of the visa-regime for Kaliningrad's citizens.

It is important to notice that international experts have proposed the framework of the eventual solution of the issue in 2000. It has been broadly recognized that introducing a strict visa regime in the case of Kaliningrad is particularly problematic⁶³. For example, the conclusions from a conference on Kaliningrad, jointly organized by Denmark and the Nordic Council of Ministers in Copenhagen in 1999, included the point that relevant regional and sub-regional organizations and bodies should keep the issue of border crossing and free travel

⁶⁰ Atgimimas. - Vilnius, 13 April 2001.

⁶¹ Baltic News Service. - April 26, 2001.

⁶² An interview with Evaldas Ignatavicius, Deputy Minister of Foreign Affairs. - June 25, 2001.

⁶³ See, for example, one of the recent studies on the impact of EU enlargement on Kaliningrad oblast produced by the Kaliningrad scholars – Хлопецкий, А. П., Федоров, Г. М., Зверев, Ю. М. Стратегия развития Калининградской области как пилотного региона сотрудничества Российской Федерации и Европейского Союза, Калининград, Август 2000.

in the Baltic Sea region on their agenda. The Council of Baltic Sea States (CBSS) has, for its part, taken the following stand:

“The approach taken by the EU in the Treaty of Amsterdam seems to be an attempt to find solutions to contemporary problems relating to globalization and the migration tendencies. But creating unified rules for the whole EU area will not necessarily solve the problems of individuals who come from third countries and intend to visit an EU country. There might be a risk of a more automatic and less humane handling of visa applications in a large and unified system. Furthermore, the price for abolition of checks at internal borders within the EU, which are partly also CBSS members states’ borders, may be that the border regime between EU member states and third countries (i.e. also between some CBSS countries) becomes more restrictive than before. Making travel into the EU area more difficult because of progress within the EU cooperation does not seem to be fair and in harmony with the OSCE commitments”⁶⁴.

However, despite increased awareness there is still a lack of constructive and commonly agreed measures that would remedy the situation. Russia has proposed that the current system be kept unchanged, and has also aired ideas about ‘a Baltic Schengen’. Authorities from the Kaliningrad city have, for their part, departed from the conclusion that the Schengen rules will be implemented and, as a consequence, have called for visas that would be long-term, low cost and allow for multiple entries. The observation has been made that transit visas could be of some help, although it would require a new definition because the current Schengen Convention does not include in its definition of transit visas the kind needed by Russian citizens aspiring to visit – in the case of Kaliningrad – their own country⁶⁵. In any case, the fact that the Schengen regulations have a severe impact on freedom of movement within Russia and effects the relations between the center and one Russian region, a situation making the case of Kaliningrad quite unique. Seen from EU’s perspective, the impact is an inadvertent one, but it is nonetheless there. As it is an outflow of the EU’s eastern enlargement, there are good grounds for claiming that it falls, in the first place, upon the Union to restore unimpeded contacts to the extent possible.

In order to facilitate the process of granting visas, it would be of considerable help if a joint EU facility could be established in Kaliningrad. Proposals to that effect have been

⁶⁴ Council of the Baltic States, (2000). Secretariat Report on Visa Requirements in the Baltic Sea Region. 2nd of June.

⁶⁵ Fairlie, Lyndelle (1999). Will the EU use Northern Dimension to solve its Kaliningrad dilemma? Working Papers, no.21. Copenhagen Peace Research Institute.

tabled, but so far without results. Both the European Union and the Russian Federation have been reserved vis-à-vis such ideas. The CBSS has, for its part, aired the idea of a consulate of one of its member states being empowered to issue visas on behalf of the other member states. The Council has also argued for measures such as moving consulates closer to borders and extending opening hours, increasing the use of long term multiple entry visas, the construction of more border crossings and the introduction of shorter procedures at the border⁶⁶. The more innovative ideas include a reduction of the need for strict visa procedures by introducing the establishment of extensive data banks combined with the checking of fingerprints at borders. Such systems could potentially allow the reduction of visas to a mere stamp in the passport of those crossing borders, although they do not offer any quick solution taking into account that the Schengen Information System (SIS) is currently being re-designed and only expected to be ready around 2003⁶⁷.

One opening is found in the notion that the Schengen system is not cut in stone. It is increasingly recognized that the system places undue pressure on the applicant countries and may have excessive consequences in hampering legitimate cross-border contacts. After all, the Treaty of Rome sets the target of "eliminating the barriers that divide Europe" and the aspiring to "an ever closer union among the peoples of Europe". The EU border policies are seen as fragmentary and inconsistently developed, and it is conceded that the implications for regional development of extending EU border regimes eastwards have so far been little discussed⁶⁸. The issue of visas remains a significant theme in this context. The 'paper curtain' of visas and frontier controls will, no doubt, inhibit the economic co-operation and cross-border trade between Kaliningrad and Lithuania. The prospects for the development of the border region becomes undermined and links between societies and people are disrupted. Such unwarranted impacts – leading also to costs for the Union and the applicant countries in particular - need to be flanked by a variety of measures premised on the allowance of Schengen to return increasingly to its original purpose of facilitating free circulation of goods, services and people. The parties should refrain, in the short run, from an overly rigid and extensive adoption of the Schengen *acquis* and - as some complications are unavoidable - supplementary financial aid and political support should be considered in order to bolster their ability to deal with issues resulting from the implementation of the Union's border policies.

⁶⁶ CBSS Secretariat Report, 2nd June 1999.

⁶⁷ Information provided in Bort, Edward, *Under the Shadow of Schengen: The Borders of Central and Eastern Europe* (forthcoming towards the end of 2000 in a book edited by Judy Batt, University of Birmingham).

⁶⁸ Grabbe H. *The Sharp Edges of Europe: Extending Schengen Eastwards in International Affairs.* – 2000. – No. 76. – Vol. 3. - P. 526

Such assistance should to the extent possible also cover Kaliningrad, including support for sub-regional co-operation, as effective border policies require co-operation and reciprocity: borders cannot be managed from one side only. It has to be taken into account that there has to be well-functioning administrative systems capable of implementing complex regulations and monitoring compliance on both sides of the border.

3. *Energy sector.* The Communication of the European Commission underlines the necessity to solve in the future issues of energy supply to Kaliningrad. Lithuania envisages a link to the European electricity grid (UCTE), which will result in Kaliningrad Oblast becoming an energy enclave. Hence, Russia will soon have to consider two options of ensuring energy supply to Kaliningrad: either upgrade and extend the local energy supply system so that it can operate independently with a possible asynchronous link with Lithuanian or Polish system, or switch the Oblast's energy supply system for parallel link with UCTE grid by establishing a connection with Poland (or - later - with Lithuania) after meeting UCTE requirements.

In such case, it would be technically feasible to sell Polish energy to the Oblast and Polish business could provide machinery and services to modernised energy supply system in the Oblast. Poland is interested in the prospects of energy export to Kaliningrad and participation in the upgrading of energy supply system⁶⁹.

For the moment it is agreed that Kaliningrad and Lithuania will continuously changing information while preparing or developing their own energy strategies. By the way, the EU/TACIS programme intends to support financially the preparation of the special study on Kaliningrad energetic sector⁷⁰. Russians have some plans to build new energy power station in Kaliningrad.

4. *Fishery.* Without going into details, it is necessary to say that the question is the technical one as well. It is planned settle it by the agreement between the EU and Russia on the fishing in the Baltic Sea. By the way, only two states in the Baltic area have not concluded fisheries agreement with the EU: Poland and Russia. Poland has an agreement on co-operation in the area with Russia. This agreement constitutes legal basis - inter-alia - for co-operation between Polish and Russian fisheries administrations in the Vistula

⁶⁹ The Polish position vis-a-vis Communication from the European Commission. - Warsaw, 2001. - P. 5. (Lithuanian Foreign Ministry Sources).

⁷⁰ Zalys V. Lietuvos euroatlantine integracija ir Kaliningrado srities ateitis ("Lithuania's Euro-atlantic Integration and the Future of Kaliningrad Oblast"). - Vilnius, 2001 (unpublished paper). - P. 3.

Bay. Poland will follow closely talks between the EU and Russia on fisheries. Lithuania's position is the same vis-à-vis the talks between the EU and Russia⁷¹.

Finally, on April 9, 2001 at Foreign Ministers' Conference on "Northern Dimension" the governor of the Kaliningrad oblast V. Yegorov named one more field – increasing disproportion of the social – economic development of the Kaliningrad Region and its neighbours.

It should be emphasized that the Governor, as well as Official Moscow, explains that disproportion is caused not by internal problems or slow reforms process in Russia. The Governor tends to think that the reasons are beyond the borders of the Kaliningrad Region and the Russian Federation. According to him, Brussels provides significant financial support for membership preparations for candidate-states but not for Kaliningrad. Vladimir Jegorov warns that asymmetry in the development of the Kaliningrad Region and its neighbours could influence negatively foreign investors as well as social-economic situation in the region⁷².

As it was mentioned before, regardless the disputes turning the territory into a Baltic Hong Kong, Kaliningrad still illustrates, alas, the worst features of modern Russia (for more details, please, see above p. 33-34). It should be noted that the problems mentioned above have nothing to do with Lithuanian and Poland EU membership. The problems are clearly internal difficulties of the Russian Federation. By the way economic stability of neighbouring countries strengthens the sense of the problems in the Kaliningrad Region.

The same could be said about the rate of grow - neither Lithuania nor Poland are members of the EU, however, from the perspective of the developments and reforms acceleration the Kaliningrad is obviously lagging behind its neighbours. The financial instruments provided by the EU could not explain backwardness. Lithuania and Poland, indeed, receive financial support for the membership preparations. But you should not forget that the "home work" of both countries has a significant influence on their progress.

In summarising the evolution of the Russian position on the issue of Kaliningrad, several conclusions may be drawn. First, the demands of Moscow have a one-sided character: the EU enlargement in respect to the Kaliningrad oblast is an external development, therefore

⁷¹ An interview with Tadas Valionis, the second secretary of Lithuanian Foreign Ministry, the secretary of Joint Lithuanian-Kaliningrad Co-operation Council. July 2 , 2001.

⁷² Pozdorovkin V. Problems of Supply and Development of the Kaliningrad Oblast of the Russian Federation in the Context of the European Union Expansion Eastwards in Lithuanian Foreign Policy Review. - 2000. - No. 2 (6). - P. 119-132.

it is the responsibility of the EU to cover the costs of adjustment and the ensuring of “normal” communication between the oblast and the remaining part of the Russian territory. Second, Russia seems to have easily abandoned its request for the provision of visa-free travels for Kaliningrad inhabitants to Lithuania and Poland: the priority of Moscow has clearly shifted from the emphasis on avoiding the oblast’s isolation from the neighbouring region to preventing Kaliningrad’s isolation from the rest of Russia. Thus, the most persistent negotiations may be expected over the visa-free transit communication by railways. Third, despite the attempts in the new Position to shift the focus from the elimination of the negative effects of the EU enlargement to the best realisation of the positive opportunities, Russia’s response to the EU suggestion to discuss, within the framework of a relevant sub-committee, the impact of the change in the trade regime to Kaliningrad was surprising: Russia has no specific concerns related with the enlargement impact on economic relations of Kaliningrad, and is inclined to start consultations concerning the enlargement impact on the level of Russia as a whole. This indicates that Moscow is not planning to provide the oblast with any special status in the relations with the EU. A similar conclusion might also be drawn after the 22 March 2001 meeting of the Government of the Russian Federation, where a common liberal Moscow’s, as the federation centre, policy towards Kaliningrad was charted. However, instead of determining a clear pilot region development perspective, supported by a relevant strategy, essential decisions were postponed for another half a year. In other words, the interests of Moscow in the negotiations lie in unrestricted transit between the Kaliningrad oblast and the main Russia, as well as in the compensation of the negative impact of the EU enlargement. Being clearly reluctant to award to the oblast any special status, Moscow concentrates on the resolution of problems related to the direct procedural consequences of the EU enlargement (e.g. in the area of the border-crossing regime), often by means which are unacceptable for candidate countries and the EU (e.g. extraterritorial corridors), without giving any attention to the need of in-depth modernisation of the oblast.

3.4. Perspectives of the crisis prevention

It is important to stress that in case of crisis prevention political will of all parts involved in KO problem is essential for both reaching of an agreement on agenda and measures, and development of efficient instruments.

During the last decade, the active policy of Poland and, especially, of Lithuania, directed at maintaining close cooperation with the Kaliningrad oblast and preventing its

isolation, became an integral part of the foreign policy, aimed at ensuring security and stability in the region⁷³. In the foreign policy of Lithuania, the Kaliningrad oblast has undergone transformation from the main threat to security into an advantage – an opportunity to play an independent role of a leader in the Southeast of the Baltic Sea region, truly contributing to promoting stability in the region. The active and positive Lithuanian policy towards Kaliningrad became one of the fundamental elements in the relations between Lithuania and Russia. In the foreign policy of Poland and in the Warsaw-Moscow relations, the Kaliningrad oblast takes an important but not an outstanding place. The efforts of Poland, as a “stability exporter” are primarily directed towards Ukraine, and to some extent to Belarus⁷⁴.

In any case, active policy towards Kaliningrad, aimed at involving the oblast into the closest possible regional cooperation, is regarded by both countries as one of the main elements of insuring security in the Baltic Sea region though there are insignificant differences in the cooperation strategies: Lithuania is more oriented towards cooperation in the social-economic sphere, thus diverting attention from the “military dimension”, while Poland is developing cooperation in the military sphere as a prerequisite for creating the atmosphere of mutual trust in the region.

The asymmetric and conditional character of the relations between the EU and candidate countries, within the framework of their accession to this Union, limits the possibilities of Lithuania and Poland to participate in the resolution of the “Kaliningrad issue”: firstly, the candidate countries have to adopt the Schengen *acquis*; secondly, the desire of the EU to avoid the Kaliningrad issue in the bilateral accession negotiations (in other words – trilateral negotiations, with the Russian participation) reduces Lithuanian and Polish prospects for direct participation in the on-going discussion between Moscow and Brussels. It is obvious that a situation where Russia could play the “Kaliningrad card” in the membership negotiations of Lithuania and Poland with the EU would also be the least favourable to the candidate countries themselves.

The fundamental interest of Lithuania and Poland in the context of the EU enlargement, would be to avoid the isolation of the oblast and its turning into a “double periphery” (a zone of instability at the Baltic Sea with a distinctly expressed military dimension). Both countries emphasise not only the direct impact of the *acquis* application, but

⁷³ Ignatavicius E. Domestic Aspects of Direct Neighbourhood . A Lithuanian Perspective in Strategies of Direct Neighbourhood for the Baltic Sea Region and Northwestern Russia//CAP working paper June 1999 in <http://www.cap.uni-muenchen.de/bertelsmann/english>

⁷⁴ Kuchinskaja M. Novaja paradigma polskoj vostochnoj politiki // Pro et Contra. – 1998. – T. 3. – P. 16.

likewise the social-economic development gap between the oblast and its neighbouring regions⁷⁵. Nevertheless, the implementation of EU membership requirements clearly limits the choice and effectiveness of the existing tools (economic and sub-regional cooperation, transborder cooperation, etc.). Centralisation tendencies in Russia take the same course: possibilities for the Kaliningrad political elite to build economic foreign contacts are often limited by the position of Moscow⁷⁶.

In their preparation process for the EU membership, Lithuania and Poland inevitably become “consumers” of the EU policies, norms and procedures, without being able to influence their development processes⁷⁷. In this situation, Lithuania and Poland, taking regard of the EU position regarding unacceptability transitional periods and provisos which prejudice internal market principles, (reinforced control of external borders and the common visa regime is a prerequisite for the free movement of persons), Lithuania and Poland refrained from raising the issue of Kaliningrad within the format of accession negotiations with the EU. The focus was on the expeditious accession to the EU, with the ensuing right to vote in the process of shaping the EU policy⁷⁸.

Both Poland and Lithuania, alongside with their announcement about the plans to introduce the visa regime in regard to Kaliningrad, emphasise their intention to take measures aimed at the maximum increase of the border crossing capacity, thus reducing the barrier effect on the free movement: expand the network of consulates, develop the infrastructure of the border crossing points, issue cheap visas.

In order to avoid the transformation of the new paper/procedural borders into political, measures aimed at mutual confidence building are being introduced at various levels (local, regional, administrative, and private). It is planned to continue on an enhanced level the existing cooperation initiatives, including participation and active involvement within the framework of the Northern Dimension and the Council of the Baltic Sea States (for instance, at the April 2001 Conference in Luxembourg, Lithuania and Russia together submitted 5 revised and updated projects – the Second Nida Initiative); in the “Baltija” and “Saule” Euroregions; by implementing the existing projects in the area of civil society development; promoting cooperation between non-governmental organisations and research institutions, etc.

⁷⁵ Stanyte-Tolockiene I. Kaliningrado sritis ES pletros poziuriu [Kaliningrad Region in the Context of the EU Enlargement] in *Politologija*. – 2001. – No.2 (22). – P. 56 – 57.

⁷⁶ *Ibidem*. – P. 56 – 57.

⁷⁷ Grabbe H. – *Op. cit.* – P. 520.

⁷⁸ Mayhew A. *Enlargement of the European Union: an Analysis of the Negotiations with the Central and Eastern European Candidate Countries // Sussex European Institute Working Paper*. – 2000. – No. 39. – P. 57 - 58.

Lithuania and Poland are closely following the EU-Russian dialogue on the issue of Kaliningrad. Poland has declared its position in regard to the Commission Communication where it emphasised that Poland was determined, in cooperation with its partners, to foster the development of processes in Russia aimed at creating conditions for a “open” attitude of Russia towards the European integration.

In other words, the resolution of the Kaliningrad issue in Lithuania and Poland seems to have taken two directions⁷⁹: in the short term: to further maintain active sub-regional cooperation aimed at preventing the isolation of the oblast; to search for procedural/technical decisions, provided for by the *acquis* or left within the national competence, which could soften the impact of the EU membership requirements on the relations with the Kaliningrad oblast; to support the enhanced dialogue between the expanding EU and Russia on the issue of Kaliningrad and the development of a EU-RF relationship model in the Kaliningrad oblast. In the long term: to follow a successful Finnish example and try to “cummunitarise” (transfer to the European Union level) their policy in respect to the oblast, thus achieving long-term political interests and aims within the framework of the dialogue between the enlarged European Union and the Russian Federation.

The EU enlargement, by changing the essential parameters of Kaliningrad’s political and economic environment, thus creating the pressing need for expeditious in-depth modernisation of the oblast, for the implementation of which Russia is not ready and lacks capacity, becomes a trigger of the crisis potential evolution. The danger of the spillover effect (in the sense of the infringement of essential values) is experienced not only by Russia but likewise by the EU and candidate countries. Due to this reason, successful crisis prevention should be an important interest for all regional actors. Nevertheless, a review of their position reveals several tendencies.

Because of the need for fundamental reforms in the Kaliningrad oblast and the asymmetry of the EU accession process, the EU and Russia “monopolise” the process for the resolution of the Kaliningrad issue. The scope and effectiveness of the initiatives offered by the candidate countries – Lithuania and Poland – to a great extent become dependent on the “-framework”- conditions determined by the decisions of Moscow and Brussels. In other words, the EU and Russia possess adequate power for crisis prevention, while the capacity of Lithuania and Poland is limited to sub-region initiatives, which are albeit important but inadequate condition for successful crisis prevention.

⁷⁹ Stanyte-Tolockiene I. – Op. cit. – P. 57 – 58.

The assessment of the evolving situation by both Moscow and Brussels does not seem to be adequate: Brussels comparatively recently acknowledged the importance of the Kaliningrad issue, likewise the possible negative impact of the enlargement on the oblast. Moscow is defining the consequences of the EU enlargement on Kaliningrad in terms of economic costs and the notion of the oblast's separation from the "Great Russia", though, a certain conflict between the values of prosperity and territorial integrity seems likely to be resolved in favour of the latter. This determines concentration on the technical/procedural aspects of the *acquis* application without raising the question about the development of the necessary prerequisites for the oblast's adaptation to the transformed economic environment.

Both Russia and the EU, even though they have monopolised the decision-making process, clearly decline from taking responsibility for the development of the oblast, surrounded by the enlarged European Union. Consequently, there is disagreement about the agenda, aims and tools. The fact that, despite the expected costs in terms the increased vulnerability of certain EU and Russian values, there is a lack of strong political determination to decide the Kaliningrad issue *in essence* (by resorting to unconventional tools for breaking the *status quo*), enables to make an assumption that the problem of successful adaptation of the oblast (together with the relevant values) is not placed high on the Moscow's agenda. It is evident that Brussels seems likely to start discussing the application of a special regime in respect to Kaliningrad only after a firm will to award the oblast a certain special status in the relations with the EU has been demonstrated by Moscow⁸⁰.

The circumstances where both Russia and the EU possess an adequate political power, but fail to possess political will to change the existing situation, while Lithuania and Poland, even though they more or less adequately assess the situation and agree on the definition of the problem, as well as its resolution aims, do not have the power to take the necessary decisions, make it possible to conclude that (at the present time) the requirement for the successful prevention of the crisis in the resolution of the Kaliningrad issue is not satisfied.

In the long run (the EU-membership of Lithuania and Poland approaching) positions of players are likely to change (it seems that Moscow itself does not believe that its demands related with various "corridors" will be satisfied, which enables to presume that real negotiations have not yet actually started). The real threat, posed by the inability of the oblast to adapt to the changing environment, has not yet been realised by all actors. With the approach of the Lithuanian and Polish membership, the evidence of the costs and the

⁸⁰ Nyberg R. The Baltic as an Interface between the EU and Russia // The EU and Kaliningrad. Kaliningrad and the Impact of EU Enlargement / eds. Baxendale J., Dewar S., Gowan D. – London, 2000. – P. 43 – 57.

necessity for “real negotiations” will increase. Without the agreement in principle on the Kaliningrad oblast being reached before the EU enlargement, the positive attention of Brussels towards the region might be expected to grow: the enlargement will “shift” the EU gravity centre eastwards; after the enlargement, the EU agenda will be less “busy”, while the membership will provide for Lithuania and Poland access to new levers and instruments transferring their policy towards the oblast to the European Union level. However, meanwhile, the prospects for the development of the Russian federalism and Moscow’s policy in respect to Kaliningrad remain quite obscure. In addition, there exist factors which limit the possibility to apply, in respect to Kaliningrad, (e.g. the presidency of the EU southern states, NATO expansion, which will inevitably increase the oblast’s military dimension and strategic importance) the assumption that with the time period until the crisis getting shorter, the preparedness of the decision-makers for the crisis prevention increases.

Conclusions

The changes in the global balance of power have inspired the diversification of the Kaliningrad issue. Kaliningrad oblast still remains for Russia the instrument for the military pressure. Nevertheless, it has no essential influence for the sovereignty of Lithuania and the other Baltic States. The power of the Western democratic defence structures eliminated the Russians possibility to use the issue of military transit as the factor to postpone the integration of Lithuania and other Baltic into NATO.

It is obvious, that Kaliningrad issue is, first of all, the problem of the Russians internal politics. The issue could be solved in the context of the whole programme of Russia’s modernization only. The EU’s enlargement to the East demonstrates, that in order to avoid an encroachment on Russia’s sovereignty Brussels waits for the internal transformation of the Russian Federation and/or Moscow’s special decision on Kaliningrad issue. The situation does not eliminate the threat of the economic and social-humanitarian crisis. The escalation of the last scenario could develop into the reanimation of the military tensions.

It should be remember that in some circumstances Moscow would again seek a relevant political agreement on the Russian military transit to/from Kaliningrad oblast for the providing international legal framework. In this event, the position of Vilnius ought to be unequivocally oriented towards a refusal of annual renewing of the military transit on the basis of the notes of 18 January 1995, which in essence bears only ritual character.

Vilnius would have to demand the military transit through its territory to/from Kaliningrad to be both factually and formally-legally carried out on the basis of its (Lithuania's) internal jurisdiction. The key formal argument to support this position might be the circumstance that the notes concerned are based on the 18 November 1993 agreement between the Republic of Lithuania and the Russian Federation upon the transit of the latter's army withdrawn from Germany. This agreement in particular documented the transience of the process concerned by de facto defining the period of validity of the agreement itself.

It should be emphasized that the EU enlargement as such is not a cause of the crisis potential evolving in the area as it reveals existing basic structural problems. However, enlargement of the EU is a factor of the crisis potential evolution as it results in an inexorable pressure for rapid in-depth modernization of the area, for which Russia is not once and for all ready and lacks capacity.

It may be stated that at the moment the preconditions for successful crisis prevention are not sufficient: Russia and the EU have sufficient political power, but no political will to change the prevailing practice, whereas Lithuania and Poland do not have any power to make necessary decisions although they agree on the definition of the problem and objectives of solution thereof.
