

**THE IMPACT OF EUROPEAN INTEGRATION PROCESSES
ON BALTIC SECURITY**

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Introduction

The aim of the research is to assess the security prospects of the three Baltic states eight years after the restoration of their independence in 1991 in the context of European integration processes. During that time Estonia, Latvia and Lithuania have established democratic societies, building free market economies and striving for full involvement into Trans-Atlantic structures and European integration processes. All three states have chosen their foreign and security policy priorities, namely, membership in the EU and NATO. EU and NATO enlargement issues, however, appear more complex and controversial than in their initial phase and the diplomatic efforts of the Baltic States toward implementing their pro-western policy of integration have not been always met with success. It has become clear that stated foreign and security policy goals and efforts toward implementation of these as well as the democratic orientation of the states are in themselves not enough to gain security for the Baltics on a permanent basis, that is, to achieve the irreversibility of restored independence.

Instability in the international system after the end of the Cold War and on-going systemic changes make their presence felt on Baltic politicians making them constantly alert to even the slightest shift in international undercurrents that may determine the future status of Baltic states in the new world order now emerging. The Baltic States accordingly must show flexibility in coping with prevailing political realities while at the same time reasserting their foreign policy goals. Hitherto, there has been no indication that the strongly pro-western orientation of the Baltic States could be questioned by international community.

The period of euphoria and resultant illusions about the quick emergence of a new European security architecture after the collapse of the bipolar world order has come to an end. The debate today is no longer defined by illusions of total friendship and peaceful transformation of the international system but rather by a set of comprehensive and complex issues including ethnic conflicts, military confrontations, border disputes, refugees and illegal migration, organised crime, drugs, money laundering, and Kosovo crisis.

The Baltic states already enjoy full membership in the UN, The OSCE, they are associate partners of the WEU, they have ratified European agreements with the EU. The promise given by European institutions that “Europe is going East” has been kept planting thereby the first roots of political belief in the Baltics that they will join the Club in the nearest future. Some of promises had become a reality. Estonia has been invited to start negotiations with the EU and Latvia and Lithuania is expecting to receive the same invitation in the end of 1999. The Washington Summit named all three Baltic States as candidates for the next round of enlargement.

However, security prospects for the Baltic States are clear there is still a question -what policies should be chosen in order to speed up their European integration processes.

Therefore, the next decade for the Baltics will be characterised by determined efforts to find the best possible solutions for their fragile security situation within the context on ongoing process of integration.

A threshold of the research is integration process. In the project integration will be analysed in both – in the eastern and the western regions of Europe. Historically, these two regions demonstrated two models of integration - either voluntary and consensual, or enforced and coerced, know as imperialism. It is, of course, difficult to imagine traditional coercive methods renewing empires being used today. However, it cannot be denied that integration processes taking place east of the Baltics are different to the Western tradition., and therefore, the analysis of them is in order.

In fact, the Baltics as small states find themselves facing an integration dilemma, which will be tested. This dilemma has been defined by Glenn Snyder, and its essence lies in the fact that each political step is an either/or choice; either the state gives up a substantial part of its sovereignty with the danger of being entrapped in the integration system, or the state insists on its independence with danger of being abandoned, i.e. not included in the integration process with the disadvantages which might ensue.

The Baltic States have chosen to be entrapped in the integration system. Although, the pace of the involvement and effects of it have not been assessed yet. Therefore, the research will focus on following main issues: How far The Baltic States are integrated into the EU and NATO already; How the ongoing co-operation in the Baltic Sea Region assists in achieving

integration goals; Daian; How Russia is influencing the implementation of the Baltic foreign and security goals.

The research report highlights only some of our findings and the most important conclusions. The full version will be published as a book at the end of 1999 by Helsinki University.

1. Joining the EU and NATO: Baltic Security Prospects at the Turn of the 21st Century

Atis Lejins

The history of the 20th century in the main has been a veritable catastrophe for Estonia, Latvia, and Lithuania: two devastating "hot wars" and a long "cold war," during which they were occupied for almost fifty years by a world power. The result brought two of the Baltic nations - Estonians and Latvians - to the brink of national extinction.

The collapse of the Soviet empire, in which the Baltic peoples played a significant role, did not bring within its wake the millennium – guaranteed peace, security, and high living standards. The "return to Europe" has proven to be a laborious journey giving rise to new costs, dangers and challenges. With a total area of 175.000 km² and a population of 7.8 million people the Baltics continue to form, though increasingly less so as the world geopolitical centre shifts to Asia, a sensitive security space along a still existing East-West divide. This cannot but leave its mark on their search for security, which, ultimately, is defined as gaining full membership in the EU and NATO.

A study of the security of the Baltic states and the twin enlargements now reshaping the Transatlantic space bring into poignant relief the particular "security problem" of the Baltics as independent states before the Second World War, "former republics of the Soviet Union" yesterday, and neighbours to Russia today.

By February 1998 the Baltics had become associated member states of the EU and were, in addition, included in the EU accession negotiations process with Estonia one step ahead in the process. Furthermore, a year earlier at the Madrid summit NATO recognised the right of the Baltics – despite Russia's determined opposition - to join the alliance. Economically all three states show continued economic growth in 1998 of about 4

per cent, which, though significantly less than expected due to the collapse of the Russian market, is nevertheless matched by continuing low inflation rates.

If the new European security architecture based on co-operative security will succeed in overcoming old East-West lines of division dating back to the 13th century, then the foundation for solving the "riddle" of Baltic security will be laid for the next century. If this fails, the only other alternative for the Baltics is the status of front-line EU and NATO states if they are not to be thrown back to a revanchist Russia.

Background

The year 1997 was a momentous year for Baltic security: the EU decided to enlarge by inviting one Baltic country - Estonia - to begin accession negotiations while at the same time ensuring that the accession process on a lower level also included the other two Baltic states, Latvia and Lithuania; NATO decided to enlarge eastward by inviting three Central European states to join and leaving the door open for other aspirant states: The three Baltic states were indirectly referred to in the NATO 8 July Madrid summit declaration and explicitly named as candidate states at the NATO Washington summit. At the same time the Baltics have developed a model of co-operation that has become the most successful example of regional co-operation in Central and Eastern Europe after the break-up of the Soviet empire. An institutional framework of Co-operation has been created based on the Nordic model, which has led to agreements beyond free trade, to the abolishment of non-tariff barriers and common transit procedures based on EU norms and regulations.

However, though NATO (and the USA as expressed in the Baltic-American charter) put inter-Baltic co-operation at a premium, the opposite is true of the EU. The Baltic states earn no "points" in this regard from the EU; in fact, the EU approach - differentiating the three Baltic states - has, on occasion, given rise to tension between the Baltics. At the same time, however, it is also welcomed by them if this is the way to help them escape from their "former republics of the USSR" label.

It is the thesis of this analysis that the Baltic states are firmly engaged in the EU integration process but less so with respect to NATO. After the EU Luxembourg and Vienna summits in 1997 and 1998 respectively, the roadmap to EU membership has become clearer with the "Russian factor" receding in the background only to be replaced by the issue of stalled EU internal financial and institutional reforms appearing as the main impediment to Baltic EU membership. Latvia managed to gain the endorsement of the EU Commission, subsequently confirmed by the Vienna EU summit in December 1998, that accession negotiations could begin in 1999. Lithuania, though praised for progress made, was still nevertheless left waiting.

In the case of NATO membership the "correlation of forces" (to use a Marxist term) both in the West and Russia is even less favourable to the Baltics, even though joining EU is much more difficult. Russian opposition to Baltic NATO membership is the main obstacle while the Baltic "lobby" in NATO is basically restricted to that of the USA, Denmark and – most recently - Norway. The role of the USA is key to Baltic membership in NATO but even here there is a strong desire for a pause to further enlargement after the initial three eastern new members are "digested" in the system, which itself is undergoing change in response to new threats and challenges.

The EU Roadmap

Finding themselves placed in the unenviable "Soviet ghetto" - a condition for which the Baltic states themselves are not responsible – initially delayed the Baltics from integrating into the EU. The European Agreements with all three Baltic states were ratified by EU members states only by late 1997 and came into force on 1 February 1998. This was a consequence of the collapse of the Soviet Union in 1991: the other Central and East European EU candidate states, except for Slovenia, broke away from the still-existing USSR orbit already in 1989 and became associate states earlier. Slovenia became an EU associate state in 1996 only after property claims raised by Italy were settled between Slovenia and Italy. This historically determined timetable, however, does not mean that the Baltics lag behind the other CEE states today. An internal EU Commission note grading the ten CEE states in late 1996 showed that the Czech Republic, Hungary, Slovenia, Slovakia and Estonia were

in the first, most economically advanced group. Poland, Lithuania and Latvia were placed second, while Romania and Bulgaria were deemed to be far behind in meeting membership criteria.

Without the energetic lobbying of her Nordic neighbours the Baltics may have dropped "out of Europe" altogether. On 4 October 1994 the EU foreign affairs ministers meeting in Luxembourg decided to admit CEE ministers responsible for foreign affairs, finance, interior, transport and environment to take part in the so-called "structural dialogue" with the EU.

The Baltic states, however, were not on the agenda and hence faced the very real prospect of being split off from the rest of the CEE states into a distinct "former republics of the USSR" category.

Due to the intervention of the Nordic countries (even before their formal admission to the EU) the Balts were put back on the agenda and European agreements were signed in June 1995. Mr. Douglas Hurd, the British foreign minister in his remarks at the meeting indicated the geopolitical disadvantage that the Balts faced. According to diplomatic sources, he said that the proximity of the Baltic countries to Russia gave rise to security problems, which could make their membership in the EU hard to accept.

Due to a shifting coalition supporting the Baltics Estonia was invited by the Luxembourg EU summit in 1997 to the "fast track" accession negotiations. This carries the potential possibility of knocking out the corner stone of Baltic security - Baltic co-operation - and throwing the Baltics back to the disunity of the thirties when each Baltic state pursued separate foreign and security policy objectives.

Baltic Sea regional co-operation is impossible without close co-operation between the three Baltic States. The ideal of a Baltic common market leading to an eventual Baltic Customs Union, however, appears not to have been abandoned despite the strains in pursuing security guarantees in the wider EU and NATO context. Hence, Baltic co-operation remains the "general rehearsal" for EU membership.

At the Vienna EU summit in 1998 Latvia, though receiving the most praise, was not, however, put on the fast track, but did receive assurance that this could happen in 1999. "...the Commission wishes to highlight the particular progress made by Latvia. If the momentum of change is maintained, it should be possible to confirm next year that Latvia

meets the Copenhagen economic criteria and, before the end of 1999, to propose the opening of negotiations."

Lithuania followed closely on the heels of Latvia with this evaluation: "Considerable progress has also been made by Lithuania. However, additional measures are needed and some recent decisions need to be tested in practice before it can be considered to meet the Copenhagen economic criteria, which should allow the Commission to propose the opening of negotiations."

Although the EU asserts that the evaluation is based solely on objective criteria the struggle within the Commission over each country's evaluation and the rearguard battle that was fought within the Commission up until the General Affairs Council meeting on the eve of the Vienna summit showed clearly the conflicting national interests of each member state and thus the pre-eminence of politics in managing enlargement.

The Transatlantic Link - NATO

The Baltic States from the very beginning of restored independence quickly made known their enthusiasm to join NATO. The former "enemy" was seen as the sole guarantor of independence against Russia, which was mistrusted and which had troops in all three states inherited from the Soviet era until 1994. Relations with Russia were strained not only because of the presence of the Russian troops, which were viewed as symbols of the long occupation, but also because all three Baltic states had to accept that a large number of retired Soviet army officers remained living in their countries as part of the deal in securing the withdrawal of the Russian army. Latvia was left with 200.000 retired officers, twice the number in the other Baltic States. Coercive diplomacy on the part of Russia over the citizenship issue for "Russian speakers" and a massive international campaign alleging gross human rights violations in the Baltic states strengthened the political elite's striving for NATO membership.

The main problem is Russian opposition to Baltic membership in NATO and the belief that the Baltics as "undefensible," which, together with the problem of Kaliningrad and Russian

minorities make Baltic accession to NATO a much greater challenge than it was in the case of Poland, Hungary and the Czech Republic.

NATO, until the launching and implementation of the Partnership for Peace Program in 1994, demonstrated a very cautious attitude to the Baltics not unlike that of the EU. Until 1996 when a number of Swedish anti-tank shoulder-fired rockets were delivered to BALTBAT, the Baltic Peace Keeping Battalion, an unofficial arms embargo was upheld against the Baltics.

By the beginning of 1998 the security situation for the Baltic States had improved considerably. Arms were being delivered to the Baltics and the last Russian military base in the Baltic states, the Skrunda ABM site in Latvia with several hundred military specialists ceased operations on 31 August. But the observation made by Asmus and Nurick in 1996 that the Baltics and NATO enlargement is "one of the most delicate questions facing the Alliance" is still valid. Deputy Secretary of State Strobe Talbott during his visit to the Nordic countries in January 1998 affirmed the validity of this observation by saying that ultimately, the Baltic States are "the litmus test for the success of NATO enlargement and for our European policy as a whole."

The Baltic question is delicate because the three states - Poland, Hungary and the Czech Republic - that were invited to join NATO in 1997 were the states least facing a possible threat from a revanchist Russia and are, in addition, not militarily as weak as the three states that need a collective defence insurance policy most of all - Estonia, Latvia and Lithuania. However, if Russia's opposition to the initial NATO enlargement was a smoke screen for the real battle - stopping the Baltics from joining, then the stakes have been raised now that the three central European states are in. The Russians have now fallen back to their main "line of defence."

The Balts have plenty of time to get ready for NATO. The NATO 50th anniversary in April, but for the Kosova war, would have turned out just as predicted in Riga in 1997, a "celebratory affair, with the crowning act being the induction of three new members into the Alliance - Poland, the Czech Republic, and Hungary." No other states were invited to join and the question of further enlargement will only be raised at the next summit in 2002.

The position of NATO to future enlargement was spelled out in two main principles by the Prime Minister of Great Britain Tony Blair on the eve of the Washington summit and which

were incorporated in the Communiqué. The first, enlargement will continue at the right pace, i.e. once the applicants and NATO itself are ready; the second, their inclusion in the Alliance strengthens European security as a whole.

The American Connection

In his speech at the Latvian Freedom Monument in downtown Riga on 6 July 1994 President Clinton said - "And as you return to Europe's fold, we will stand with you." Subsequent events have borne out this promise. America became involved in Baltic military co-operation endeavours becoming the largest contributor to BALTBAT. More significant has been America's assistance in the design of the Regional Airspace Initiative (RAI) leading to BALTNET which will, after implementation, link the surveillance of Baltic air space to the NATO civil-military air traffic system through Poland. US bilateral assistance to the Baltic states evolved from the internal policy document "Baltic Action Plan" and led to the "Charter of Partnership and Co-operation Between the United States of America and the Republics of Estonia, Latvia, and Lithuania." The Charter states that if a Baltic state feels that its "territorial integrity, independence, or security is threatened" it can consult the USA either bilaterally, or, together with the USA, use multilateral mechanisms that already exist for consultations. The opportunity of security consultations on a bilateral basis with the USA is a significant security asset for three small states that have been more than once pawns in big power politics.

The Charter has already been tested during the March Latvian –Russian crisis in 1998 when the FBI helped investigate the bomb explosion at the Jewish synagogue in Riga which occurred on the very day Richard Holbrooke arrived for a visit, followed by a "sharply worded letter" sent by Secretary of State Madam Albright to Foreign Minister Primokov as the crisis deepened.

Another test was the audio-visual market dispute between the EU and the USA concerning Latvia's admission to the WTO. Latvia chose the EU's position and eventually the EU won the dispute; Latvia, after all, was to become a member of the EU and the USA, as spelled out in the Charter, supported Latvia's EU membership. The dispute, however, delayed Latvia's membership in the WTO for a year, a long time for a state in transition desperately

seeking new markets for its goods and contending with discriminatory trading practices on the part of Russia. Strategically, the USA sees the three Baltic States as key to regional co-operation as seen in the Northern European Initiative launched by the USA in 1997.

2. Baltic Sea Region – A Test For European Integration

Zaneta Ozolina

The dynamics of Baltic Sea Region development

The attitude of BSR countries vis-à-vis the region as such has undergone several periods of increasing and decreasing enthusiasm. The logic of events in this part of the world shows that interest in regional co-operation usually declines at the point when countries find an opportunity to become involved in broader and more significant entities such as the EU and NATO. When the activities of such institutions recede, however, countries look for opportunities to pursue their national interests under the framework of other unions of countries. However, the BSR is still an attractive arena for all involved actors. Why are the 267 political (both governmental and non-governmental) actors in the BSR showing increasing and stable interest in the nearest international environment? One explanation lies in the fact that the BSR is a completely new project, one which did not exist before the collapse of the USSR.¹ If after the Baltic states and Poland saw the region as a “window to Europe” when they first established democratic regimes, then now it has become a “window of opportunity” for all eleven countries in the region, and no country wishes to miss that opportunity.²

In terms of *economic* development, the BSR is one of the most dynamic regions in the world. Interregional trade already amounts to more than USD 100 billion, and it is expected

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

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

that the volume may triple by the year 2000, then triple again by the year 2010.³ Economic relations are blossoming at all levels. The Union of Baltic Cities, for example, brings together 65 cities around the Baltic Sea. They participate in a number of projects amongst themselves, or under the umbrella of the CBSS, dealing with economic, environmental, cultural and other issues. Financing is received from the EU, and this helps the various cities in terms of economic development, as well as in terms of practical movement toward the European Union.⁴

Politically the Baltic Sea Region has become an area of high stability, if we compare the situation with what was happening two years ago. This is indicated by processes in the various individual countries, as well as by Russia's increasing involvement in the region and Moscow's growing interest to participate as a partner in the process. There is also the involvement of the EU in the BSR, which has become real through various concrete projects, programs and financing schemes.

Security issues were left off the table for a long period of time. This was partly because of the initially fragile nature of the emerging region at a time when there were fears against threatening the dialogue that had been undertaken and the atmosphere of trust that was being created, and partly because of the security interests of the various countries in the context of an uncertain future for European security. It is clear that co-operation on security matters will continue in the region and between Baltic and Nordic countries but there will not be any attempts made and supported in the creation of alternative security organisation undermining already existing ones. It must be remembered that each multilevel and multipurpose regional network has a certain 'security load'.

Various **external factors** have always played an important role in the creation and development of the BSR. The influence of these factors has not been uniform; it has depended on each specific structure in the international environment.⁵ In the early 1990s, it was undeniable that geopolitical considerations in particular brought the countries around the

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

⁴ "Preparing Member Cities for the European Union – EU Funding Granted for the Project". *Baltic Cities Bulletin*, No. 2/1996.

⁵ See Ozolina, Z. "The Nordic and the Baltic Countries: A Sub-Region in the Making?", in Bleiere, D. and A. Lejins (eds.). *The Baltic States: Search for Security*. Riga: Latvian Institute of International Relations (1996), pp. 93-112.

Baltic Sea closer together. As we come toward the end of the century, however, very many different factors are dominating. The intensity of co-operation is dictated by institutional changes in the region itself, as well as by the overall triumph of institutionalism in Europe. The expansion of the EU and its links to the BSR provide evidence of this, as does the fact that the CBSS has been transformed from a debating forum to a structured organisation which finds the EU to be an active participant in various regional projects. Undoubtedly, the most important factor which is stimulating regional co-operation is the **European Union** itself, as well as the prospects for the EU enlargement.

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

The onset of EU enlargement was a test of the claims which had been made in various political forums to the effect that the Baltic states are one of the main foreign policy elements of the Nordic countries. EU enlargement was not only a test of political rhetoric, however. It was also linked to a whole range of purely practical issues. First of all, two of the Nordic countries became members of the EU only in 1995. This meant that Finland and Sweden themselves had to integrate into the institutional system of the EU and to adapt to the various economic, social and other processes which this entailed. Simultaneous national adaptation and the involvement of new candidates in the EU meant the first real step in the move from simpler forms of co-operation to a process of all-out co-operation. The decision by Denmark, Finland and Sweden to help the Baltic states to become members of the EU was the result of the regionalization policies which had been begun earlier and which were expressed by the political elites of these countries in various foreign and security policy documents.

How is Nordic assistance in promoting Baltic strategies for eventual EU membership occurring now, and how might it intensify in the future? The most important element is assistance in preparing the Baltic States for membership negotiations. The Baltic states do not have the necessary knowledge and experience in this area, but Denmark, Finland and Sweden do. If the Baltic States have “Europe policies” which are six years in the making, the Nordic countries can look back on 20 years of experience. The next level involves the

expression and defence of Baltic interests at the bilateral level between Nordic countries and other EU member countries, as well as in such EU structures as the European Council, the European Commission and the European Parliament. It is also important to continue to increase investments and to develop multilateral co-operation forms, including in the field of security and military issues. At the political level, it is important to maintain regular dialogue among themselves and with other Baltic Sea Region countries, demonstrating that stability, security and economic welfare in the BSR (a region which is becoming an inseparable part of the EU) is an important issue in terms of Scandinavian interests.

The new approach to Nordic-Baltic EU integration process was affirmed in December 1997, when at the Luxembourg Summit of the European Council Finnish government came up with the proposal of establishing a “Northern Dimension” policy for the EU.⁶

A concept of the ND is based on several considerations. First of all, Helsinki wants to clear up the EU’s less-than-clear policy towards the Northern reaches of Europe. Given the region’s development prospects in the future, there must be a concrete and specific policy with respect each regional country, including Russia. Taking into consideration that almost all countries soon will become EU members it means that soon the dimension could become a bridge for a variety of relationships between the EU and Russia. It is possible that in the future the ND will describe the “Russian dimension in the EU. A second issue here is the rapid economic development that has been occurring in Northern Europe and the region’s geo-political situation between the East and the West. The Finnish government feels that transit and trade in this geographic environment will boom in the nearest future, while existing infrastructure and technological levels are far short of future requirements. This means that the region must prepare now to utilise the opportunities that the mutual economic interests of the region’s countries and the EU can afford. Much of the ND is focused on the development of such sectors as energy resources, raw materials, wood products, transit, the transportation infrastructure, environmental development and nuclear safety.

A third consideration emanates from the EU’s existing experience in developing promising regions in which there are entities of various developmental levels – the Mediterranean region, to name a specific example. That region was established by the EU in 1995 with a

USD 5 billion budget over four years with the aim to promote free trade and to reduce differences between the nations in the North of the region and those in the South. The project has been successful so far, and it has caused the EU to develop a Southern Dimension that is powerful and with a distinct identity. One of Finland's hopes is to bring the same kind of favourable result to Northern Europe, and by attracting financing gain benefits also for Finland. By "Northern Europe" Finland understands not only the BSR, but also the Barents Sea Region and the Arctic Council.⁷

The fourth issue is the fairly tense security situation in Northern Europe, where Russia continues to have a concentrated military and nuclear weapons potential, the control over which is closely linked to the chaotic political situation in that country. Increased co-operation and greater investments in the region would serve to increase stability and security, too.

Fifth, the ND is, on the one hand, an instrument with which to attract EU attention to Northern Europe, thereby, changing the peripheral status of Finland. Helsinki could be given a regional leadership role in the North. On the other hand, by turning this issue over for EU consideration Finland has turned it into a broader, all-EU initiative.

Even though each Scandinavian country, which is a member of the EU, has its specific approaches for increasing links between the Baltic states and the EU. We must conclude that the co-operation, which began even before Finland and Sweden were admitted to the EU, and before the Baltic states were invited to accession talks, created a favourable environment for ascertaining that once the European integration process began in earnest, there were more unifying elements than differing elements between the Baltic states and the Nordic countries. EU enlargement will not only bring together in a single institution countries with similar values, but it will also enhance security and stability in the BSR as a whole, because the reform process will be promoted in the candidate countries, as well as in Russia through its special agreement with the EU.

⁶ The idea of establishing an EU strategy towards its external environment in Northern Europe was proposed by the Finnish Prime Minister Paavo Lipponen in a letter to the President of European Commission Jacques Santer.

⁷ Founded in 1996, it is an international organisation with eight members, the aim being to promote co-operation at the government and non-government level, and in the future, with external actors, too.

NATO enlargement and the reaction of the Baltic and Scandinavian countries

The beginning of NATO enlargement does not play as significant a role in relations between the Baltic and Nordic countries as does EU expansion. This is first and foremost because of the interests of the Nordic countries themselves. Only one of the three Nordic countries which are in NATO – Denmark – has consistently supported Baltic membership in Transatlantic structures, while the others have limited themselves to internal debates and about the future of the alliance about the right of each country to define its security and defence policies independently. Second, irrespective of a country's membership in one or another region, it was clear from the very beginning of NATO's enlargement strategy that the Baltic states would not be among the first group of countries to be invited to join. Excessive focus on the Baltic States in this process did not promise any political victories. Third, Denmark chose a policy of "active internationalism"⁸ vis-à-vis the Baltic states despite a lack of objective conditions for the policy to have any effect. This political choice was linked to the possibility that Denmark might increase its influence in the BSR and obtain a new identity within NATO.

If there is regular dialogue among the Nordic countries with respect to EU enlargement, along with co-ordination of activities at the regional and the EU level on the issue of NATO expansion and the future prospects of the alliance, they have largely stood apart from one another. Only Denmark and Norway are NATO members. This has to do with the historical tradition of not discussing security issues under the framework of Nordic co-operation, choosing to leave those in the hands of the individual countries. In addition, Finland and Sweden still have not made clear their attitude toward the alliance. All of the Nordic countries are unified in the idea that the Baltic States must be free to choose their own relations with NATO. Because the Baltic states, since 1995 have consistently stated that their security policy is aimed at NATO membership, the Baltic Sea neighbours of the three must take this into account. For that reason it is important to study the reaction of the

⁸ A more detailed explanation of this concept can be found in Holm, H.H. "Denmark's Active Internationalism: Advocating International Norms with Domestic Constraints", in Heurlin, B. and H. Mouritzen (eds.). Danish Foreign Policy Yearbook 1997. Copenhagen: Danish Institute of International Relations, pp. 52-67.

Baltic-Nordic countries to this aspect of Baltic security policy – the movement toward NATO.

As the turn of the century approaches, **Denmark** has become much more active in its foreign policy, and this can be seen as a yearning to reach and maintain a high international profile. The main way to achieve this involves the neighbouring countries of Estonia, Latvia and Lithuania, but it is equally true with respect to many different kinds of processes throughout the Baltic Sea Region. Even though Denmark is the most active supporter of the Baltic States in security and defence issues, it, like the other Nordic countries, does not want to guarantee Baltic security. This is largely because of the overall understanding of Europe's future security structures. An official document from the Danish Foreign Ministry states that “... they will not be able to accept such a task. Security in Europe cannot be regionalized, but the regional co-operation structures can make a useful contribution to general stability.”⁹ This is a far-sighted policy, because Denmark has chosen not to offer a replacement for alliance-oriented policies. Rather, it has offered to help the Baltic States to draw nearer to NATO and to prepare for full membership in the alliance. Denmark has actively participated in the development of various assistance programs in this area. Denmark also offers regular assistance in purely practical activities. For example, 100 Baltic soldiers were included in the Nordic-Polish brigade, which is participating in peacekeeping operations in Bosnia. In 1998 alone there are plans to implement some 80 joint projects in the field of military co-operation.

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

⁹ “Issues in Focus”, *op. cit.* [Note 9], p. 25.

environmental protection. This meeting resulted in an initiative –Friends of the Baltics, which later turned into more elaborate programme BALTSEA (Baltic Security Assistance).

Finland is one of the Scandinavian countries which must define its own attitude toward NATO in the new post-Cold War world and the possible role of the country therein. Until recently Finnish membership in NATO was not seen as a security policy alternative. Even though in a document that was signed on 29 May 1996 between Finland and NATO stated that Finland is not planning to join the alliance. Finland is especially interested of the effect of NATO enlargement on Northern Europe and the BSR.¹⁰ Finland's co-operation with the Baltic States in defence and security issues has been concentrated on Estonia, which receives help in officer training, defence planning, optimisation of administrative structures at the Defence Ministry, and in other areas. Latvia and Lithuania have virtually no contacts of this type with Finland.

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

In the current situation, it must be decided how the ongoing enlargement of NATO will influence Sweden and Finland. There are at least four parallel processes which both of the countries must take into account. First, NATO now includes Poland, but not the Baltic States. As compensation, the Baltic states are already being offered, and will continue to be offered, expanded co-operation with NATO. Sweden and Finland have been invited to participate in this process. Second, the Partnership for Peace program is being expanded and deepened with respect to countries which are not in NATO. Given that the Baltic States, Sweden and Finland are among the more active PFP participants, these processes

¹⁰ "Discussion Between Finland and NATO of Implications of NATO Enlargement on European Security". Finnish Ministry of Foreign Affairs, Number 211, 29 May 1996.

will bring the Baltic and the non-NATO Scandinavian countries closer together in military co-operation. Danish Defence Minister Hans Haekkerup has spoken of a “decentralised PFP-plus”. Third, Sweden is one of the most active participants in international peacekeeping operations. Through the “Europeanization” of the Combined Joint Task Force and NATO, Sweden will be drawn closer to NATO, as will other non-NATO countries. And fourth, by remaining outside the alliance, the Baltic States, along with Sweden and Finland, become an area of strategic interest for the alliance, a region whose security can be facilitated through the fostering of regional security co-operation.¹¹

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

3.The Role of Central Europe in Baltic State Policies

Daina Bleiere

¹¹ *Svenska Dagbladet*, 26 September 1996.

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

It should be taken into account that the accession process is becoming increasingly individualized, especially in the case of EU enlargement. The decision to start negotiations with Estonia first was important for the Baltic states from the security point of view, as it was a clear sign that they would not be left entirely alone even if their chances to become NATO members is not an issue in the short or medium term future. However, if during the previous stages the Baltic states moved towards the EU at the same pace (signing of free trade agreements and association agreements with the EU), now each country sets its own pace. Internal problems of the Union, the preferences of different EU countries, and global politics do play a role. However, the performance of particular candidate countries becomes increasingly important, in addition to their ability to “advertise” themselves.

This is less transparent with NATO enlargement. The signing of the US-Baltic Charter shows that the Baltic states still are looked upon as a geopolitical entity. Although individual ability to undertake the obligations of NATO membership and to attain compatibility is important, the decisive factor is the development of NATO-Russian relations and NATO member countries’ readiness to assume risks involved in admitting the Baltic states to the Alliance. From the military point of view the Baltic states form an entity. However, there could be political considerations and special preferences by particular NATO member countries as well.

Some analysts, especially, Zbigniew Brzezinski advocate a view that at first one Baltic state – the best prepared one – (Lithuania) should be admitted to NATO. However, this view was not approved by the Washington summit of NATO in April 1999. Nevertheless, there are indications that the Baltic states are looked upon increasingly according to each individual country’s ability to fulfill criteria of NATO membership.

The new situation calls for more flexible foreign policies and a revision of relations with different groupings of states as well as with particular countries. In particular, this applies to the Baltic states policies vis-à-vis the Central European countries, especially the Czech Republic, Hungary and Poland, whose membership in NATO is already secured and which have the best prospects for entering the EU in a few years.

Security consequences of the first round of NATO enlargement and the start of negotiations on the EU accession

Four problems related to the Central European countries are particularly important for the Baltic states in the enlargement context:

- 1) Czech, Hungarian, and Polish support for Baltic membership in NATO;
- 2) Military cooperation with the Central European countries within the framework of Partnership for Peace, Euro-Atlantic Partnership Council, peacekeeping and peace enforcement missions, etc. on a multilateral as well as a bilateral level;
- 3) Exchange of experiences and consultations on EU pre-accession problems;
- 4) Development of co-operation with Central Europe in the economic sphere, as well on the Maastricht second and third pillar issues.

With the Czech Republic, Hungary, and Poland joining the EU and NATO, the geopolitical situation in Central Europe will change immensely. They would obtain not only the “hard” guarantees of NATO’s Article 5, but also the “soft” guarantees of political and economic stability that come with EU membership. It can be expected that their economic and social development will become more rapid, even though their integration into the EU will not be easy because of the immense structural problems of their economies. As NATO and EU members they will obtain decision-making powers in those organizations. Of course, they will be weaker members, but the principles for which these organizations stand will guarantee some measure of equality regardless of the size or the political and economic influence of member states. The international prestige of the Czech Republic, Poland, and Hungary will increase, and that could potentially mean increased influence for the three in Central and Eastern Europe. Especially this is true as regards Poland – the largest country in

the region. It can play an active role in the region. Indeed, this is expected by the Baltic States.

The experiences of the Czech Republic, Poland, and Hungary in the integration with NATO and the EU are of particular importance for the Baltic states. NATO membership initially was looked upon by the CEE countries to a very great extent as a kind of symbolic gesture of being a part of “the West”. The Kosovo crisis has posed to the political elites of the newcomers to the Alliance an evidence that there are also obligations imposed by the membership and that NATO actions could meet a controversial attitude by their population. There are also different problems in relationship of the Czech Republic, Poland, and Hungary with the EU, which should be analysed by the Baltic states in order to realise the difficulties on their way to the EU.

Until recently the Central European countries were for the Baltic states fellow travellers and competitors on the way to a common goal. They were also brothers-in-arms in their fight against communist regimes and have similar problems now, in the transition period. The relationship, however, is becoming more complicated. As integration with the EU will take some time, and Latvia and Lithuania, at least theoretically, have a chance to outstrip some of the countries named by the European Commission, it is expected that in some aspects the competitive relationship will become more acute. At the same time, the three Central European countries will have a say on further NATO enlargement and their position on this issue is very important for the Baltic states.

From a purely military aspect, the security of Central European countries (especially Germany) has increased, because now the Czech Republic and Poland are the “hinterland” of Europe to the East and the Northeast.¹² The new NATO member countries, furthermore, will be interested in creating their own “hinterland” and in expanding the zone of security and

¹² German support, indeed, was decisively important in determining that NATO enlargement to the East would begin and that the Czech Republic, Hungary and Poland would be the ones to be offered first-round membership in the alliance. Despite Germany’s efforts to ascertain that NATO enlargement not exacerbate tensions between Russia and the West or domestic instability in Russia, Bonn nevertheless was active in supporting NATO membership for Central European countries, and especially for Poland. Worthy of notice, moreover, is a line of thought which emphasizes Poland’s own role in assuring Germany’s support: “Through symbolic politics and direct appeal, Polish policy makers have by their actions ensured that Germany decision makers view themselves as outspoken advocates for the Polish cause of joining NATO.” Hampton, M. N. “Poland, Germany and NATO Enlargement Policy”, *German Comments*, No. 49, 1998, p. 94.

stability. The Baltic states can neither threaten nor improve the geostrategic situation of the Czech Republic and Hungary in any major way. Undoubtedly all three Central European countries are interested in Baltic security, as well as domestic and foreign policy stability, from a political perspective, but their geostrategic interest, except for Poland, is at a much lower level. Even here, however, Poland's major concern is Lithuania, because of the shared border and the Kaliningrad enclave. However, the geostrategic interest is one side of a coin. There is a mutual interest of the Baltic and Central European countries to co-operate that stems from integration process in NATO as well as from specific political and military interests of each particular country. Practical implementation of those interests depend on political will and available resources of each country.

The Central European countries promised after the Madrid summit that they will enhance their co-operation with those countries in the region which did not find themselves in the first group of states to be invited by the alliance. As was pointed out by the ambassador of Poland to Latvia Jaroslaw Bratkiewicz, ensurance of stability and security in its regional environment is one of preconditions of NATO membership.”¹³

It may be predicted that Baltic economic co-operation with the Central European countries will increase. Especially, after Russian financial crisis of August 1998, the Baltic States as well as the Central European countries are forced to find new markets for their goods and has become more interested in mutual trade. Perhaps, this will increase their competition, however, this will be beneficial for development of mutual contacts and understanding.

Consultations between the CEE candidate countries on the EU enlargement problems are a pressing issue. Multilateral structured dialogue has been aimed at comparison of legislation of the CEE candidate countries, and has been beneficial as it helped the CEE countries to get more insight in particular sectors of national economies and legislation. However, this dialogue has showed that all candidate countries have similar problems and deficiencies. All CEE countries are choosing as a model legislation of particular EU countries, and an experience of other candidate countries has only restricted applicability.

Possible consequences of Kosovo crisis on the Baltic States' accession to NATO and the EU

In addition, there is the problem of influence of processes in the other Central and East European countries on the Baltic chances to integrate with NATO and the EU. The Kosovo crisis has diverted an attention of both NATO and the EU very much to the Balkans. Already the 1997 Madrid declaration had placed a greater emphasis on Southeastern Europe, especially Romania and Slovenia. Those countries had strong supporters behind their back – France and Italy. The Baltic States could count only on Denmark and Norway.¹⁴ This trend has been increased by Kosovo crisis. Necessity to stabilize the security situation in the region gives more credibility to efforts of Albania, Bulgaria, Romania, Macedonia, and Slovenia to obtain NATO membership. Despite rising anti-NATO sentiments in some of above named countries of the region, it can be expected that Southeastern Europe will be paid much attention by NATO after the military action will be over.

The Kosovo crisis has increased also deep anti-Western and anti-NATO feelings in Russia. It could be expected that Russia's opposition to the Baltic membership in NATO will increase. However, in the Kosovo crisis context it can be seen that Russia's ability to influence NATO has diminished. So it can be expected that more pressure will be applied to the Baltic countries directly, not through NATO countries. As was pointed out by Russian journalist and diplomat Alexander Bovin, Russia is annoyed not so much by NATO's expansion to the East as by the effort of the former Soviet republics to escape to the West.¹⁵

Even more complicated situation is as regards the EU enlargement. On one hand, the Kosovo crisis has enforced the positions of those who maintain that the enlargement process should be speed up in order to increase stability in the whole post-Communist space, and this means that Latvia, Lithuania, and Slovakia has good chances to receive an invitation to start negotiations at the December 1999 Helsinki summit of the EU. However, there are indications that there is very strong lobbying in favour of Bulgaria and Romania. It is not clear also will the situation in Balkans change the situation of Turkey.

¹³ Bratkevics, J., "Vértéjot pagatni un domajot par nakotni", *Diena*, 1999. gada 13. marta.

¹⁴ Ausra Park, Lithuania's Security Options: NATO and WEY Response.

¹⁵ *Izvestiya*, 29 April, 1999.

On the other hand, the Kosovo crisis has destroyed the economy of the Balkan region. In the Yugoslavia it is a direct result of military action and economic embargo. In Macedonia and Albania – due to refugee flows. In other countries – indirectly, as costs of interrupted communications on Danube river and through Yugoslavia. This will demand a great financial effort from NATO and the EU countries to help to rebuild their economies. But this could mean an increasing pressure from the countries, which never were particularly favourable to the enlargement and, eventually, the slow-down of the enlargement process.

A role of Poland in the region

From the Baltic point of view, Poland plays a special role in the region. It is a Central European and Baltic Sea country at the same time; it is the biggest country in the region and has considerable political, military, and economic potential. Poland may end up playing a very active role in the region, and this indeed has been expected by the Baltic States.

Former Polish Foreign Minister Dariusz Rosati, speaking on 8 May 1997 in Poland's parliament, stressed that "Poland's important task within the council of Baltic Sea States will also be to act toward enhancing the interest of European Union member states in this region and toward an extension of Union projects to cover the countries of the Baltic region."¹⁶

Also, at a meeting with former US Secretary of State Henry Kissinger, Prime Minister Cimoszewicz listed integration with the EU and NATO, as well as regional co-operation within CEFTA and the Council of Baltic Sea States as priorities for Polish foreign policy.

Poland, however, has a wide range of interests also in Central and Eastern Europe as mentioned earlier. We should take into account that relations with the Baltic States cannot be an exclusive priority in Polish foreign policy. But it could be also argued that the integration of Poland (as well as the Czech Republic and Hungary) into NATO and the EU will increase the already existing asymmetry with the Baltic States.

The Polish-Lithuanian strategic partnership is very important as it stabilizes the relations between the two countries, thereby contributing to the development of stability in Central and Eastern Europe as a whole. On the other hand, there may also be negative implications

¹⁶ "Priority Tasks for Polish Foreign Policy". An address by the Minister of Foreign Affairs, Dariusz Rosati, in the Sejm of the Republic of Poland, 8 May 1997.

for Baltic co-operation. There is a fear that Lithuania will abandon Baltic co-operation in favour of a Central European orientation in order to seek earlier admission to the EU and NATO with Poland's support. However, Estonia's probable integration into the EU and the developing regional co-operation in the Baltic Sea region will work to equalize this tendency. Still, an enhanced partnership with Poland is of major interest not only to Lithuania but also to Latvia and Estonia. Co-operation with Poland is a natural extension of Baltic co-operation, although there is a problem of resources on all sides.

Prospects of regional co-operation

An immediate result of the start of the enlargement processes is an increasing interest in mutual CEE co-operation. The beginning of the enlargement processes give a free hand for those countries admitted to the first wave of expansion to pay more attention to the development of relations with their neighbours since they are no longer afraid that this co-operation could delay their membership in NATO and the EU. It has also led to increasing interest from other candidate countries for co-operation with the Czech Republic, Hungary, and Poland, as well as with Central and Eastern Europe on the whole.

Already in December 1997, the foreign ministers of Poland and the Czech Republic agreed that "their countries will jointly and swiftly react to any moves that are intended to delay their accession to NATO."¹⁷ Parallel to such political co-operation joint actions on practical military matters are under way. For example, the Polish, Czech, and Hungarian defence ministers agreed on 30 January 1998 to form a joint consultative group to co-ordinate military infrastructures along NATO lines and co-operate in the upgrading of equipment.¹⁸

Recently some optimism has been expressed as regards a possible revival of the Visegrad group, especially, after Slovakia has returned on democratic track. Meeting in May 1999 in Bratislava, the Polish, Czech, Slovakian, and Hungarian prime ministers tried to set an agenda of common activities, such as creation of a common TV channel, cross-border co-operation, common refugees and visa policies.¹⁹ Of course, the main aim of this effort is to

¹⁷ Polish Daily News Bulletin, 21 Dec. 1997.

¹⁸ Radio Free Europe/Radio Liberty, 2 Feb. 1998.

¹⁹ *Frankfurter Rundschau*, 15 May, 1999.

speak one voice in Brussels. Nevertheless, so far there is a considerable opposition to the Visegrad co-operation in the countries under consideration.

We must agree with the view that, despite the enhancement of political and economic co-operation, the enlargement of the EU will most likely not lead to a “Visegradization” of the Central European countries – i.e., they will not become a specific region within the Union which enjoys in-depth economic, political and security co-operation. That is because the views of the Czech Republic, Hungary and Poland diverge on a good many fundamental questions.²⁰ It is possible that the Central European region would have been more attractive for the Baltic States if the Visegrad process had developed more successfully, and a more or less ideal model of co-operation between Central and Eastern Europe would have emerged; as was the intention when the Visegrad group was established. In the event, however, it has proven that the Central European countries are involved in a variety of forms of regional co-operation which form a mutually overlapping network of structures, but which are not centred around any specific nucleus.

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

This does not mean that there cannot be increased multilateral co-operation in the political sector – something, which Lithuania has promoted quite keenly. Integration into the European Union and NATO was the main idea behind the agenda and the accomplishments of a conference organized by the Polish and Lithuanian presidents in Vilnius on 6 and 7 September 1997. The conference was organized at a very high level (including the participation of the Russian prime minister) primarily thanks to the fact that the onset of NATO and EU expansion has reduced fears that regional co-operation may leave the

²⁰ Riishoj, S. The Visegrad Process and CEFTA. The Working Papers on European Integration and Regime Formation, No. 27, South Jutland University Press, 1997, p. 35.

Central and Eastern European countries in a “grey zone of security”. Quite the contrary – the countries, which have not been included in the first wave of enlargement are interested in receiving the support of the more successful countries in subsequent rounds of expansion. For Poland, the Czech Republic and Hungary, meanwhile, regional co-operation provides something of a guarantee for successful integration into NATO and the EU. What’s more, co-operation of this type provides opportunities to involve Russia in the resolution of regional security issues, and this is in the interests of NATO and the EU, as well as the Central and Eastern European countries. It is possible that some types of mutual co-operation, such as meetings between the Baltic, Polish and Ukrainian presidents, may become regular events. At the same time, the institutionalization of co-operation forms will probably happen on bilateral or narrowly regional foundations, but not in the form of mechanisms for extensive sub-regional co-operation.

With respect to regional frameworks, there is only one organization that has had a potential to embrace the entire Central and Eastern European region – Central European Free Trade Agreement (CEFTA). It has been described as a “success story” in Central European co-operation,²¹ and that is because this form of co-operation has been limited exclusively to the economic sector. At Portoro in September 1997 it was decided to start accession negotiations with Bulgaria, and Lithuania has not abandoned its intention to join CEFTA. Latvia’s intentions vis-à-vis CEFTA have never been formulated clearly, and it is not clear what policies Rîga may develop in this respect in the future. This perhaps depends mostly on Latvia’s prospects concerning EU membership, as well as the future development of CEFTA itself. As regards Estonia, it has not showed any interest in this form of regional co-operation so far.

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

In terms of regional work under the framework of the Baltic Sea Region, Poland acts more as a Baltic Sea country than a Central European state. Ground for optimism concerning the development of such co-operation lay in the fact that in addition to Poland and the Baltic

²¹ Hensel, L. “The chances of ‘Visegrad’ and CEFTA”, in Stefanowicz, J. (ed.) Polska w Europie na przełomie wieków. Warsaw: Instytut Studiów Politycznych Polskiej Akademii Nauk (1997), p. 172 (in Polish).

States, Germany and the Scandinavian countries (especially Denmark and Sweden) have demonstrated stable interest in the process. Their financial and economic resources can provide a solid underpinning for regional co-operation. It is also important that these countries are members of NATO, the EU or both. In this way regional co-operation does not contradict the strategic goals of the Baltic States to integrate into NATO and the EU.

Of special importance in this regard are different forms of cooperation (cross-border co-operation in the framework of the “Niemen” Euroregion, trilateral cooperation among Lithuania, Poland and the Kaliningrad region on economic and environmental matters, co-operation under the Partnership for Peace framework, etc.) which could help to stabilize the economic, social and military situation in the Kaliningrad region. Although it can be argued that “regional mechanisms for international co-operation that do not take into account the Russian point of view will produce an effect that is quite the opposite to that intended”²² with respect to Kaliningrad’s problems, as well as Russia’s efforts to use its economic influence to achieve political goals, the fact is that risks can be lessened through confidence-building measures and the ensuring of transparency (especially in the military sphere). It is also true that there are important incentives for Russia to participate in this type of co-operation.

We should make particular note of the potential for cross-border co-operation, because it helps not only to resolve practical ecological, economic and other problems, but it also promotes the integration of related regions in a variety of ways. The integration of countries in the region into the EU will increase the status of cross-border co-operation in that it will then involve co-operation across the EU’s boundaries.

Regional co-operation is facilitating integration with the EU, but at the same time it can also weaken nation states. As John Newhouse has pointed out: “As borders lose their meaning, deeply rooted patterns of commercial and cultural interaction are reappearing in regions where people have more in common, culturally and economically, with neighbours across the border than with their fellow countrymen.”²³ Fear of centrifugal forces is apparently one of the factors, which is leading Russia to try to ascertain that its work in the auspices of the

²² Zajaczkowski, W. “Polish-Lithuanian Relations: The Complexities of Geopolitics”, in Wohlfeld, *op. cit.*, p. 38.

²³ Newhouse, J. “Europe’s Rising Regionalism”, *Foreign Affairs*, Jan./Feb. 1997, p. 71.

Council of Baltic Sea States is run from Moscow. This, of course, is frequently opposite to the interests of those regions, which are located directly on the Baltic Sea. Poland, to cite an opposite example, is involved in co-operation directly through its coastal provinces, and Warsaw's role is insignificant. Overall, however, given that the statehood of Central and Eastern European countries is still in some cases shaky, that there is insufficient territorial and ethnic integrity, and that there are extensive traditions of centralized authority, there may be many underwater obstacles on the way to regional co-operation.

Successful regional co-operation requires several pre-conditions: common political, economic or other interests; existence of contacts at various levels (intergovernmental, at the level of local governments or cities, among business enterprises, at the interpersonal level, etc.); and a certain sense of historical or cultural community. Baltic co-operation with all of the Central European countries save Poland is based on political and, to a certain extent, economic considerations, but other components are hard to see in the process. There are some unifying elements and co-operation which is based on them (e.g., co-operation between Estonia and Hungary in studying the common Finno-Ugric history of the Estonian and Hungarian nations), but often these links are quite weak. People in Central Europe tend to know very little about the Baltic States, while people in the Baltic countries have a much better understanding of the Central European nations. During a visit to Rīga in February 1998, the chairman of the Czech Senate, Petr Pithart, said that Central Europeans often have trouble in telling Latvia, Lithuania and Estonia apart. Recognition is a key indicator of mutual links and the level of integration, and it is clear that in the case of the Baltic and Central European countries, these levels are quite low. The Baltic States must take concrete steps toward overcoming this problem.

It should be expected that bilateral co-operation will remain the leading form of political, economic, and military co-operation. It seems that regional co-operation will develop most successfully within the already existing regional patterns, i.e. Baltic Sea, Central European, South-East European, and Black Sea co-operation. Perhaps a link should be created to connect these regions. If such projects should enjoy support from European and Transatlantic institutions, and if they prove to be of practical importance the CEE countries, then they will develop and grow.

We must agree once again with the Hungarian scholar Andras Inotai who pointed out that successful regional co-operation in Central and Eastern Europe must be seen as a consequence of successful integration into the world economy, not as a precondition for doing so.²⁴ This notion is true also with regard to political and security co-operation. Thus EU and NATO integration creates the necessary conditions for establishing closer relationship between the Baltic and the Central European countries even though competition in the race to join the EU and the possibility that Baltic NATO membership may be delayed also create conditions for rivalry. Although there is a political will on all sides to collaborate more effectively, a more integrated relationship cannot be achieved in the short or even medium term.

In order to raise the level of integration of the Baltic States with the Central European countries several developments are necessary:

1. The Baltic States must catch up with the countries now about to enter the EU and already new members of NATO in economic and political development in order to minimize the asymmetry that exists in the economic, political, and military spheres.

2. Some form of cultural integration is indispensable. An integrated system can not be built from above solely. A multi-layered network of bilateral as well as multilateral relations on interstate as well as on local level, and on an interinstitutional and interpersonal level, is indispensable to achieve regional or sub-regional co-operation. Such a system is already being formed in the Baltic littoral. Perhaps the common experience under Communist regimes is the most important unifying factor; however, it is a transient one. It seems that cultural integration is possible only through "Europeanization," through consciousness of their being bearers of a common European cultural heritage, since there is no helpful historical background for the building of a CEE identity.

This will not be an automatic process, however. It will require conscious effort and resources. It is precisely the issue of resources, which is the largest problem when it comes to the effectiveness of Baltic and Central European co-operation with NATO and the EU in

²⁴ Inotai, A., "The Visegrad four: More competition than regional cooperation?," eds. Lippert, B. and Schneider, H., *Monitoring Association and Beyond: The European Union and the Visegrad States*. (Europe Union Verlag: Bonn, 1995), p. 167.

the context of integration. What's more, the lack of resources is problematic for both groups of countries, not just the Baltic States.

Poland's participation in various regional initiatives creates better conditions for more expanded co-operation involving Central Europe. It is clear, however, that the "gravitational pull" of the Baltic Sea Region is much greater than that of Central Europe. That is for economic, political, as well as cultural and historical reasons. Development of the "Northern Dimension" of the EU will foster an integration of Estonia and Latvia, as well as Lithuania, in the Northern Europe.

4.The Latvian-Russian relationship at the beginning of 1999

Aivars Stranga

Toward the end of 1998, the Latvian-Russian relationship was gradually losing the openly confrontational nature that is typical of a crisis, but greater progress toward normalisation was not experienced. On October 3, Latvian voters in a referendum approved liberal amendments to the country's citizenship law. For Russia this was an unexpected and undesirable result; Moscow had hoped that the amendments would be rejected so that it could continue its international campaign against Latvia without any difficulties. Just a few days before the referendum Russian Foreign Minister Ivanov announced that Russia's goal was to achieve "international intolerance" against Latvia, which was tantamount to asking for the country's international isolation. On the same day as the referendum vote, Latvia also elected a new parliament, and the results of this was the formation of a government in November that was led by Vilis Kristopans of the Latvia's Way party. The government's operational declaration took a very friendly stand toward Russia, one which, it might even be said, contained certain elements of naiveté. The declaration spoke of establishing a new phase in the relationship with Russia, one "free of historical biases". The government announced that it would come up with an initiative to "begin work on a declaration on the history and future of the relationship between the two countries." These positive intentions were put into the declaration at the behest of the prime minister himself, but in the process the government failed to take into account such very important factors as the fact that Russia has never been interested in a declaration on the history and future of the bilateral

relationship. Moscow is interested in things such as security guarantees that would bring political benefits to Russia, e.g., diverting the Baltic states from their pro-NATO path. Even though Prime Minister Kristopans expressed readiness to go to Moscow at any time (something that has been typical of Latvian politicians) and hoped that this would soon be followed up by an invitation, nothing much had moved forward by the spring of 1999. Russia announced that it would like to talk – in expert groups – only about so-called “humanitarian issues” such as new demands in the area of the situation of “Russian speakers” in Latvia. A deputy in the Russian Duma, S. Falalejev, announced openly that the Duma would ratify no serious economic or political agreement with Latvia (i.e., a border treaty) as long as the latter country continued to seek membership in NATO and as long as no new and extensive concessions were made with respect to the “Russian speakers”. The American ambassador to Latvia, James Holmes, was right in saying about the Russian position that “over the last several months we have been disappointed, because there have been true opportunities to improve the relationship between Latvia and Russia, while Moscow has not been forthcoming. [...] For some reason Moscow has not done this. We have been disappointed.”

There is another factor that has an impact on the Latvian-Russian relationship, and that is Moscow’s relationship with NATO. Even though the reaction which Latvia’s government had toward the NATO strike against Serbia was very measured, Russia greeted it with displeasure and announced that it could not help but have an effect on the bilateral relationship. In March 1999 the Duma once again began to talk about implementing economic against Latvia, while the chairman of the Duma’s Foreign Affairs Commission, Vladimir Lukin (Jabloko) went so far as to announce that Baltic support for NATO may give Russia’s radicals a reason to implement aggressive actions in the Baltic region.

In the area of economic relations, we can expect Russia to take advantage of a proposal to build a new oil pipeline (something that is a great hope of Ventspils Nafta) that has come from a newly established company called the Western Pipeline System. The pipeline would run from Northern Russia to Ventspils. Russia can use the proposal not only to wage new economic demands such as lowered reloading tariffs in Ventspils, but also to influence various political decisions. When the issue of privatising Ventspils Nafta came to the fore in early 1999, it quickly became clear that Lukoil would not be satisfied with the 20-25%

ownership share that Ventspils Nafta is prepared to offer to it. At a time when the profits of Russia's oil monopolies are falling, the aim is not so much to buy the share (there is a lack of funds for that), but rather to prohibit serious Western companies from participating in the privatisation of Ventspils Nafta. Russia's oil oligarchs want to want to keep their options open so that in the future, when their economic situation improves, they might gain a much larger share of the company. The new pipeline project has also served as a convenient piece of bait for the Latvian transit industry, and the process has already begun to bring dividends in terms of Russia's interests. The owners of Ventspils Nafta have begun to display nervousness, demanding a "normalisation" of the Latvian-Russian relationship (albeit without any clear understanding of how to accomplish this), and beginning to accuse Sweden and Finland of trying to push Latvia out of the transit business.

Russia's relationship with Lithuania and Estonia

Even though the issue of "Russian speakers" is not on the agenda in Russia's relationship with Lithuania – something that Russia is using to keep from normalising relations with Latvia – the Russian-Lithuanian relationship, too, was not in very good order in 1998 and the beginning of 1999. In September 1997 Lithuania became the first of the three Baltic countries to sign a border agreement with Russia, but that treaty has not yet been ratified in the Russian Duma. When in June 1998, Yevgenij Primakov – then still Russia's foreign minister – appeared in Vilnius for a brief visit, he announced that there were no unresolved issues between the two countries. He also said that a visit by the Lithuanian prime minister to Moscow could be expected in the fall of 1998 and that various agreements would be signed at that time. Nothing of the sort ended up happening, however. In August the Russian economy collapsed, and Moscow had no time to think about insignificant treaties with Lithuania. A bilateral negotiating commission between the two countries met in November 1998 for its second meeting, making no forward movement on the key issues such as an agreement concerning transit to Kaliningrad, a visa-free regime for Russian citizens in Kaliningrad, etc. We can predict that the Kaliningrad issue will become more complex. In April Boris Yeltsin ordered the Russian government to ensure independent energy sources for Kaliningrad (currently the region is completely dependent on Lithuania

and Poland); the Russian press saw Yeltsin's directive as a desire to maintain the military potential of the Kaliningrad region – a potential that has been declining all the time – just in case Russian-NATO relations deteriorate to a critical point.

The Russian economic crisis has also had a powerful effect on Lithuania. Even though Lithuanian banks were much less exposed to Russia than Latvian banks, Lithuania, like its northern neighbour, suffered heavily from the rapid decline in exports to the East. The crisis in Russia also unveiled the darker sides of the Lithuanian economy. Some 400,000 people in that country earn their living in the illegal labour market, producing cheap goods for the Russian market. Under conditions of dire economic straits, the Russian oil monopolies waged savage pressure against Lithuania. At the end of January 1999, Lukoil stopped shipping oil to the Mazeikiai oil refinery, thus trying to force the Lithuanians to give Lukoil at least a 33% ownership share in Mazeikiu Nafta and to increase the amount of money it was paying for oil bought from Russia. The Russian oil monopolies are also clearly trying to force the American company Williams International out of the Lithuanian market. In case the opposite happens, and Williams pushes Lukoil out of the market – and this started to happen in the spring of 1999 – the relationship between Russia and Lithuania will almost certainly become more chilly. The conflict with Lukoil was also one of the main reasons why the Butinge Oil Terminal did not begin exports of oil in January 1999, as Lithuania had vowed to do at the end of 1998.

Estonia was not at the centre of Russia's attention in 1998 and the beginning of 1999, largely because Moscow has been implementing individual approaches to each of the three Baltic States, and during this particular period it was more focused on Latvia. Russia was too weak to maintain pressure against both countries simultaneously, even though at one time Estonia was portrayed in Russia as the most wicked of the three Baltic countries. It is also true that Estonia, unlike Latvia, did not give Russia any reason for a new anti-Estonian campaign. Truly wishing to join the EU and not wanting to damage its relations with the West, for example, Estonia avoided Latvia's mistake with respect to the legionnaires of World War II. In Estonia the legionnaires held their commemoration quietly and without the participation of Estonian government officials in July 1998. Even the Russian press was forced to admit that Estonia had passed a difficult test of political maturity. At the same time, however, Estonia did not manage to achieve any significant results in bringing greater

order to its relationship with Moscow. No border treaty was signed, for example. The Estonian-Russian intergovernmental commission met for a long-awaited meeting in early December 1998 in Tallinn, but the results of that meeting were insignificant. The main economic issue concerned the double tariffs that Russia has applied to Estonian goods. These were not repealed, and the chairman of the Russian delegation, Valentina Matvijenko, said that the tariffs are linked to political issues, namely, the treatment of Estonia's ethnic Russian minority.

In June 1998 the Estonian parliament approved a concept paper on the integration of non-Estonians into the country's society, Russia continued to feel that Estonia had not done enough. The populist and nationalist mayor of Moscow, Jurij Luzhkov and his scandalous advisor A. Pereligin began to devote increased attention to Estonia. The latter man announced several times that Russia does and will continue to support Estonia's leftist, so-called "Russian-speaker" political parties. It is also true that as power in Estonia is taken over by the right-centre party of Mart Laar, Estonia will probably once again become an object of Russian criticism.

In conclusion, it must be stressed that the relationship of the Baltic States with Russia will long continue to be unstable, disorderly and with a tendency toward various mini-crises (at least). The main reason for this will be the position that Russia takes vis-à-vis the Baltic States. Overcome by all kinds of possible and impossible crises, Russia continues to display an arrogant and pushy attitude toward the Baltic countries. In the area of security policy, Russia's deteriorating relationship with NATO (because of the Kosovo crisis) is exacerbating Moscow's irritation with the Baltic desire to expand contacts with the alliance. In the area of economic relations, the deep crisis in the Russian economy is the main reason for problems. *The Economist* has noted that "the prospect of a fascist, feudal or thieving government in charge of thousands of nuclear and other weapons now seems less remote." The Baltic States have little hope of bringing order to their relationship with a country that is in as bad a situation as it has ever faced since the period between 1917 and 1920. Russia has never seen proper relations with the Baltic States as any kind of foreign policy priority for itself; both sides see the orderliness of the relationship differently, and Russia would be satisfied only if the Baltic countries were obedient satellites to the centre. The extent of the Russian crisis, however, allows us at least to predict that it will be too tired and weak to

implement any aggressive or excessively hostile policy toward the Baltic States. The best thing that the Baltic three can do in this situation is to implement their EU accession strategy consistently and without any hesitation, modernise their economies and re-orient their foreign economic contacts as much as possible toward more predictable markets, strengthen contacts with NATO, and continue to integrate the so-called "Russian speakers".

Conclusion

The Baltic states, after a generation of occupation and almost fifty years of life as Russian provinces have done well in building their security since the fall of the Soviet empire in 1991. All three have stable democratic institutions and functioning market economies and should no longer be perceived as "former republics of the Soviet Union." Any comparison between them and the situation in Russia and the other CIS states is no longer relevant.

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

It is impossible to say what future developments will arise both in Russia and its relations with the West after the disruption of NATO-Russian relations during the Kosova war.

Although Russia's strategic interests in the Balkans basically coincide with those of the West, the deteriorating political, social, and economic situation in Russia coupled with an ingrained anti-NATO mindset and anti-Western rhetoric can gain a momentum which develops according to its own logic leading eventually to a new Cold War.

One need not automatically pronounce Baltic membership in NATO as "dead" due to Russia's hardened attitude to NATO as a result of Kosova. The lesson that has been relearned from Kosova is that only a determined demonstration of massive force displayed at the very beginning can stop the tragedy of ethnic cleansing and aggression on the part of

Eastern dictators - hesitation and a gradualist military reaction as displayed in the beginning of the Kosova war on the part of NATO only multiplies the tragedy and increases the costs that must be paid to stop aggression.

Although it is in the Baltic States that Russia can still demonstrate her lost great power status, this does not rule out the very opposite conclusion that Russia can draw. With the arc of instability ranging from the Balkans to Tadjikstan possibly spreading further north into Russia to compound an already grim domestic situation, the Baltics, as integral parts of the "new West," can better serve Russia's interests than weak buffer states between her and NATO.

An important part of Baltic security is occupied by Baltic-Nordic relations. Over the last several years, there have been qualitative changes in the relationship between the Baltic and the Nordic countries. No longer a simple question of reciprocal activity, the relationship has grown into highly varied co-operation, and the volume of this co-operation continues to expand. These fundamental and progressive changes are linked first and foremost to increasing co-operation within the BSR, both at the bilateral and at the multilateral level. The enlargement of the European Union is the single most powerful factor in promoting co-operation between the Baltic States and Scandinavia. This is partly because the Nordic countries are interested in strengthening the EU's northern dimension and, with the help of the Baltic States, to eliminate the view that they are small countries with limited resources of power. It is also true, however, that as one of the main trends in contemporary international processes, regional co-operation offers great opportunities for countries to become involved in these processes, identifying their specific place in the international system and adapting to the dynamic changes which are taking place.

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

The dominating developmental trends which will affect the relationship between the Baltic states and the Nordic countries in the future are clearly seen, but the concrete manifestation of these processes will be dependent on a series of factors: NATO's role in the security

structure of 21st-century Europe; the success of NATO enlargement; EU involvement in the region; and the process of democratisation in Russia and that country's interest in participating in the BSR on equal terms.