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Ingmar Oldberg

Reluctant Rapprochement:

Russia and the Baltic States

in the Context of

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Reluctant Rapprochement: Russia and the Baltic States in the Context of NATO and EU Enlargements

Abstract (not more than 200 words)

Throughout the 1990s Russia resisted the Baltic states' striving for NATO membership by using military threats, political blackmail and economic pressure, but when this did not work, it reluctantly accepted the process. The improved relations with the USA and Europe after 11 September 2001, which resulted for example in a new NATO-Russia Council, saved Russian prestige and opened new vistas for Putin's foreign policy.

Russia tried to use Estonian and Latvian border claims and minority problems as means to disqualify these states from NATO and EU membership, but this did not work since the states shelved the claims and adapted their minority legislation, which indeed was in Russia's own interest.

As for economic relations, Russian pressure was met by the Baltic states reorienting their trade to the West and seeking EU membership. But Russia did not object to and in fact recommended Baltic EU membership as an alternative to NATO membership. After the August 1998 crisis, when economic recovery became a priority in Russian foreign policy, its own cooperation with the EU, especially in the energy sector, developed. EU enlargement also signified problems for Russia, notably regarding transit across Lithuania to Kaliningrad, but that problem was solved by a compromise before the Baltic states were invited to join the EU in December 2002.

Russian-Baltic relations have thus evolved from mutual estrangement in the early 1990s towards reluctant rapprochement under the aegis of all-European integration, and economic interests have come to the forefront.

Keywords

Russia, Estonia, Latvia, Lithuania, NATO, EU, enlargement; Kaliningrad, Poland, foreign policy, economy, energy, borders, transit, minorities

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Motvilligt närmande: Ryssland och de baltiska staterna i samband med Natos och EU:s utvidgningar

Sammanfattning (högst 200 ord)

Under 1990-talet motsatte sig Ryssland de baltiska staternas strävan efter Nato-medlemskap genom militära hot, politisk utpressning och ekonomiska påtryckningar, men då detta misslyckades, accepterade man motvilligt anslutningen. De förbättrade relationerna med USA och Europa efter den 11 september 2001 som bl a resulterade i det nya Nato-Rysslandsrådet, räddade Rysslands prestige och öppnade nya möjligheter för Putins utrikespolitik. Ryssland försökte länge använda Estlands och Lettlands gränsändringskrav och minoritetsproblem som medel att diskvalificera dem för medlemskap i Nato och EU, men detta fungerade inte heller, därför att staterna gav upp sina gränskrav och modifierade sin minoritetpolitik, vilket faktiskt låg i Rysslands eget intresse.

Beträffande ekonomiska relationer, bemötte baltstaterna Rysslands ekonomiska påtryckningar med att omorientera sin handel västerut och söka EU-medlemskap. Men Ryssland vände sig inte mot utan rekommenderade faktiskt baltiskt EU-medlemskap som alternativ till Nato-medlemskap. Efter finanskrisen i augusti 1998, då ekonomisk återhämtning fick högsta prioritet i utrikespolitiken, intensifierades också Rysslands egna ekonomiska samarbete med EU, särskilt på energiområdet. EU-utvidgningen medförde även problem för Ryssland, t ex i fråga om transit genom Litauen till Kaliningrad, men denna fråga löstes genom en kompromiss innan baltstaterna inbjöds att bli medlemmar i EU i december 2002.

De rysk-baltiska relationerna har således utvecklats från ömsesidigt fjärmande i början av 1990-talet till motvilligt närmade inom ramen för den alleuropeiska integrationen, och ekonomiska intressen har blivit viktigast.

Nyckelord

Ryssland, Estland, Lettland, Litauen, Nato, EU, utvidgning; Kaliningrad, Polen, utrikespolitik, ekonomi, gränser, transit, minoriteter, energi

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CONTENTS

Preface

The Baltic Sea region and Russia's foreign policy have always been crucial to Swedish security, and since the Baltic states became independent again, Russia's relations with them has obtained growing importance. The accession of the Baltic states to NATO and the European Union will undoubtedly be the greatest change in the security landscape around the Baltic Sea since the dissolution of the Soviet Union in 1991.

The research literature about the region has consequently expanded enormously since the 1980s and it is hard to say anything completely new about the topic. Still, Russian–Baltic relations have been a relatively neglected topic within this research field. This report therefore aims to make up for this by analysing the developments of the tumultuous 1990s and early 2000s.

The report has a long history and several ramifications. Originally, the aim was to update and expand a book chapter on the same topic, published in Riga in 1997 (see bibliography). In the first half of 2002 I worked on the report as a guest researcher at the Stiftung Wissenschaft und Politik (SWP), Berlin. On 17 May 2002 a preliminary version was discussed at a seminar with the SWP Russian Federation Research Group, then headed by Dr. Heinz Timmermann. This version was also presented at a workshop of the Nordic Network for Security Studies in Copenhagen on 24–25 May 2002 and published on its website (www.nnss.org/Oldberg2.doc).

The report was then revised and further updated in the framework of the FOI research group on Russian foreign, defence and security policy as support for its biannual report on Russian military capability in a ten-year perspective (see back cover). On 4 November 2002 my report was presented at an FOI research seminar, where Ms. Petra Lilja, analyst at the Swedish Armed Forces Headquarters, acted as efficient reviewer. Before the current report was finished, a short version of it was published in the series *Trondheim Studies on East European Cultures & Societies* in December 2002 on the basis of comments from series editor, Professor György Péteri, and an anonymous reviewer.

I am grateful for comments and suggestions from all these reviewers, members of seminars and research groups. I have also benefited from participation in

conferences on related topics in Berlin, Kiel, Paris, Tallinn, Riga and Vilnius since November 2001.

The transliteration of Russian words in the footnotes and the bibliography largely conforms with that of US Library of Congress, while I have bowed to the common newspaper spellings in the main text, for example regarding well-known names such as Yeltsin and Chechnya.

The report covers developments up to January 2003 with a few exceptions.

Ingmar Oldberg, Stockholm, 28 February 2003 ingold@foi.se

Introduction
Aims and dimensions

In 2002 Russian foreign policy faced two major events in the Baltic Sea region. NATO prepared and took a decision on inviting seven Central and East European states, including the three Baltic states, Estonia, Latvia and Lithuania to become members of the organisation in May 2004. In late 2002 also the European Union finished membership negotiations with the Baltic states (and others) so that the agreements could be ratified in 2003 and the actual accessions take place in May 2004.

Baltic NATO membership means that Russia will have a long border on NATO states close to its very heartland, and its Kaliningrad region will be enclosed. The three Baltic states, which for fifty years were fully though reluctantly absorbed by the Soviet Union, will thus join a military organisation that the Soviet Union considered as its main threat. After they became independent in 1991, Russia had tense relations and numerous conflicts with them, and it strongly opposed their inclusion into NATO in different ways. For the first time the Baltic countries will now be secured against Russian occupation and assume international military obligations. More importantly, EU membership will irrevocably de-couple the Baltic states from Russia and integrate *all* sectors of their societies into the strongest economic-political community in Europe. Still, Russia finally accepted Baltic NATO and EU accession.

Therefore the aim of this study is to analyse how and why this tremendous change has come about and thereby give some clues about its likely effects on the situation around the Baltic Sea. It will examine the most important problems in Russian–Baltic relations since 1991, especially during last few years. Most attention is devoted to the Russian side in the relationship, due to Russia's overwhelming size and great power ambitions, but also external factors will be scrutinised. Among these most attention is devoted to the NATO and EU enlargements.

The relations are analysed in three dimensions, namely the security, internal political and economic ones. In these dimensions the focus is put on four interrelated problems, the NATO enlargement and the border question, national minority issues, and the trade relations including the effects of EU enlargement,

respectively. Incidentally, these problems were listed as the most important in President Yeltsin's long-term policy guidelines of February 1997 regarding the Baltic states.[1] The problems between Russia and the Baltic states thus are both international, bilateral and domestic in nature.

Method and material

As for method, the evidence and reasons for conflict and agreement between the parties on the issues at hand are analysed separately in a *pro et contra* fashion so as to elucidate the complexity of the problems. This means that the chronology of the events is subordinated to the logic of the argument. However, the concluding summary contains a short chronology of how the relations between Russia and the Baltics have developed.

Concerning the actors, the report deals primarily with the actions and views of the official representatives of the states. In the Russian case this means the president, who according to the Constitution is elected directly by the people and is in charge of foreign policy, further the government and other high officials such as military commanders and ambassadors, who are appointed by the president. Differences among the official actors and changes of views are noted when it appears important. Due attention is also devoted to other actors such as State Duma members, economic companies, think-tanks, newspapers and public opinion, to the extent that they may influence the foreign policy decision-makers in the issue at hand.

With regard to the Baltic states, more attention is focussed on the governments and the ruling parties, since these states are parliamentary democracies, where the presidents have less influence than in Russia. In Estonia and Latvia, the presidents are elected by the parliaments.

Since the focus is on relations between several states over a lengthy period, space does not permit an investigation of internal influence flows in greater detail. This task must be left for future research.

The chosen focus on states, power and interests can be said to represent a neorealist approach, though some regard is shown to sub-national and international actors, to norms and values.[2]

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[1] However, the ranking order was as follows: 1. Preventing the Baltic states from joining NATO. 2. Protection of compatriots' rights. 3. Development of economic ties. 4. Legalisation of borders. (*Summary of World Broadcasts BBC Monitoring Service* (henceforth SWB BBC), section Russia, 13 February 1997.

[2] For a more constructivist approach, combining more emphasis on international institutions with a chronological analysis of the same topic and arriving at similar results as this report, see Vitkus,

As can be seen from the footnotes, the sources consist of printed material from the main actors, of official documents, statements and interviews, which are found on the Internet, in news agencies, newspapers, journals and books. For the evaluation of this material and as background, comments and analyses by observers and researchers are also used. The BBC Monitoring Global Newsline provides slightly edited first-hand material from the radio and TV stations, news agencies and newspapers of the countries in question on a daily basis.

Finally, a caveat must be made. To the extent that economic statistics is referred to, it should be interpreted with caution, mainly as indications of relative sizes and trends.

Gediminas "Changing Security Regimes in the Baltic Sea Region" forthcoming in *Lithuanian Strategic Review 2002*.

The NATO Enlargement Issue
Baltic security policies

The paramount security task facing the Baltic states on achieving independence was the withdrawal of the ex-Soviet troops and bases. With some Western assistance this was also accomplished, in Lithuania by August 1993, in Latvia and Estonia a year later (with minor exceptions).[3] Since the Baltic states thus did not take over the Soviet troops on their territory as some other ex-Soviet republics did, which might have been a hard task, they had to build up their own military forces from scratch—or even below, since the Russian military thoroughly destroyed their bases and left damages behind, which had to be remedied at high costs.

Concerning future status, the Baltic states first talked about achieving neutrality like in Sweden or Finland, when they were in the process of breaking loose from the Soviet Union. When independence was reached, officials stopped talking about neutrality. It was argued that neutrality had not saved the states from Soviet conquest in 1939–1940, and that the concept made little sense, when the Warsaw Pact was dissolved and only NATO remained. Furthermore, unlike Sweden and Finland, the Baltic states could not underpin their independence by a strong defence. Nor could the incipient military co-operation among the Baltic states provide much security, since they were too weak to support each other.

Instead the Baltic states turned to the West for support, and joining Western security structures, particularly NATO, became the first priority in their security policy. In January 1994, even before NATO had declared itself open for an eastern enlargement, Lithuania was first officially to apply for membership, arguing that it could pave the way for the two neighbours. The three countries also quickly became observers in the West European Union, joined NATO's parliamentary assembly, the NATO's Partnership for Peace programme, and took part in and organised exercises with NATO and neighbouring states in the Baltic Sea region.

They were clearly disappointed, when they were not included in the NATO enlargement decision in 1997, but the United States signed a special charter with

[3] In Latvia Russia used the strategic radar base at Skrunda until August 1998 and left it in February 2000.(Spruds, Andris (2002) "Perceptions and Interests in Russian-Baltic Relations", in Hubel, Helmut (ed.) *EU Enlargement and Beyond: The Baltic States and Russia*, Nordeuropäische Studien, No. 18, Berlin: Berlin Verlag, pp. 346 f.

them in January 1998, in which it promised them assistance to gain future membership.

Even if the Baltic states then started to pay more attention to EU enlargement and its evolving common security and defence policy, this was not seen as an alternative road to security but as a complement or a stepping stone to NATO membership. It was pointed out that EU membership would make it easier to reach the goal by strengthening their economic basis.[4] As NATO then included the Baltic states among the official candidates for future membership and laid down its conditions in the 1999 Membership Action Plan,[5] the Baltic governments energetically set out to fulfill these in time for the next NATO summit in November 2002. From very low levels and in sharp competition with other tasks, the Baltic countries expanded their military budgets in order to reach the desired level of two per cent of GDP, Lithuania leading the way.[6] In order to meet another criterion for membership, the Baltic governments underlined that their pro-NATO policy enjoyed the support of the majority of the populations.[7]

The Baltic military forces were made NATO-compatible, which facilitated military co-operation also among the Baltic states themselves They set up a common peacekeeping battalion (BALTBAT), a common defence college, a naval squadron (BALTRON), an airspace surveillance network (BALTNET) linked to NATO, and a joint air force transport squadron (BALTWING). These aims were supported by NATO states and Nordic neigbours, which also donated second-hand military hardware.

Against the argument that they were too small to be useful for NATO, the states could point out that this had not prevented Iceland and Luxembourg from

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[4] Kraa, Detlev, "General report", in *First Baltic-German Dialogue*, Berlin: Stiftung Wissenschaft und Politik, May 2002, p. 29.

[5] See Schmidt, Peter, *Die nächste Runde der NATO-Erweiterung. Ziele, Kandidaten, Bedingungen*, SWP-Studie, Berlin: Stiftung Wissenschaft und Politik, October 2001.

[6] In 2001, Estonia spent 1.7, Latvia, 1.2 and Lithuania 1.8 per cent on defence (according to International Institute of Strategic Studies (IISS) *The Military Balance 2002-2003*, London: Oxford University Press 2002, pp. 332 f). Lithuania decided to allocate two per cent of its GDP until 2004 on defence, Latvia the same until 2008 (*BBC Monitoring Global Newsline Former Soviet Union Political File* (forthwith BBC), Lithuania, 25 April 2002, Latvia, 26 May 2002.

[7] BBC, Estonia, 30 November 2001. In 2000, 60 % of the Estonians wanted NATO membership, but only ten per cent of the Russians. In March 2002, the respective figures were 53% and a third (*Nezavisimaia gazeta* (NG), 20 April 2000, BBC, Estonia, 26 April 2002. In Latvia, 68.7% of the citizens and 42.4 % of the non-citizens supported it, but according to President Vike-Freiberga a majority of the Russian-speakers did.(BBC Latvia, 11 April 2002; *Vremia MN*, 21 November 2001, respectively). In Lithuania, 60% wanted NATO membership in early 2002 (BBC, Lithuania, 25 April 2002).

becoming members.[8] In order to show solidarity and prove that they were producers and not consumers of security, the Baltic countries supported UN and NATO interventions in ex-Yugoslavia and contributed small units to peacekeeping brigades in Bosnia and Kosovo. For instance Latvia decided to train specialised units like field engineers and medics for NATO operations as their special niche.[9] An Estonian researcher pointed out that the Baltic countries provided more peace-keepers per capita than other nations, and that they were more efficient in transferring expertise to CIS (Commonwealth of Independent States) countries like Georgia than the West Europeans were.[10] Later the Baltic states also contributed units to the US-led war in Afghanistan, and they supported the US decision to start a war against Iraq.[11]

However, the Baltic states remained militarily weak and in need of reinforcements in case of attack.[12] Preparations were made to receive such, and in October 2001 the new Estonian president even offered NATO to obtain bases on its Baltic Sea islands.[13] In April 2002 the Baltic defence ministers declared that they did not like attempts to turn NATO into an arena for political discussions and wanted NATO to keep its basic asset, its high military capacity.[14]

The reasons for this Western orientation of the Baltic states are quite obvious. Firstly, they (rightly) considered themselves as Europeans and wanted to belong to the West European family of democratic, law-governed states with free and prosperous market economies. Indeed since the early 1990 they made admirable progress in this direction. Thereby they also strove to get away from Russia, which in its different incarnations had oppressed and hindered their development for decades and centuries. In 1940 the Soviet Union had incorporated the independent states and imposed its totalitarian communist rule on them, and this was resumed in 1944 after the Nazi occupation. Lithuania in 1992 held a referendum demanding

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[8] Herd, Graeme P. & Huang, Mel, *Baltic Security in 2000,* Report G95, Sandhurst: Conflict Studies Research Centre, May 2001, pp. 4 ff, 32 f. Internet address: www.csrc.ac.uk/frames, retrieved 10 December 2001; Nekrasas, Evaldas, ”Politico-Strategic Aspects of NATO Enlargement: A View from Lithuania”, in *First Baltic-German Dialogue*, p. 15.

[9] BBC, Latvia, 26 May 2002, Lithuania, 17 November 2002.

[10] Hasekamp, Andres, “Baltic EU Membership: A Stabilizing Factor“, paper for conference on Putin’s Russia: Strategic Westernisation?, Oslo: Oslo Military Society, 10-11 October 2002, p. 7.

[11] BBC, Lithuania, 17, 24 November 2002.

[12] On current problems, see Herd & Huang (2001) pp. 4 ff, 18 ff, 29 ff. On the defensibility of the Baltic states, see Wallin, Lars & Andersson, Bengt, ”A Defence Model for the Baltic States”, *European Security*, Vol. 10, No. 1 (Spring 2001), pp. 94 ff.

[13] SPB Vedomosti, 30 October 2001.

[14] BBC, 17 April 2002. The declaration was made together with the German defence minister.

compensations from Russia for the Soviet occupations 1940–1990, and in 2000 the parliament made it a law. The indemnity amount was set at 20 billion USD.[15]

In particular, the Baltic countries felt a continuing security threat from Russia due to the huge disparity of power between them and the former superpower.[16] Even if Russia suffered a deep economic crisis and its military strength waned drastically throughout the 1990s, whereas the Baltic states were consolidated, Russia's military forces in the adjacent Leningrad Military District and the Kaliningrad region remained superior to the regular Baltic forces.[17] Lithuania is situated between Kaliningrad and Belarus, a state which has a union and integrated military forces with Russia.

However, at the same time as the NATO states understood these problems and supported the ambitions of the Baltic states as noted above, they also wished to maintain and develop good relations with Russia. NATO did not only set up military conditions for potential members, but also political ones, for instance that the candidates should settle their ethnic and external territorial disputes by peaceful means, pursue neighbourly relations, and demonstrate commitment to the rule of law and human rights.[18] This NATO objective contributed to the fact that the Baltic states gradually tried to improve their relations with Russia and solve the ethnic and border conflicts with it as will be analysed below.

Simultaneously, the Baltic countries improved their relations with other neighbours. Thus Lithuania in 1995 concluded a treaty on friendship and co-operation with Poland, laying old problems with respect to ethnic minorities and territorial claims to rest. In early 1997 Lithuanian leaders began to talk about a "strategic partnership" with Poland, which then was about to join NATO. The obvious common intention was that Poland should help Lithuania in, then or later, but there were other reasons as well. The rapprochement served to solve important bilateral questions which had to be addressed anyway, and there were cultural and economic dimensions as well. Poland had a thriving economy which could help Lithuania. Both states strove to become members of the EU, and they had similar problems with regard to the Kaliningrad exclave.

In the same vein, Lithuania and Latvia tried to maintain normal relations with their eastern neighbour Belarus, for example by concluding border agreements, even though its President Lukashenka prosecuted his internal opposition, strove for

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[15] *Kommersant*, 2 November 2000, *Krasnaia zvezda* (KZ), 1 July 2000; *Rossiiskaia gazeta* (RG) *Soiuz*, 27 December 2000. Latvia has also taken a similar law (KZ, 21 February 2001). However, both laws were cancelled in the end. An Estonian party also took up the idea. (Kommersant, 7 September 2000.

[16] Spruds (2002) pp. 350 f.

[17] IISS, The Military Balance 2000-2001, Spruds, p. 351 (footnote 5).

[18] Schmidt (2001), p. 42.

integration with Russia and criticised the Baltic approach to NATO.[19] The Lithuanian defence minister claimed that by engaging Belarus, his country was doing NATO's work, and President Adamkus promised to mediate between Ukraine and NATO in the same way as Poland had done for the Baltic states.[20] Last but not least the Baltic states in every way strengthened their ties with the friendly Nordic neighbours, NATO members or not, whereby Estonia for historical reasons mainly oriented itself towards Finland and Sweden.

Thus the Baltic states had good reasons to dissociate themselves from Russia and integrate themselves into Western security structures. They made quick progress in meeting the conditions, which was also appreciated in NATO.

Russian resistance to Baltic NATO membership

Russian motives

Russian leaders had several motives to oppose Baltic NATO membership. To start with, many still considered Russia a great power on the strength of its size, its seat in the UN Security Council, its nuclear arsenal, etc. According to the foreign policy doctrines enunciated in 1996 and 2000, Russia strives for a multipolar world, which is not dominated by one power centre (read: the United States) and in which Russia plays an important role.[21] Watching the small Baltic republics, which until recently had been parts of the Soviet Union, join NATO hurt Russian pride and prestige. Russian nationalists and communists even hoped to reincorporate the Baltic states or parts of them.

Even if Russia did not include Baltic states in the 'near abroad' category, in which the other post-Soviet states were placed, they were initially not put into the same category as for example Finland or even Poland either. In the early 1990s they were often called 'newly independent states', which Russia allegedly had helped to freedom in 1991, when the Soviet Union fell apart. Russian officials defended the incorporation of the Baltic republics into the Soviet Union in 1940 as legally correct, since the parliaments had voted for it, and refused to accept the

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[19] Oldberg, Ingmar (1999) "Russia and Its Western Neighbours in the Context of NATO Enlargement", in Oldberg *At A Loss. Russian Foreign Policy in the 1990s*. Stockholm: Swedish Defence Research Establishment, pp. 34, Oldberg (2001) *Kaliningrad: Russian Exclave, European Enclave*, Stockholm: Swedish Defence Research Agency, *passim*; BBC, Lithuania, 25 April 2002.

[20] (*The) Baltic Times* (BT), 12-18 December 2002.

[21] Yeltsin's messages to the Federal Assembly, NG 14 June 1996, RG, 7 March 1997, 11 July 2000.

term ‘occupation’ used by the Balts, even though they had earlier denounced the Molotov-Ribbentrop Pact.[22]

Further, Russia claimed to be a peaceful democratic state, which did not pose a threat to any country, and therefore it found it hard to understand the Baltic fears and suspicions.

Obviously, the main reason for resisting Baltic NATO membership was that this was viewed as a security threat to Russia, which implied that NATO itself was deemed as a threat. A major concern, particularly for the Russian military and nationalists, was that NATO would come close to vital parts of Russia.[23] The Russian media monitored the Baltic military build-up or ‘arms race’ and NATO contacts with great suspicion, fearing that NATO would take over formerly Soviet bases or had already done so.[24] The Communist Party leader Gennadii Ziuganov in 1997 asserted that the placing of tactical NATO air forces in Poland and later in the Baltics would render the European part of Russia practically defenceless.[25] *Krasnaia zvezda*, the official military newspaper, in 2000 concluded that the Baltic states were practically subordinated to Washington D.C., referring to the fact that some Baltic presidents, ministers and top officers had lived and worked in America.[26] Lately the Russian press has criticised the construction of a new radar station near the Russian border in Latvia, as well as Estonian offers to NATO of establishing air bases in the country.[27]

Special concern was shown for the Kaliningrad region and its communications with the rest of Russia, because the region would be encircled by NATO, if not only Poland but also Lithuania joined the alliance. Kaliningrad city remains the headquarters of the Russian Baltic Sea Fleet, and Baltiisk is its most salient naval base. Russian leaders, who visited the region, often emphasised its military importance. Baltic calls for demilitarising the region and Western economic “expansion” in the region tended to be interpreted as designs on Russia’s territorial integrity.[28]

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[22] Elagin, Vladimir “A difficult road from Tallinn to Moscow”, *International Affairs* (IA) Vol. 47, No 3, p. 159; Demurin, Mikhail “The prospects of Russian-Latvian relations”, IA, Vol. 47, No. 1, pp. 77 f; KZ 1 July 2000.

[23] Shustov, Vladimir (1998) ”Russia and Security Problems in the Baltics”, IA, Vol. 44, No. 1, pp. 40 f.

[24] NG, 30 December 1997, 16 June 1998; 1 March 2001, 28 February 2002; RG, 24 May 2000; *Sovetskaia Rossiia*, 18 April 2002; KZ, 12 March 2002.

[25] *Nezavisimoe voennoe obozrenie* (NVO), No. 30, 1997.

[26] KZ, 26 April 2000.

[27] NG, 28 February 2002, KZ, 19 January 2002; *SPB Vedomosti*, 30 October 2001.

[28] NG, 26 July, 26 October 1996; Gromov, Feliks N., “Znachenie Kaliningradskogo osobogo region dlia oboronosposobnosti Rossiiskoi Federatsii“, *Voennaia Mysl*, 1995, Vol. 77, No. 4, pp. 9-13; NG, 11 August 2000.

Russian proposals

Already at the European Conference for Security and Co-operation (CSCE) in Budapest in December 1994, President Boris Yeltsin called NATO a product of the Cold War and criticised the enlargement plans for creating a new divide in Europe and sowing distrust. He wished NATO to be dissolved just like the Warsaw Pact or be transformed into a political organisation, since no threat existed. Instead of enlarging NATO, Russia also proposed strengthening the all-European CSCE and subordinate NATO and the CIS to it. Indeed, the CSCE was reorganised into an organisation (OSCE) with a charter and widened functions, though not at NATO's expense.

The first Russian proposal for the Baltic states was that they should remain neutral, and non-allied Sweden and Finland were mentioned as models for them.[29] To bolster this idea Russia offered them non-aggression pacts or unilateral security guarantees. When these proposals were flatly rejected, Russia instead proposed security guarantees together with NATO. Thus in 1997 on the eve of NATO's Madrid summit, Foreign Minister Yevgeny Primakov declared that Russia had no intention to threaten or occupy the Baltic states and that they had a right to security guarantees "with or without Russia, quite as they prefer". In July 1997 Primakov could even tolerate security guarantees only from the West [30] — that is as long as they did not amount to Baltic NATO membership.

Regional alternatives were also proposed. The old Soviet idea of a nuclear-free zone in the Baltic area, this time stretching to the Black Sea and guaranteed by both NATO and Russia, was dusted off. Yeltsin also advanced the idea of a regional security zone for the three states together with Sweden and Finland.[31] But the latter states rejected the idea, unable as they were to extend guarantees and provide security for the Baltic states.[32]

Russia further favoured co-operation in the framework of the Council of Baltic Sea states (CBSS). When it assumed chairmanship in the Council in 2001, Russia wanted not only to strengthen the economic component of co-operation in the region but also to make the Council a primary coordinator, to focus on

[29] *BBC Summary of World Broadcasts*,Russia, 6 December 1994.
[30] *Dagens Nyheter* (DN), 25 May, 23 March 1997, BBC, Russia, 15 July 1997.
[31] NG, 23 April 1996, 28 October1997; Shustov (1998), 42 f.
[32] More on this in Forsberg, Tuomas & Vaahtoranta, Tapani (2001) "Inside the EU, Outside NATO: Paradoxes of Finland's and Sweden's Post-Neutrality", *European Security* Vol. 10, No. 1, pp. 76 ff.

Kaliningrad, and to initiate dialogue in new fields, especially between military authorities.[33] These ideas, however, met no support among the other members.

Besides these solutions Russia suggested confidence-building measures, such as a ”hot line” between Kaliningrad and the Baltic states, advance information on military exercises, and a common air surveillance system in the whole Baltic Sea area.[34]

Russia’s main alternative to NATO enlargement for the Baltic states, however, was EU membership. As will be shown below Russia could even accept that the EU developed a common foreign and defence identity.

Russian means of pressure

In order to prevent Baltic NATO membership and underpin its own alternative proposals, Russia staged a concerted political campaign with an array of arguments and means of pressure. A common argument, which was often used in connection with the presidential and Duma elections in 1995–96, held that NATO expansion would undermine the position of Western-oriented politicians and encourage nationalists and communists in Russia.[35] This meant that the Yeltsin administration did not resist the latter forces but used them.[36]

Russian analysts also claimed that the Baltic states were hostile to Russia and would influence NATO accordingly, if they became members.[37] Others pointed out that admitting the Baltic states would be an economic burden on NATO members.[38] It was further maintained that Baltic membership in NATO was a risk to NATO itself, because if the states were attacked, they could only be defended with nuclear weapons.[39]

When NATO was to take its enlargement decision in 1997, Yeltsin threatened to reconsider all relations with NATO and not to sign the Founding Act on Russia’s relations with NATO. After this Act had been signed, he warned of tearing it up, if the Baltic countries became members later. The threat to break or downgrade relations with NATO was thereafter constantly repeated.

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[33] *Baltinfo*, Official Newsletter of the Council of the Baltic Sea States, No. 40, September 2001, pp. 1-3.

[34] DN, 13 September 1997, Oldberg (1999), p. 40.

[35] For a recent example, see NG, 1 March 2001 (Ambassador Oznobishchev). According to a poll in 1993 among politicians and experts, the Baltic states (for several reasons) were seen as first among Russia’s enemies. (Spruds (2002) p. 352, footnote.

[36] Generally on this problem, see Carolina Vendil, “Patriotic Foreign Policy – the Bandwagon No One Wants to Miss“, in Oldberg (1999) pp. 135-178.

[37] BBC, Russia, 21 May 2002.

[38] NG, 14 June 1997, BBC, Russia, 31 May 1997.

[39] NG, 16 April 1997.

Russia was of course relieved when the Baltic states were not admitted into NATO in 1997, and the anti-NATO campaign tapered off. Still, a Russian researcher has later stressed that the admission of Poland into NATO led to drastically impaired relations with that country, spy scandals etc., and even helped bring military and security people to power in Russia after Yeltsin (!) Another researcher held that Russian opposition to Polish, Czech and Hungarian NATO membership was actually an advance position so as to stop Baltic accession, which if it happened would result in a crisis worse than the one over Kosovo.[40] A third view was that Baltic NATO membership could entail a much more serious crisis in Russian relations with the EU.[41]

The Baltic striving for NATO membership has probably been one of the main reasons behind Russia's scanty and lopsided political exchange with the three states and the lack of comprehensive political agreements with them. Since independence no Russian president has so far paid an official visit to any of them, and visits by Russian prime and foreign ministers have been very few, mainly connected with international conferences. Instead the Baltic presidents have occasionally visited Russia unofficially or officially, or they have met Yeltsin and Putin in third countries.[42] Nor did the inter-governmental commissions with Estonia and Latvia meet for several years.[43] A clear sign of protest was the refusal of the Russian Duma in May 2001 to attend the NATO Parliamentary Assembly meeting in Vilnius, the first of its kind in a non-NATO state.[44] The same was true for President Putin's decision not to attend the NATO summit in Prague in November 2002, lest it be seen as a sign of approving of Baltic NATO membership.

Furthermore, Russian officials tried to disqualify the Baltic states for NATO (and EU) membership by criticising especially Estonia and Latvia for violating the human rights of their Russian-speaking minorities and by refusing to sign border agreements with them. A foreign ministry official openly declared that an entire set of internal and foreign policy problems, specifically the unregulated nature of its relations with Russia makes for instance Estonia an unfit candidate for both NATO

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[40] Igor Iurgens, leading figure in the Council for Foreign and Defence Policy, and Nadezhda Arbatova, respectively, in a roundtable at NG, 1 March 2001.

[41] Arkady V. Moshes in *The Baltic Sea. A Region of Prosperity and Stability? Prospects and Limits of a Regional Policy in North-Eastern Europe*, 121st Bergedorf Round Table, Hamburg: Körber Foundation 2002, p. 47.

[42] Thus Estonian President Meri went to Moscow privately in 1995, Latvia's Ulmanis went there to sign the troop withdrawal agreement in 1994. In April 2002 the Russian Foreign Minister turned down an invitation to visit Estonia. (BBC, Estonia, 14 April 2002) See also Hasekamp (2002) p. 11.

[43] *Kommersant*, 18 August 2000, BBC, Estonia, 1 May 2002.

[44] BBC, Russia, 27 May 2002.

and EU membership.[45] Russia also criticised the Baltic states for supporting the Chechen "terrorists", e. g. by allowing them to have offices there. Naturally, this criticism was intensified after September 2001.[46] Russia has also often used or threatened to use economic pressure against the Baltic states. (More on these issues in separate chapters below.)

Finally, the Russian proposals were sometimes accompanied by military threats and pressure. In the early 1990s Liberal Democratic Party leader Vladimir Zhirinovsky and extreme military analysts threatened with partisan war or pre-emptive strike, if the Baltic states joined NATO.[47] Also high-ranking diplomats in 1995 threatened with increasing troops at the borders.[48] Military officers warned that if the neighbours were to join NATO, Russia would have to reinforce its positions in Kaliningrad, also with tactical nuclear weapons.[49] In late 1998 the Duma discussed a resolution on linking START-II ratification to an agreement not to extend NATO to former Soviet territory.[50] In 2002, the official military daily *Krasnaia zvezda* criticised the Baltic refusal to sign the European disarmament treaty on conventional forces in Europe (CFE), something which allegedly created a grey zone and meant a menace to Russia. This refusal could make Moscow break the force limitations on the northern flank.[51] The defence committee recommended the Duma not to ratify the amended CFE treaty until November 2002, when NATO was to take the enlargement decision, obviously as a pressure attempt.[52] The Baltic states retorted that they could not accede to the treaty since it had not been ratified by some NATO states, because Russia had not as promised withdrawn its troops from Moldova and Georgia. For this Russia blamed the governments of those states.[53]

The Kosovo crisis in 1999 strained the Russian–Baltic relations even more. The Baltic states supported NATO's attack on Yugoslavia in order to defend human rights and preclude a refugee disaster, while Russia defended the territorial

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[45] Elagin (2001), pp. 156, passim. See also Demurin (2001), p. 73.
[46] NVO, 17-23 December 1999; NG, 7 April 2001, Elagin (2001), p. 158.
[47] BT, 2-8 October 1996, 2-8 October 1997; *Zavtra*, No. 13, 1996.
[48] *The Baltic Observer* (BO), No. 35, 1995; Shustov (1998) p. 41.
[49] KZ, 10 June 1997 and SWB BBC, 19 June 1998, NG, 28 March 2001. See also Oldberg (1998) "Kaliningrad: Problems and prospects", in Pertti Joenniemi & Jan Prawitz (eds.), *Kaliningrad: The European Amber Region*, Aldershot: Ashgate, pp. 4 ff.
[50] NG, 30 December 1997, BT, 26 February--4 March 1998, 17--30 December 1998.
[51] KZ, 17 January 2002; BBC, Russia, 21 November 2002. See also Blank, Stephen *Rethinking the Nordic-Baltic Security Agenda: A Proposal*, Report G88, Sandhurst: Conflict Studies Research Centre, November 2000, p. 18.
[52] KZ, 17 May 2002.
[53] Lachowski, Zdzislaw (2002) *The Adapted CFE Treaty and the Admission of the Baltic States to NATO*, Stockholm: SIPRI, pp. 23 ff.

integrity of Yugoslavia and severed its official relations with NATO. Russia also opposed NATO's new military doctrine, because it did not exclude operations outside the North Atlantic area. In June Russia held its largest military exercise ('*Zapad-99*') for many years together with Belarus. The exercise assumed a NATO attack on Kaliningrad and trained the use of nuclear forces. In December 1999 Russia signed a new union treaty with Belarus, whose president was strongly anti-NATO, and military integration between the two countries intensified.[54] In early 2001 the world was shocked by US intelligence reports stating that Russia in June 2000 had transferred tactical nuclear weapons to Kaliningrad as some military earlier had threatened to do.[55] A Moscow institute director ominously warned that the Russian and Belarussian armies hold a "steady finger on the soft throat" of the Baltic states and could easily convert them into an enclave, which NATO practically could not defend.[56]

Russia's war against separatism in Chechnya in 1994–96 and its resumption in late 1999 of course also alarmed the Balts.

Thus Russia saw several reasons to oppose the Baltic plans of joining NATO, advanced a row of proposals to avert or restrict them, and backed them up with a wide range of military, political and economic measures and conditions. This Russian resistance probably contributed to NATO's decision not to include the Baltic states in the first wave of enlargement in 1997, though the fact that the states did not fulfil the membership criteria at that time was probably a more important factor.

Coming to terms with NATO enlargement

The above-presented picture of Russian resistance to the Baltic states becoming NATO members has, however, to be supplemented by an analysis of the evidence pointing in the other direction. The Russian policy of opposition did not succeed and was gradually modified by concessions and search for compromises.

A major reason for this was the fact that the decision on NATO membership was up to the NATO members and the candidate states, and Russia had no veto power. Russian opposition served to confirm that Russia remained a threat against the candidate states.

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[54] NG, 30 June 1999, Ballad – the independent forum for networking in the Baltic Sea region, Baltic Institute (Karlskrona, Sweden) "Kaliningrad cornerstone in military plans with Belarus", 13 October 2000, News archive, address: www.ballad.org, retrieved 21 November 2000.

[55] *The Washington Times*, 15 February 2001; BT, 11-17 January 2001.

[56] Anatolii Bubenets at the obscure Research and Project Institute of Organisational Solutions, NG, 24 February 2001.

Moreover, Russia had to notice that NATO and the candidate states sought compromise and co-operation with Russia. Before taking the formal decision on enlargement in 1997, NATO launched the Founding Act on Mutual Relations, Co-operation and Security with Russia, which instituted a Permanent Joint Council with regular meetings. In this Act NATO reassured Russia that it had "no intention, no plan and no reason to deploy nuclear weapons on the territory of new members". The organisation was then enlarged by only three new members, those farthest away from Russia. NATO military presence in Poland was restricted to a staff headquarters near the German border. During the Kosovo war NATO called for Russian support and afterwards it made concerted effort to mend fences with Russia, particularly after Putin took over the presidency from Yeltsin at New Year 2000.

Gradually, Russia warmed to these Western approaches by conciliatory steps. It signed the Founding Act, which opened the door to the 1997 NATO enlargement. Even if Russia opposed the NATO attack on Yugoslavia, it helped to mediate an agreement and then participated in the NATO peacekeeping force in Kosovo—along with the Baltic states and Poland. In 2001 Russia supported the NATO peacekeeping operation in Macedonia, which—different from the one in Kosovo—served to uphold the integrity of the state and to keep the Albanian insurgents at bay. NATO's increased preoccupation with the Balkans also seemed to detract its attention from the Baltic area. Russia accepted gradually to resume official relations and exchange with NATO, realising that it stood to lose from isolating itself.[57]

Just like NATO, Russian leaders declared that they did not see any threat from the other side. Just like Yeltsin and his staff occasionally had done under Yeltsin, President Putin in early 2000 even talked about Russia joining NATO – if its national interests were safeguarded.[58] Even if this only was a hypothetical question, it at least undermined the policy of opposing Baltic membership. The Russian Duma, since 1999 dominated by parties loyal to the new president, finally ratified the START-II and the Nuclear Test Ban Treaty, thereby disposing of these means of pressure on the United States. Partly this can be seen as a way to make the USA abide by the ABM Treaty with Russia and keep it from building a national missile defence (NMD).

When George W. Bush became US president and decided to develop an NMD, some Russian observers hoped to extract an American 'no' to NATO enlargement in exchange of an approval of the NMD. However, it was also noted that many

[57] Kozin, Vladimir (2000) "The Kremlin and NATO: Prospects for Interaction", IA, Vol. 46, No. 3, pp. 12 ff.

[58] NG, 7 March 2000. Curiously, NATO enlargement and possible Baltic accession were not even mentioned in the new Russian Foreign Policy Concept of 28 June 2000 (RG, 11 July 2000).

European states in the meantime had become more positive to an enlargement encompassing the Baltic states.[59] As the United States in the course of 2001 opted for both a missile defence and a NATO enlargement including the Baltic states, Russia gradually resigned to both. After all, the ABM treaty contained a clause on abrogation, which the USA made use of. The enlargement was more and more seen by officials and observers alike as inevitable and a matter of time.[60]

Thus on a visit to Finland on 3 September 2001, President Vladimir Putin found the enlargement useless, since nobody threatened anyone in Europe, but he stressed that Russia did not intend to use any levers against the Baltic states.[61] He declared that Russia respected their independence and would not start any 'hysterical campaign' against them, since this would only impair the situation.[62] Diplomats suggested damage limitation by demanding non-deployment of nuclear weapons and NATO troops in the Baltic states and a promise only to use force with the approval of the UN Security Council (where Russia has a veto right).[63] In fact the two former conditions seemed rather plausible, as NATO had accepted them in the 1997 Founding Act. The Russian insistence that the Baltic states should sign the CFE may also be seen in this light.[64]

The terrorist attacks on the United States on 11 September 2001 and the subsequent American call for support in the war on terrorism offered Russia new options. The Duma, the Communists and the Russian military opposed or did not want to support the Americans, specifically the establishment of air bases in Central Asia.[65] Some observers even wanted to make Russian support conditional on concessions, such as giving up NATO incorporation of the Baltic states.[66]

Another approach was proposed by e.g. Dmitrii Trenin at the Moscow Carnegie Center, who recommended Russia to ally itself with NATO as closely as possible, so as to secure its influence and integrate itself into Europe. Russia should accept

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[59] The Nordic, the new members and Germany were singled out. (NG Dipkurier, 1 February 2001)

[60] The Council for Foreign and Defence Policy already in autumn 1999 deemed their entry 'most likely' (NG Stsenarii, No. 9, 13 October 1999, p. 9).

[61] Except for insisting on all-European human rights for the Russian-speakers in the area.

[62] *Prezident Rossiiskoi Federatsii* (henceforth Prezident RF), Homepage of the presidential administration, 'Vystuplenie Prezidenta Rossiiskoi Federatsii' 3 September 2001 (www.president.kremlin.ru/events/291.html) retrieved 12 October 2001.

[63] Ambassador Demurin in NG, 1 March 2001.

[64] Lachowski (2002) pp. 17 ff.

[65] Peter, Rolf & Wagner, Claudia (2001) "Rußland und der „Kampf gegen den Terrorismus"", *Osteuropa*, Vol. 51, No. 11-12, pp. 1251 f.

[66] Among them diverse experts such as S. Rogov, V. Nikonov, A. Arbatov, A. Pushkov, A. Migranian according to Bomsdorf, Falk, *Russland und der Westen nach dem 11. September: Beginn einer wirklichen Partnerschaft?* SWP-Zeitschriftenschau, Berlin: Stiftung Wissenschaft und Politik, March 2002, pp. 1-16.

Baltic NATO membership, since Russia could not stop it. Moreover, it meant no growing threat to Russia, but rather improved political and economic relations as the Polish case showed, argued Trenin.[67]

Such thinking reflected well the policy that President Putin chose to conduct. He immediately expressed his support for the US-led antiterrorist coalition, offered intelligence co-operation and air routes across Russia. Officials explained that Russia had long experience in fighting terrorism in Central Asia and the Caucasus, specifically in Chechnya, and when the West took on that fight, it could only serve Russian interests and boost its prestige.[68]

NATO responded in kind by replacing the inefficient Joint Permanent Council with a new joint council, in which Russia would be one of twenty members with equal voting rights concerning certain issues (see below). Visiting Brussels in October 2001, Putin praised the idea as one radically changing the mutual relations, and expressed extreme satisfaction with the relations with the USA.[69] In the autumn Putin decided to scrap the Russian bases in Cuba and Vietnam, which long had annoyed the Americans. As a result of 11 September 2001 Russia could also rejoice in NATO states muting their criticism of the Russian war in Chechnya. When the United States later decided to send military personnel to Georgia in order to combat international terrorism, Putin even accepted that as being 'no tragedy' to Russian interests.

After visiting President Bush in November 2001, Putin said in a radio interview that even though NATO membership would not increase Baltic security, Russia acknowledged the role of NATO in the modern world and wished to expand co-operation with it. Pressed to say 'yes' or 'no' to enlargement he said: "I don't object to it /..../ Of course I cannot tell people what to do."[70] In another interview in February 2002 Putin cautioned about "some response reaction", if the NATO infrastructure moved closer to its borders, but admitted that Russia might see the problems connected with enlargement differently, if the relations between Russian and NATO became productive, trustful and mechanisms of taking joint measures in key questions were created.[71]

In May 2002 NATO and Russia signed the agreement creating the NATO-Russia Council, which was to devote itself to the fight against terrorism, to crisis

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[67] Trenin, Dmitrii "Antiterroristicheskaia operatsiia SshA i vybor Rossii", Moskovskii Tsentr Karnegi, press-reliz, 19 September 2001, *ibidem*, ""Osennii marafon" Vladimira Putina", Moskovskii Tsentr Karnegi, brifing, 20 November 2001.

[68] Peter&Wagner (2001) pp. 1250 ff, *Frankfurter Allgemeine Zeitung* (FAZ), 26 March 2002.

[69] Prezident RF, 3 October 2001(www.president.kremlin.ru/events/453.html) retrieved 2 May 2002.

[70] *RFE/RL Newsline* 5, No. 19, Part II, 19 November 2001.

[71] Prezident RF (Interview in *Wall Street Journal*), 11 February 2002. (www.president.kremlin.ru/events/453.html) retrieved 31 May 2002.

regulation, non-proliferation, conventional arms control and confidence-building measures, anti-ballistic defence, sea rescue operations, military cooperation and civilian emergency planning. Putin commented that a new level and quality of mutual understanding had been reached.[72] Just before that event US President Bush had visited Moscow and signed an agreement with Putin on further reductions of strategic offensive weapons until 2012, expressing a mutual wish for genuine partnership, based on cooperation and confidence.[73] The question of NATO enlargement was not even mentioned in this connection.

Western-oriented Russian commentators defended this policy against nationalist and communist critics by arguing that NATO now actually was rather weak, and that the enlargement would not make it stronger. Since Putin could not change the reality, he changed his view about it.[74] Kremlin official explained that Russia had been more efficient than NATO in the war against the Taliban in Afghanistan and that NATO had to be given time to adapt to new challenges.[75] One newspaper even ventured that Russia had replaced Western Europe as the main US ally.[76]

When NATO took the final decision in Prague to admit the Baltic states into its ranks on 22 November 2002, Putin – unlike many CIS leaders – did not go. However, Russia welcomed NATO's declaration that the decision was not aimed against Russia, as well as its confirmation of the Founding Act, which dictated restraint in locating forces and nuclear weapons in new member states. When President Bush immediately afterwards came to visit Putin outside St. Petersburg, Putin characterised the mutual relations as being on a very high level and developing forward. Putin again deemed the enlargement as unnecessary but hoped for a "positive development of relations with all members of NATO" and with the bloc as it reformed itself.[77]

Thus, Russia gradually realised that it could not stop NATO enlargement to the Baltics. The new relationship with the United States and NATO after 11 September 2001 promised to yield other dividends and saved its prestige. When the enlargement decision was taken, no serious Russian countermeasures were

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[72] Prezident RF, 28 May 2002 (www.president.kremlin.ru/summit9/s9_dek.html) retrieved 2 May 2002.

[73] Prezident RF, 24 May 2002 (www.president.kremlin.ru/ summit8/s8_doc1ru.html) retrieved 31 May 2002.

[74] BBC, Russia, 22, 29 May 2002.

[75] *Financial Times* (FT), 18 March 2002; *Respublika*, 15 January 2003 (interview with Putin's press secretary S. Yastrzhembskii).

[76] BBC, Russia (G. Sysoev), 24 May 2002.

[77] Prezident RF, 22 November 2002 (www.president.kremlin.ru/text/appears) retrieved 29 November 2002.

announced or taken. There were several similarities with the chain of events in 1997, but this time more and stronger common interests were at work.

Normalising relations with the Baltic states

At the same time as Russia changed its view of NATO, it also had reasons to modify its tough policy against the Baltic states. The political elite gradually came to realise that resistance to their NATO membership and pressure tactics to achieve it could be counterproductive, refresh old fears and in fact reinforce the Baltic desire to join NATO. The influential think-tank Council for Foreign and Defence Policy (SVOP), consisting of both officials and researchers, already in 1995 rejected sanctions and threats and recommended an active rapprochement with the Baltic states. In a 1997 report they expressed an understanding why the Balts were skeptical about unilateral Russian security guarantees. Their recipe was a respectful direct dialogue with them, a differentiated approach, alternative security proposals, economic co-operation and the use of international organisations.[78]

With regard to NATO membership Russia officially recognised that the Baltic states were sovereign, and that it had no veto power over them. Russia had accepted for example Lithuania's right to join whatever alliances in an agreement of July 1991. When Russia promoted integration with Belarus, no officials in Lithuania turned against that.[79]

As will be shown below the Russian effort to undermine the democratic credibility of Estonia and Latvia by criticising their minority policy and accusing them of condoning right extremism did not persuade the West and rather made the situation worse for the Baltic Russians. The refusal to sign the border agreements with the same states, when they agreed to them in 1997 was not convincing either.

The main argument of the candidate states for Russia to accept NATO enlargement was that it would make them feel secure and confident so that they could intensify relations with Russia. Poland is an instructive example of how this came about. After years of tense relations and a crisis in early 2000 that was not only related to the NATO issue, President Alexander Kwasniewski took the initiative of resuming contacts with Russia. He visited Moscow in 2001 and invited Putin to Warsaw. Poland also greeted Russia's intensified rapprochement and cooperation with NATO after 11 September 2001, and its military officials pleaded for more military co-operation with Russia.[80]

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[78] "Rossia i Pribaltika", NG, 28 October 1997. See also "Rossiia i Pribaltika-II", NG Stsenarii, No. 9, 13 October 1999.

[79] *Izvestiia*, 20 February 2001 (interview with Lithuania's ambassador to Moscow).

[80] Lang, Kai-Olaf *Ein neues polnisch-russisches Verhältnis?*, SWP-Aktuell, Berlin: Stiftung Wissenschaft und Politik, January. 2002, pp. 4-6.

After some time Russia responded to the Polish overtures by repaying official visits, and in January 2002 President Putin came to Warsaw. On this occasion Putin declared that the relations were now free from political problems. He held that the countries had similar views concerning security in Europe, and called for co-operation against terrorism. Putin even apologised for Soviet behaviour during and after the war, which was received favourably by the Poles. Both parties were interested in improving trade relations.[81]

The Baltic states acted in a similar way as Poland. The revised security doctrines did not talk about direct military threats from Russia and instead expressed concern over the instability and unpredictability in Russian politics, and social and ecological threats.[82] The states supported NATO's rapprochement with Russia, including the creation of the NATO–Russia Council.[83] Also they told Russia that NATO nowadays primarily is a political organisation aiming at stability, not a threat to Russia.[84]

Lithuanian officials just like the Polish ones promised that increased security through NATO membership would enable the country to develop co-operation with Russia in all fields to mutual benefit. The Lithuanians invited Russian observers to their exercises with NATO and called for confidence-building measures with Russia, and an agreement on this was also reached.[85] Even though Lithuania wanted full NATO membership, it saw no need for deploying nuclear weapons or big foreign military units on its territory.[86]

Latvia on its part only agreed to military co-operation with Russia in the framework of the NATO Partnership for Peace and other international programmes. But the foreign minister stressed that after NATO accession, Latvia's relations with Russia had to be built from "positions of positive cooperation", and he talked about historically understandable complexes towards Russia in his country which had to be overcome.[87] Estonia had indeed offered NATO bases in the country, but its Foreign Minister hoped that closer relations between NATO and Russia would help improve Estonian–Russian relations, as well.[88] All the Baltic states promised to begin talks on adhering to the CFE Treaty.[89]

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[81] Prezident RF, 16 January 2002 (www.president.kremlin.ru/events/435.mtml), Lang (2002) pp. 1-6.
[82] Spruds (2002), p. 353, Herd & Huang (2001) pp. 20, 31; NG, 20 April 2000.
[83] BBC, Estonia, 30 November 2001, BBC, Latvia, 29 May 2002, BBC, Russia, 4 June 2002.
[84] RG, 27 November 2001.
[85] NG, 4 September 2001 (interview with the Lithuanian Defence Minister Linas Linkevicius).
[86] Kommersant, 27 December 2000 (interview with foreign ministry official).
[87] BBC, Latvia, 11 April 2002, 16 May 2002.
[88] BBC, Estonia, 30 May 2002.
[89] BBC, Russia, 21 November 2002. For nuances among them, see Lachowski (2002) pp. 22 f.

As for the Russian response, it can be observed that, the leadership since the mid-90s generally desisted from military pressure on the Baltic states despite the above-mentioned threats of countermeasures in case the Baltic states joined NATO. Russia assured them of peaceful intentions and rejected the use of force as a principle. On schedule Russia had closed its last military base, the anti-missile radar station in Skrunda, Latvia, in August 1998.[90] During his visit to Stockholm in December 1997, Yeltsin declared that the troops in the north-west of Russia would be unilaterally reduced by 40 per cent, and this promise was also carried out in 1998.[91] In October 1999 the General Staff talked about decreasing Russian troops near the Baltic states in order to deprive them of a pretext for joining NATO.[92] True, these actions did not only reflect a less hostile attitude but were also a result of lacking military funding and the need of troops elsewhere.

According to Western estimates, the number of ground troops in Kaliningrad was reduced from about 103 000 men in 1993 to 12 700 in 2000, and the total was appreciated at 25 000.[93] Head of the Baltic Fleet, Admiral Vladimir Yegorov in July 1999 made sure that Russia was not interested in strengthening its forces in Kaliningrad. After being elected governor, he pledged that the forces would be cut from 25 000 to 16 500 in three years, even if the Baltic countries joined NATO.[94] This was also confirmed when the Baltic Fleet announced a reduction of 8,500 men to be carried out during the year.[95] Yegorov also frequently participated in naval exchange with the Baltic Sea states,[96] and proposed confidence-building measures in the Baltic Sea, such as notification of naval activities, prevention of incidents, and direct connections between the fleet commands by the Baltic Sea.[97] In 2001 the Russian Baltic Fleet again started to participate in the regular NATO BALTOPS exercises with the Baltic states, and its commander even suggested that Russia should organise the next exercise. In September 2002 the Russian navy paid its first naval visit to Lithuania.[98]

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[90] BT, 3-9 September 1998.
[91] Segodnia, 22 January 1999.
[92] Ballad, Baltic Institute, ”Russia to withdraw troops from Baltic borders?”, 26 October 1999 (www.ballad.org) Retrieved 8 February 2001.
[93] IISS, *The Military Balance 1993-94, 2000-2001*, London: Oxford University Press 1993, 2001, p. 104 and 124, respectively; *Segodnia*, 14 March 2001. According to the *Military Balance 2002-2003*, p. 93, the ground forces numbered 10 500 in 2002.
[94] Ballad, Baltic Institute, ”Yegorov not afraid of NATO”, 7 March 2001 (www.ballad.org) News archive, retrieved 8 March 2001; Interfax, 26 March 2002; *Handelsblatt*, 29 May 2002.
[95] BBC, Russia, 9 May 2002.
[96] KZ (interview with Yegorov) 14 July 2000, BBC, Russia, 9 May 2002.
[97] Interfax, 26 March 2002.
[98] BBC, Lithuania, 13 September 2002. See also Lachowski (2002) p. 22.

Instead of being an exposed military base, Kaliningrad may in fact become a point of contact between Russia and NATO. Some Kaliningrad politicians have argued that Lithuania could become an advocate for the region inside NATO and help it to partake in NATO's non-military programmes.[99]

The American report about transfers of tactical nuclear weapons to Kaliningrad may seem to contradict this, and indeed it may have been intended to promote Baltic NATO membership. Russia officially denied the report as slander. A Polish-Danish military inspection team was admitted to check OSCE obligations, but it had no possibility to look for nuclear weapons. Western observers have noted that such weapons may have been stored in the region since Soviet times, when nuclear submarines were frequent visitors to Baltiisk, and that they can easily be relocated. However, it would be a strategic risk to keep such weapons there, since the region in case of war could easily be conquered.[100]

As for bilateral *political* relations with the Baltic states, Russian officials often expressed a wish to improve relations, even though conditions were made as shown above. Among the Baltic states, Russia had the best political exchange with Lithuania, despite the fact that this state seemed closest to NATO membership. Already in 1997 Yeltsin had received Lithuanian President Algirdas Brazauskas in Moscow, and in 2001 Brazauskas' successor Valdis Adamkus was invited to Kaliningrad and Moscow.[101]

Russia's tense relations with Estonia and Latvia also tended to improve in spite of NATO's approaching enlargement decision. In February 2001 Putin summoned Latvian President Vike-Freiberga to a meeting, albeit not in Russia but in Austria. The 2002 meeting of the Council of the Baltic Sea States in St. Petersburg provided an opportunity for the Russian Prime Minister to talk with his Baltic counterparts, and practical cooperation was discussed.[102]

In November 2002 Deputy Prime Minister Valentina Matienko visited Tallinn and resumed the work of the intergovernmental commission, which had been dormant for four years. She commented that concessions had been made by Estonia and agreed to discuss the abolition of double customs duties and the border agreement.[103] Concerning contacts at lower levels, it deserves to be mentioned that

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[99] Regional duma deputy Salomon Ginsburg in BBC, Lithuania, 12 May 2002.

[100] Swiecicki, Jakub (2002) *Kaliningrad i kläm*, Världspolitikens dagsfrågor, No. 10, Stockholm, Utrikespolitiska institutet, pp. 14.

[101] NG, 2 March 2001, KZ, 21 March 2001.

[102] BBC, Russia, 11 June 2002. This was the first such meeting in ten years for the Estonian prime minister.

[103] BBC, Estonia, 8 November 2002. See also 19 April, 1 May 2002.

the city of Moscow developed its contacts with Tallinn and Riga, especially in the cultural sphere.[104]

From this chapter one may conclude that even if Russia put up strong resistance against the Baltic states joining NATO and relented in achieving normal exchange with them, its general need of good relations with the West and the West's cooperative attitude toward Russia pushed it gradually towards acquiescence. Co-operation and a common fight with the West against 'terrorism' served Russian national interests better than attempts to defend old power positions in the Baltic area by pressure tactics. Russia had to accept Baltic NATO membership, which guaranteed the security of these states with regard to Russia. The Baltic states had to endorse Russian participation in NATO decision-making on certain issues and to improve relations with Russia. NATO (and the EU) thus influenced both Russia and the Baltic states to come to terms.

[104] BBC, Russia, 31 May, Estonia, 1 June 2002, RG, 20 April 2002, *Moskovskie novosti*, 26 February 2002.

The Border Issues

Another security question, which marred Russian–Baltic relations since the early 1990s and was connected with the NATO enlargement problem, is the border issues. In 1997 President Yeltsin's policy guidelines concerning the Baltic states mentioned the international legalization of the current borders among the important goals. This was indeed a problem in the early 1990s, since Estonia and Latvia disputed the transfers of the Ivangorod-Petseri and the Abrene areas, respectively, in 1944, when the countries were again occupied by and incorporated into the Soviet Union as Soviet republics. As a result Estonia had lost six per cent of its area and Latvia two. Instead the states now wanted to restore the borders established in the Tartu and Riga peace treaties of 1920, because they based their statehood on the independent republics of the interwar period.

Russia rejected these demands claiming that the incorporation of Estonia and Latvia and the following border changes had been legal, because the decisions had been taken by the parliaments. Officials also pointed out that Estonia and Latvia had recognised Russia's territorial integrity in an agreement with Yeltsin in January 1991 and in several international agreements and that the contested areas now are totally dominated by Russians. Another argument was that Russians formed the majority in the areas already before the war, and this may have been a reason for the border changes in the first place.[105]

The main rationale for the Russian standpoint, however, probably was that Russia faced border claims in other directions, so concessions here could easily become precedents. For instance, Russia (the USSR) has long refused to cede four Kurile islands to Japan, even though this is a great power able to offer Russia economic rewards.

Finally, there was a practical consideration. Russia was reluctant to change the status quo and wanted to fortify the existing borders in order to stop smuggling and illegal passages. Thus it started unilaterally to demarcate its border on Estonia in

[105] Dauksts, Bonifacijs & Puga, Arturs, "Abrene", pp. 182 f, Jääts, Indrek, "East of Narva and Petserimaa", pp. 191 f, in: Forsberg, Tuomas (ed.) (1995) *Contested territory. Border disputes at the Edge of the Former Soviet Union*, Aldershot-Brookfield: Edward Elgar Publishing.

1994 [106] The 1997 Policy Guidelines warned of an increasing criminal threat from the Baltic states against Russia and wanted to pool efforts against illegal migration, organised crime and the smuggling of weapons, drugs, and strategic materials.[107]

However, the Estonian and Latvian leaders gradually realised that their claims were not realistic: Nor did they want more Russians and they too needed secure borders with Russia. Also they wanted to solve the border issues quickly, to demarcate the borders and impose strict border control. The introduction of the Schengen border system in the EU, which means abolishing internal controls and reinforcing the external ones, only strengthened the need to solve the border issues.

More importantly, the border claims received no support from the West, and when regulated borders became a condition for NATO and EU membership, which were their chief foreign policy objectives, Estonia and Latvia officially dropped their claims in late 1996 and early 1997, respectively. Precisely this then became a motive for Russia suddenly to refuse signing the agreements. Officially, however, references were made to technical difficulties, and the agreements continued to be linked to the difficult citizenship issue in Estonia and Latvia, which meant that the latter was viewed as more important.[108] Occasionally Estonia and Latvia were still accused of raising territorial claims.[109] In the meantime, Russian border authorities professed to have very good co-operation with their Baltic counterparts even without legally recognised borders.[110]

Obviously, the Russian position was weak, since Russia had wanted border agreements before. Both NATO and EU officials told the Baltic leaders that the absence of border treaties with Russia was not held against them and admitted them as future members in late 2002.[111] Since Russia could not stop that and is interested in good relations with NATO and the EU, there is now little reason for it not to sign the border agreements with Estonia and Latvia. But of course Russian nationalists, for instance in the Duma, may still try to postpone the signing or the ratification of the border agreements by linking them to the citizenship question.

Russia's border problems with Lithuania were different from those with Estonia and Latvia. True, also here there have been some border claims of the first type emanating from nationalist groups in Lithuania. They have maintained that the

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[106] More on this in Oldberg (1996) "Rätt mot makt—Baltstaternas gränskonflikter med Ryssland",. Gerner, Kristian et al. (eds.) *Stat, nation, konflikt. En festskrift tillägnad Sven Tägil*, Bra böcker; Höganäs 1996, pp. 184 ff.

[107] SWB BBC, 13 February 1997.

[108] For recent examples, see Elagin (2001) p. 157, KZ, 19 October 2001.

[109] RG, 25 January 2000.

[110] KZ, 19 October 2001.

[111] BBC, Lithuania, 21 October 2001; 26 March 2002.

Potsdam Agreement of 1945 only gave Russia the Kaliningrad region for fifty years and that the decision has not been confirmed by international agreements.

There is a pressure group called 'Lithuania Minor' which claims the Kaliningrad region also on historical and ethnic grounds. For instance they have pointed out that the extinct Prussians, who gave their name to the area in German times, were closely related to the Lithuanians. On the official level, the first President Landsbergis in the early nineties talked about the demilitarization and decolonization of Kaliningrad, and after he became opposition leader he advocated autonomy for Kaliningrad or a fourth Baltic Russian republic, All these overt or implicit claims were vehemently criticized in the Russian press.

However, different from the Estonian and Latvian cases, there have been no *official* claims with regard to Lithuania. All Lithuanian governments have recognized and recognize the present borders with Russia, and Landsbergis denied that he wanted a border revision. One explanation of this Lithuanian position is that Stalin in 1939 did not take away but rather gave Lithuania more territory than it had before the war—at the expense of Poland and Germany. Also the successive Russian governments recognized the border with Lithuania. Instead there were negotiations between the governments throughout the 1990s over the delimitation and demarcation of the present border, including the economic zone in the Baltic Sea. In 1997 these negotiations resulted in a border treaty signed by the presidents Yeltsin and Brazauskas. This treaty was ratified by the Lithuanian Seimas in 1999.

The Russian Duma, however, dominated as it was by anti-Yeltsin parties in 1997, refused to ratify the border agreement, openly explaining that it would not remove one of the last obstacles to Lithuanian NATO membership and NATO bases. The Duma also claimed that the transfer of Klaipeda (Memel) from the Russian share of German East Prussia to Soviet Lithuania after the war was illegal. It linked the border agreement to the rules of transit to Kaliningrad and recommended rules similar to those that the Western powers once had with respect to West Berlin.[112] These claims and accusations have since then been repeated by nationalist Duma members, the Klaipeda claim also by former Kaliningrad governor Leonid Gorbenko. Some suggested that since Lithuania had acquired the Klaipeda region when it was a Soviet republic it should have returned it, when it became independent. Others have demanded that Lithuania also should turn over Vilnius to Belarus, since Lithuania had denounced the Molotov–Ribbentrop pact, as a result of which it got this region back from Poland in 1939. In this way Russia would also solve the problem of transit to Kaliningrad and get better access to the

[112] RG, 4 October 1997.

Baltic Sea.[113] Later, when the Lithuanian Seimas took a law demanding compensation from Russia for the postwar Soviet occupation, the Duma made the border treaty ratification dependent on the abolition of that law.[114] Thus the Russian Duma, though it is dominated by pro-Putin groups since 1999, long refused to ratify the border treaty and delayed the demarcation of the border.

However, after Lithuania was invited to join NATO and Russia reluctantly accepted this and after Russia concluded an agreement with the EU on transit across Lithuania in December 2002, these linkages lost their topicality. The ratification of the border treaty could also serve to improve the relations with Lithuania as Russia said it desired. Therefore one can expect that the Russian Duma will come to this decision quite soon.[115] Russia's border problems with all the three Baltic states finally seem to approach the end.

[113] The latter demand was made by Duma deputy V. Alksnis and researcher A. A. Ivanova in NG, 28 March 2001. That article was sharply rebuffed in NG, 30 June 2001 under the title 'Senseless dreams'. See also NG, 11 December 2001 and BBC, Russia, 20 April 2002.

[114] Avdeev, Aleksandr, "Russian-Lithuanian relations: An overview", IA, Vol. 46, No. 6, 2000, p. 77; RG, 31 March 2001.

[115] For hints, see BBC, Lithuania, 19, 30 November 2002.

The Russian-speaking Minority Issue
Russian pressure

The Russian-speaking minorities in Estonia and Latvia, comprising chiefly Russians but also other nationalities of the Soviet Union, have been a paramount domestic problem in these countries ever since independence, even though their numbers have shrunk.[116] As noted above this problem became one of Russia's main instruments to exercise pressure on them and bar their way into NATO (and the EU).[117] The official Foreign Policy Concept of the Russian Federation of 2000 thus made good-neighbourliness and co-operation with the Baltic states conditional on respect for Russian interests, including the key issue of the rights of the Russian-speakers. Also in 2002 President Putin made the observance of democratic standards a condition for long-term co-operation with Latvia.[118]

Concern for the Baltic Russians certainly also was a manifestation of Russian nationalism, which had come to replace communism as 'super-ideology'. Support for the Russian diasporas was first marshalled by nationalists and communists, but also officials climbed the bandwagon, especially during electoral campaigns, for example in 1996 when a governmental programme was formulated.[119] The Foreign Policy Concept, for example, vowed to "uphold in every possible way the rights and interests of Russian citizens and fellow countrymen abroad".[120] However, as Russian observers have noted, support for the diasporas is not only a moral question. The Russian diasporas can also serve to win support for Russia from the

[116] In Estonia, the ethnic Estonians have increased from 61.5 % out of the 1.56 million persons 1989 to 67.9 % out of 1.37 million in 2000. The Russians have decreased from 30.3 (475 000) to 25.6 %, Ukrainians from 3.1 to 2.1, Belarussians from 1.8 to 1.2 %, both mainly Russian-speaking groups. (NG, 18 July 2001) In Latvia, the Latvians were 52 % out of 2.6 million in 1989, the Russians 34 % (906 000). In 2000 the Russian-speakers were 35 % out of 2.4 million. (NG 18 July 2001, BBC, 22 March 2001)

[117] See also Herd, Graeme & Löfgren, Joan (2001) "'Societal Security', the Baltic States and EU Integration", *Cooperation & Conflict*, Vol. 36, No. 3, pp. 277 f.

[118] Prezident RF, 31 January 2002.

[119] Vendil (1999), pp. 147-169, Spruds (2002) p. 357.

[120] RG, 11 July 2000.

states in question in the same way as the Jewish diaspora in the USA has backed Israel for several decades.[121]

Russian officials and others frequently accused Estonia and Latvia of discrimination, ethnic cleansing, apartheid, etc. Specifically, Foreign Ministry officials since the early 1990s blamed them for only granting citizenship to citizens (residents) of the pre-1940 republics and their descendants, as a result of which hundreds of thousands of Russian-speakers were barred from political and social rights, and for making the naturalisation process very slow through tough conditions regarding the command of the state language.[122] In the early 1990s most of those who had no chance to acquire citizenship, such as military and security personnel, left for Russia. About 150 000 persons left Latvia.

Simultaneously, the Russian embassies issued citizenship to the Baltic Russians, and many of them also accepted the offer, partly so as to be able to travel to Russia without visas, partly out of sympathy or as a protest, and because this did not endanger their right to stay.[123] Until 1998 at least, more people acquired Russian than Estonian and Latvian citizenships. Estonia had 100 000 Russian citizens, second only to Russia, and in Latvia the number of non-citizens actually rose due to more births.[124] As Russia in January 2001 imposed a visa regime on non-citizens of these countries, this made it harder for them to do without Russian citizenship.[125]

Russian MID officials specifically criticised these states for excluding former military and security personnel and their families from citizenship. About 70 000

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[121] NG, 13 January 2001.

[122] ”The Baltic states: The situation is often discouraging” (interview with Foreign Ministry official Vladimir Loshchinin), *International Affairs*, Vol. 42, No. 3, 1996, pp. 50 f; SWB BBC, 13 February 1997.

[123] In Estonia, 80 % of the population and about 40 % of the Russians were Estonian citizens in 2000, and 6.2 % had obtained Russian citizenship according to official statistics (NG, 18 July 2001).According to Minister T. Ilves about 40 % of non-Estonians have Estonian citizenship, 30% Russian citizenship.(NG, 20 April 2000). Latvia on 1 January 2002 had 523 000 resident non-citizens, and 50 386 had been naturalised since early 1995 according to official figures. (BBC, Latvia, 22 March 2002). According to Russian figures of 1999, 72 % of Latvia’s inhabitants were citizens, 28 % (700 000) were non-citizens, among whom two thirds (450 000) Russians. 50 000 were citizens of Russia (NG Stsenarii, No. 9, 13 October 1999).

[124] Oldberg (1997), pp. 161, 180 f; DN, 5 March 1999; BT, 11-16 June 1998. See also Röeggen, Vidar (1998) ”Latvias vei inn i varmen går gjennom statsborgerskapspolitikken”, *Nordisk Östforum*, Vol. 12,No. 4, pp. 49 ff, and Runcis, Andris (2000) “The Citizenship Issue as a Creeping Crisis”, in Stern Eric K. & Hansén Dan (eds.) *Crisis Management in a Transitional Society: The Latvian Experience*, Crismart, Vol. 12, Stockholm, Försvarshögskolan 2000, pp. 216-259.

[125] Moskovskie novosti, 30 January 2001, RG, 10 January 2001.

persons in Estonia even lacked permission for residence.[126] Latvia in particular was upbraided for its initial naturalisation requirement of fifteen years' residence, which in 1995 was replaced by a law restricting applications to some age-groups at a time. After amendments in 1998 only 26 000 became naturalised and some 100 000 applications were rejected.[127]

Russia instead wanted the so-called "zero-option", i.e. citizenship for all residents as of 1991 like in other ex-Soviet republics, including Lithuania, and also the possibility of double citizenship.[128] The February 1997 guidelines demanded citizenship for all Russian-speaking residents of Estonia and Latvia as of 1990, the streamlining of the naturalisation procedures, citizenship on the strength of birth, and the right of family reunions. Russian nationalists like Vladimir Zhirinovsky and Communist leader Gennadii Ziuganov went so far as to demand self-determination for the Baltic Russians and the holding of referenda.[129]

Estonia and Latvia were also accused of violating agreements with Russia of January 1991 safeguarding the right to keep or choose citizenship, even though the Russian parliament had not ratified them. Other common arguments alleged that the Baltic governments yielded to the nationalist radicals and helped the nationalists in Russia at the expense of the democrats.[130]

Aside from the citizenship issue Russian officials criticised Estonia and Latvia for their language laws, which made Estonian and Latvian the only state languages, mandatory in administration and business, when actually Russian was spoken by more people (including the Balts). Russian-language schools were also seen to be under attack.[131] National minorities enjoyed cultural autonomy only if they were citizens.

Thus, Estonia was chastised for taking new laws in 1998–1999 limiting the chances of Russian-speaking citizens to run for office, widening the requirement of using the state language into almost every sphere of life.[132] Another protracted problem was the Estonian refusal to register the Orthodox Church subordinated to the Moscow Patriarchate, an act which allegedly deprived the church of its property and forced it to pay taxes unlike other congregations.[133]

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[126] Elagin (2001) p. 153, KZ, 16 July 2000.
[127] Demurin (2001) p. 77.
[128] "The Baltic States", p. 50.
[129] Oldberg (1997) p. 160.
[130] NG, 20 April 2000.
[131] NG, 14; 30 August 1997; 12 September 1997.
[132] Elagin (2001), p. 153.
[133] Girnius, Saulius, (1996) "Estonia: Relations with Russia Turn Bitter", *Transition*, 31 May, pp. 43 f; Elagin (2001) pp. 158 f; NG Religii, 31 January 2001; RG, 27 January 2001.

Latvia was taken to task for not ratifying the Council of Europe convention of national minorities. A foreign ministry official protested against the 2000 language law for contravening several international conventions by additional restrictions on the use of Russian during public events, in communicating with authorities, and in business life. Under a law taken in 1998 Russian children were to receive at least half their instruction in Latvian, and in the highest grades all instruction.[134] A law was taken that candidates in elections for parliament and local council must have the highest language proficiency in Latvian, another law obliged people to add a Latvian 's' to their surnames. In 2002, Russia protested the Latvian decision not to renew the license of the Russian Radio.[135]

Lithuania was held up as a model for Estonia and Latvia, because it had granted citizenship to all its residents in 1991.[136] This obviously was to do with the fact that the Russian share of the population there was smaller.[137] Occasionally however, the Russian press accused that country too of violating international norms by a policy of assimilation and discrimination of national minorities. For example the language law making Lithuanian the only state language allegedly pressed Russian out of public life and schools, all names had to be 'lithuanianised', and the state did not support Lithuanian-language instruction for minorities.[138]

Both official Russian institutions and various pressure-groups took several types of steps to support their "compatriots" along the above lines. They maintained close ties and exchanged information with the latter, and those who were Russian citizens participated in Russian elections. In 1994 the Foreign Ministry outlined a programme of measures, including radio stations, aid to Russian firms, and evacuation plans (!), and two years later came a governmental programme.[139] In 2001 a congress of the diasporas was held in Moscow, at which President Putin proposed to create a special state organ for the diasporas.[140]

Just as in the NATO question, military, political and economic threats and linkages were utilised. For instance, as a condition for the withdrawal of the Russian troops (until September 1994) Russia demanded not only citizenship for military pensioners but for all "Russian-speaking" residents.[141] In June 1993, when

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[134] Demurin (2001), pp. 76; NG, 11 December 1999; 18 May, 22 July 2000, Izvestiia, 4 August 2000.
[135] BBC, Russia, 18 March 2002.
[136] Avdeev (2000) p. 75.
[137] Nine per cent in 1989, 8.3 in 2000 (Moskovskie Novosti, 18 December 2001).
[138] NG, 7 April 2001, Moscow News, 24 April 2001.
[139] Izvestiia, 17 February 1994, RG, 30 May 1996, RG, 9 August 2001;
[140] RG, 1 February 2001; Trud, 17 October 2001.
[141] Blakkisrud, Helge (1995) *De russiske minorititerne i Estland og Latvia*, NUPI-rapport, No. 194 Oslo: Norwegian Institute of International Affairs, p. 43 ff, 65 f.

the Estonian aliens's law was taken, Yeltsin reminded of "geopolitical realities" and threatened with "all necessary steps". Troops were moved at the border, and the pullout of troops was stopped in both Estonia and Latvia.[142] The official military doctrine of November 1993 ranged suppression of citizens of Russia in other states among the sources of war danger. Even Foreign Minister Andrey Kozyrev in April 1995 blamed Estonia and Latvia saying that all methods including force could be used to protect compatriots abroad.[143] In January 1997 the next Foreign Minister Yevgeny Primakov both threatened with economic sanctions and spoke out against signing a border treaty with Estonia as measures to buttress the Russians.[144] In April 1998 President Yeltsin threatened Latvia with 'economic measures' such as re-routing oil transit, if the Russians' lot was not improved. The nationalist Moscow mayor Yury Luzhkov participated in a demonstration against Latvia, comparing it with Pol Pot' s Kampuchea and calling for all possible measures.[145] Extreme Russian nationalists also entered Latvia to carry out provocations.[146] In order to defend the Russians in Latvia, the Duma in March 2000, now dominated by pro-Putin parties, in two readings passed one law forbidding trade with Latvia and another allowing humanitarian aid to the Russians there. But in the end the laws were suspended and replaced by a sharp statement calling for all measures, including economic sanctions, to make Latvia abide by international law, and recommending the president again to turn to the UN and other international organisations.[147]

Further, Russia has tried to help its 'compatriots' and citizens in the Baltic countries ever since 1992 by appealing to the West and international organisations like the UN, OSCE, the Council of Europe and the European Community/Union, accusing the Baltic governments of violating international conventions and being unsuitable for NATO and EU membership. Mainly on Russian insistence, a special office for minority and democracy questions was created and retained in the Council of Baltic Sea States, and the OSCE established missions to monitor human rights in Tallinn and Riga. When these were closed at the end of 2001 as being superfluous, Russia protested sharply.[148] Much attention was paid to individual cases brought before the European Court in Strasbourg.[149] At the UN conference

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[142] Sheehy, Ann, "The Estonian Law on Aliens", *RFE/RL Research Report*, No. 2, 24 September 1993, p. 9 f.
[143] BO, 20 April 1995.
[144] NG, 11 January 1997.
[145] BT, 2-8, 16-22 April 1998. See also Vendil (1999), pp. 153ff.
[146] Kommersant, 19 August 2000, Kommersant, Izvestiia, 17 November 2000.
[147] Segodnia, 5, 6 April 2000.
[148] BT, 29 November 2001; RFE/RL Newsline, No. 237, 17 December 2001.
[149] RG, 26 April, 14 November 2001, 24 January 2002, NG, 24 January 2002.

against racism in Durban in 2001, the Russian delegate thus accused Estonia and Latvia of discrimination of native language use, educational barriers, citizenship manipulation and profession bans. Without radical changes the states could not be seen as really democratic in his view.[150] Russian officials relished in quoting Western criticism of the Baltic states' human rights record.

When the Western states did not quite accept the Russian version of the situation and the measures to back it up, Russia also often accused them of applying double standards and giving preference to geopolitical interests in the region. A Foreign Ministry official thus rebuked NATO and EU representatives for lacking objecttivity, when they insisted on the Hungarian ethnic minority receiving education in their own language, but would not help the Russians in Estonia and Latvia to the same treatment.[151] Likewise, President Putin in 2001 posed the question, why Europe recognised the demands of the Albanians in Macedonia, who made up 20 per cent, for a corresponding representation in the power structures, such as the police force, and for having Albanian recognised as a state language, while this was denied with respect to the Baltic Russians, who had a larger share of the population.[152]

Besides accusing the Baltic states of ethnic discrimination Russia tried to undermine their democratic credibility by charging them of condoning Fascist groups. Thus Russian officials and media regularly attacked the yearly marches in Riga of the Latvian legion, which had helped the Nazis during the Second World War. A veritable campaign took place in 1998, when Latvia proclaimed the Legion's Day a national holiday and the Commander-in-Chief participated in the march dressed in uniform. Mystical bombs exploded outside the Russian Embassy and the synagogue in Riga. At the Latvian embassy in Moscow, a large demonstration attended by the mayor was held and a bomb exploded.[153] In 2000 the Foreign Ministry labelled the march as an attempt of certain circles to revise the results of the war and to make criminals sentenced in the Nuremburg trial into heroes.[154]

Russian representatives further criticised the Baltic states for neglecting to prosecute war crimes in support of the Nazi regime during the war, including the

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[150] NG, 11 September 2001.

[151] Demurin (2001), p. 76, NG, 1 March 2001.

[152] Putin's figures were 28 % for Estonia, 36 % for Latvia. (BBC, Russia, 4 September 2001.

[153] KZ, 18 March 2000; Moshes, Arkady (1999) *The Baltic Sea Dimension in the relations between Russia and Europe*, FOA R-99—01055-180 SE, Stockholm: Swedish Defence Research Establishment, pp. 21 ff; Bleiere, Daina & Stranga, Aivars (2000) "The Latvian Russian Crisis of 1998", in Stern & Hansén (2000) pp. 226 f; Bøtcher, Bjarke W. (2000) "The debate on the Latvian SS Volunteer Legion", *Baltic Defence Review*, Vol. 2, No. 3, pp. 103-114.

[154] NG, 15, 17 March 2000, 20 March, 1 November 2001; KZ, 18 March 2000.

extermination of the Baltic Jews.[155] The Balts prosecuted Soviet 'partisans' and security personnel, who were sentenced for committing war crimes and acts of genocide during and after the war against the civilian populations. In the Russian view, they should only be sentenced under national or international laws valid at the time. In 2000 the interim President Putin himself intervened on behalf of the 'partisan' V. Kononov, gave him Russian citizenship so as to facilitate Russian juridical support, and called on US President Clinton to condemn such prosecution. The Duma threatened with economic sanctions.[156] Similarly, Lithuania was scolded for taking a law of 'lustration' in 2000, which called on former agents of Soviet security services to denounce themselves.[157] More recently, Deputy Prime Minister Valentina Matvienko told Estonian leaders that in exchange for normalising relations Russia wanted e. g. an end to the political trials of former law and order staff.[158]

In sum, Russia utilised the very real minority problems and other domestic problems in Estonia and Latvia to the utmost and linked them to other issues such as NATO and EU membership. The minority issue was not only useful but was also considered very important. The issue and the Russian view certainly worried also the opposite numbers and to some extent European policy-makers. Latvia was not admitted into the Council of Europe until early 1995.

Reasons for accommodation

This picture of harsh Russian critique and pressure in the question of the Baltic Russians has, however, to be complemented with an analysis of the countervailing factors forcing Russia to moderation. Just as with regard to the NATO issue, Russian officials gradually realised that linkage and pressure tactics were counterproductive. Thus Latvia in 1994 argued that the withdrawal of the Russian troops was a condition for improving the lot of the Russian-speaking inhabitants instead of the other way round, and Russia eventually had to give in.[159] After the pullouts the Baltic states indeed felt freer to make concessions to their Russian inhabitants.

Support from Russia and its nationalists could also impair the situation for those Baltic Russians, who were already integrated into society or in the process of being so. For example, Nikolai Maspanov, then head of the "Russian Party" in Estonia

[155] NG, 1 March 2001; Kommersant, 16 September 2000; BBC, Estonia, 29 May 2002.
[156] NG, 13 February, 2 March, 14 April 2000, KZ, 1 March, 20 May 2000, Demurin (2001) p. 77.
[157] Izvestiia, 2 February 2000.
[158] BBC, Estonia, 8 November 2002.
[159] NG, 30 August 1997. Latvia's foreign minister Birkavs proposed EU membership first, then integration of non-citizens. (Stranga (2000) p. 37.)

and member of parliament, told the Russian press that economic sanctions like higher customs tariffs would hurt small and medium-scale trade, in which most of the Russian-speaking inhabitants were engaged.[160] Indicating such realisation on the top level, even the (Communist) Duma speaker Seleznev once observed that sanctions would hurt ordinary people and therefore preferred negotiations to solve the ethnic issue.[161]

Another problem throughout the 1990s was that Russia had little resources to spend on helping the diasporas due to its persistent economic crisis. In practice very little money and effort was spent on supporting the compatriots in the Baltics.[162] For example, the Russian schools in Estonia did not get books from Russia, even though they had been paid for, so Estonia had to produce new ones translated from Estonian.[163] In 2001 the Russian budget allotted only 80 million rubles (about 3 million USD) for all the diasporas, e.g. to buy school-books – and this figure was a sharp increase.[164] The expert Council for Foreign and Defence Policy (SVOP) admitted that some Western states like Sweden did more than Russia to promote the Russians' integration in the Baltic states, notably regarding language instruction.[165]

Moreover, despite all talk of "discrimination", officials in Russia were aware that the living conditions and prospects in Estonia and Latvia were better than in Russia or in the less democratic and stable Caucasian and Central Asian states, from where many more Russians had fled. Very little violence occurred in the Baltic states since the 1990s. Besides, Russia had little resources to take care of immigrants.

The Russian press further observed that the fellow countrymen in the Baltics were in fact quite successful, reportedly carrying out fifty per cent of small and medium-size business.[166] Russian-speakers make up half the number of millionnaires, so that Latvians complained that they dominated business. One reason for their success probably is that Russians in Soviet times had dominated the *nomenklatura* and were then pushed into business, when it was hard to become state employees, and could use old contacts with counterparts in Russia.[167]

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[160] NG, 11 January 1997.
[161] NG, 1 Febr,. 1997; RFE/RL Newsline, 16 Sept 1997.
[162] Segodnia, 6 July 1994. According to Stranga (2000) p. 202 ff, two million dollars in 1996.
[163] Segodnia, 4 April 1996.
[164] 52 million for 2000. (RG, 1 February 2001). See also Moscow mayor Luzhkov's critique in *Trud*, 17 October 2001.
[165] NG, 28 October 1997.
[166] RG, 1 February 2001, KZ, 11 December 2001.
[167] Radio Free Europe/Radio Liberty, Mite, Valentinas, "Latvia: Russian speakers hold their own on the business front", , 17 May 2002 (www.rferl.org/nca/features) retrieved 31May 2002.

Significantly, Russia did not advice the Baltic Russians to go home but endorsed their wish to stay and get citizenship in the Baltic states. The 1996 governmental programme on supporting compatriots abroad aimed first of all at facilitating their voluntary integration into the new states, while (*pri*) preserving their culture and ties with Russia.[168]

The charges against Estonia and Latvia for violating human rights should also be measured against the Russian record, the worst case being the war against Chechnya 1994–96 and again after 1999. The Baltic states were in fact admitted into the Council of Europe before Russia.

Further, the Russian criticism of the Baltic states' legislation and practice was not quite justified. The Baltic states pointed out that under international law, they were not obliged to give citizenship to occupants, which the Russians, especially the military, indisputably were in Soviet times. Yet Latvia and Estonia granted residence permits to tens of thousands of retired military personnel in 1994. Ethnic Russians were even long allowed to remain in the police force, and in Russian-dominated parts the Russian language continued to be used also in semi-official circumstances. [169]

Actually, the citizenship laws were rather liberal, at least in comparison with some West European states, for example Germany, which even Russian diplomats occasionally admitted.[170] Thus, Estonia allowed non-citizens to vote in local elections after five years' residence. As for naturalisation, Estonia in 1992 only required residence since 1990 (later five years), and the language requirements allowed some exceptions for old people and children. Latvia in 1995 shortened the residence requirement from fifteen to five years. The undoubtedly slow rates of naturalisation could partly be explained by the fact that only a fraction of those eligible to apply for citizenship actually did. This was not only due to language problems but also to wishes to avoid military service, to have easier travels to Russia, etc.[171]

Further, the Baltic citizenship laws were not "ethnic" *per se*: about 100 000 Russians became citizens in Estonia since they or their ancestors had been citizens in 1940, and at least 300 000 Russians and other non-Latvians became citizens in Latvia on the same ground, while also some Balts had problems. Many ethnic Russians participate as citizens in the political life, sit in parliament, and may form their own political parties. In 1993 the Russian parties in fact won a majority in Russian-dominated parts of Estonia, and almost half the seats in Tallinn. In Riga

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[168] RG, 30 May 1996.

[169] *Moscow News* (MN), No. 2, 1994; Rossiiskie vesti, 1 July 1993, DN, 12 October 1997, BT, No. 61, 1997.

[170] "The Baltic States", IA, No. 5, 1996, p. 50; .

[171] Vremia MN, 21 November 2001.

the Social-Democrats and Russians won the local elections in 2000.[172] The Russian press in 2002 was pleased to note that the new Estonian President Arnold Rüütel is Orthodox and the integration minister an Azeri.[173] One paper concluded that the (Baltic) Russians were more efficient when they acted on ideological, pragmatic principles than on ethnic ones.[174] One may add that since the Baltic states are democratic, the non-citizens are free to organise themselves, have theatres and museums, publish newspapers, etc.

The Estonian and Latvian leaders recognised the high numbers of non-citizens and the slow rate of naturalisation as problems.[175] In Latvia, the president established a nationalities consultation council in 1996, the government has a minister of integration and a programme of integration, and most local districts have integration councils.[176]

Concerning the charge of 'Estonianisation' in the Russian schools, the press in Russia conceded that the process was gradual depending on the number of Russian pupils and available financial resources. Primary schools were not affected first, and every national group was free to open private schools.[177] In fact, the problem is the opposite: Russian parents nowadays send more children to Estonian nurseries and schools than the authorities can accommodate.[178] In Latvia, 80 per cent of the Russian schools still remain, in Turkmenistan only 30 per cent.[179] In Russia, by contrast—the Russian press had to admit—hundreds of thousands of Balts scattered all over the country since Soviet times have no national schools, newspapers, etc.[180]

The related Russian accusations of pro-Fascist tendencies in the Baltic states were also poorly based. The Baltic governments consistently condemned them. The Latvian Commander-in-Chief was fired after participating in the Legion's march in 1998.[181] In 2002 the march was cancelled.[182] Latvian procurators offered Russian colleagues to participate in international proceedings against collaborators

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[172] NG Dipkurier, 19 April 2001.
[173] MN, 26 February 2002.
[174] NG, 24 April 2002.
[175] See for example interview with Latvian president Vike-Freiberga in BBC, Latvia, 2 October 2002.
[176] BBC, Latvia, 27 November 2002.
[177] Segodnia, 4 April, 1996, NG, 19 September 1997, RFE/RL Newsline, 26 September 1997, BT, No. 61, 1997.
[178] BBC, Estonia, 27 March 2002.
[179] NG, 24 April 2002.
[180] Izvestiia, 18 February 1993, Segodnia, 6 July 1997.
[181] Bøtcher (2000), pp. 109 ff.
[182] RG, 18 March 2002

of the Nazis. Latvia in the end reduced the sentences on Soviet military and security people or let them go to Russia.[183]

Furthermore, also Russia has pro-Fascist groups. Whereas Germany, which committed the worst war crimes as well as the Holocaust, has made a good deal of *Vergangenheitsbewältigung* (overcoming the past), Russia has made extremely little concerning the crimes of the Communist regimes since the early 1990s. As mentioned Russia still defends the incorporation of the Baltic states, even though it sees itself as a new state and rejects all claims of compensations.

Returning to the minority problems one should be aware that the Baltic Russians, too, have to bear some blame for their present plight and the Baltic distrust against them. At the end of the Soviet period, they—belonging to a big nation as they did—found it hard to understand the fear of extinction among the small Baltic peoples and their wish to restore an ethnic balance.[184] In 1991 they suddenly became a minority in a small state instead of being a majority in a vast country. After finding it perfectly natural for others to learn their great language they were now reluctant to learn the small Baltic languages and to adapt to their culture.[185] In Soviet days, besides being occupied, the Balts were forced to learn Russian and were discriminated against as regards jobs, flats, schools, whereas the Russians were privileged.

However, the integration of the Baltic states into Europe since in the 1990s could alleviate this psychological problem, because also the Russians became increasingly pro-European, *Euro-Russians*. In fact, many Russians preferred learning English rather than the local languages, and according to polls the Russians became even more positive to EU membership than the Estonians and Latvians, partly since they were more urban.[186] The SVOP concluded that the Baltic Russians could in fact become a link between Russia and these states and help to integrate Russia into Europe.[187]

Finally, even though Russian officials accused the West of double standards and protested the closure of the OSCE missions, they noticed that the laws in Latvia and Estonia were liberalised, mainly as a result of Western pressure. This was

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[183] Kommersant, 18 August 2000; NG, 13 February 2001; BBC, 3 April 2002.

[184] In Estonia, the indigenous share of the population fell from 92 % in 1934 to 61.5 % in 1989, in Latvia from 73 to 52 %. Russians came to dominate most of the big towns as a combined result of war and occupation, of the deportation of Balts and the import of Russian and Slav industrial workers, military and officials, and the higher nativity rates. In Narva there were 96 % Russians, in Riga two thirds.

[185] NG, 21 February 1996. In Latvia, only 22% of non-Latvians knew Latvian in 1989.

[186] For example, an organisation called "Russians of the West" was founded in Riga in 1997. BT, No. 61, 1997.

[187] NG, 28 October 1997.

especially the case when their negotiations on NATO and EU membership, which were the main priorities, advanced.[188] Thus Estonia somewhat liberalised its nationality law, eased the acquisition of citizenship by children and invalids, and simplified the issue of residence permits.[189] Referring to NATO and EU conditions for membership, Estonia in late 2001 abolished its state language requirement for candidates to parliament and local councils, though Estonian was made their working language, and only the government could grant exceptions in local councils, where the majority of residents was not Estonian.[190] As for the Russian schools, the deadline for transition to the Estonian language was postponed from the year 2000 to 2007. In 2002, a new law allowed education in Russian in high schools also after that.[191] Estonia in April 2002 finally registered the Russian Orthodox church under the Moscow Patriarchate, which was greeted by Russian officials and paved the way for top level meetings and the resumption of work in the intergovernmental commission.[192]

With regard to Latvia, its citizenship law was amended after a referendum in 1998, so that the naturalisation age limitations were abolished, all children born in the country after 1991 could become citizens, and those older than 65 were exempted from language tests.[193] The application fees were later lowered or abolished.[194] After the amendments, the naturalisation rate increased. True, the Latvian parliament, involved as it was in an electoral campaign, refused to amend its election law even after the closure of the OSCE office, but under heavy international pressure it finally followed the Estonian example in May 2002.[195]

In Russia, by contrast, the Duma in April 2002 approved a new stricter bill on citizenship. Instead of only three years' residence, the new law required five years, plus fluency in Russian and a legal job. At the same time the demographic decline was seen as alarming. A new law on foreigners in Russia effective as of February 2003 also created problems. No exceptions were made for immigrants from CIS

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[188] Herd & Löfgren (2001), pp. 282 ff.
[189] Elagin (2001), p. 152, Kommersant, 13 April, 2 August 2000.
[190] NG, 16, 24 November 2001, SPB Vedomosti, 17 November 2001; RFE/RL Newsline, Vol. 5, No. 213, 8 November, No. 222, 26 November, No. 229, 5 December 2001. Efforts were also made to make Estonian laws available in Russian (BBC, Estonia, 24 April 2002.
[191] BBC, Estonia, 26 March, 12 April 2002.
[192] BBC, Estonia, 18-20, 30 April, 1 May 2002. See also Kommersant, 24 November 2000.
[193] NG Stsenarii, 13 October 1999.
[194] *Vremia MN*, 21 November 2001.
[195] RFE/RL Newsline, No. 237, 17 December 2001; FAZ, 20 March 2002; BBC, Latvia, 11, 12 April, 1, 2, 10 May 2002.

countries. The laws undermined the Russian criticism of Estonia and Latvia, as Russian critics rightly pointed out.[196]

The conclusion is that even if the ethnic relations in Estonia and Latvia remain a big and very real problem that politicians in Russia could exploit both for internal reasons and as a means of pressure, at least the officials gradually moderated their rhetoric. President Putin in September 2001 promised that he would not make the situation of the Russian-speakers in the Baltic states into a problem that would prevent the development of relations between the countries, since it would only harm them. Instead he aimed at joint efforts with sensible politicians who so desired. Foreign Minister Ivanov told the Council of Europe that Russia wanted European standards of ethnic rights, "nothing more, nothing less". He added the hope that Latvia's and Estonia's entry into the EU would promote their observance of human rights. This would improve the relations with Russia and favour the creation of a single humanitarian expanse across Europe.[197]

The Russian leadership thus gradually realised that tough measures were counterproductive, pushing the Baltic governments in the wrong direction, and that it was better to support and cooperate with the West Europeans, who were also concerned and had more influence over them. The Baltic states' striving for NATO and EU membership induced them to improve the political status of the minorities, and they were then also admitted into the organisations. Russia's own interest in integrating with Europe probably contributed to a more cooperative attitude to the Baltic states also in this sensitive question. The Baltic Russians, both citizens and non-citizens, may become instrumental in integrating both the Baltic states and Russia into Europe, but many of them will still have problems, which in turn can be used by nationalists in Russia.

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[196] *Moskovskie novosti*, 26 February 2002, MN, 19-25 February 2003; *Radio Free Europe/Radio Liberty*, Jeremy Bransten, 'Russia: Duma approves strict citizenship bill', 25 April 2002 (www.rferl.org/nca/features), retrieved 31 May 2002.

[197] BBC, Russia, 3 September 2001; 27 March 2002.

Economic Relations
Russian pressure and its reasons

As hinted at above Russian state officials have often used, or threatened with, economic sanctions ("measures") against the Baltic states so as to achieve political goals. Some examples: When Estonia took her law on aliens, Russian gas deliveries were interrupted. Russia refused to grant Estonia a most-favoured-nation (MFN) status, which meant that the traditional Estonian food export to Russia, mainly St. Petersburg, incurred double customs tariffs and shrank considerably. A senior diplomat explained that before an MFN status was granted, a 'relevant atmosphere, including social and humanitarian aspects', had to be created.[198] For similar reasons a Russo–-Latvian trade agreement was not implemented. During the campaign against Latvia in 1998, Yeltsin threatened with economic measures, if the situation of the Russian minority was not improved, and railway tariffs in the Latvian direction were raised, leading to a decrease in the volume of trans-border traffic.[199]

Among Russia's most important measures against the Baltic states were the decisions in the early 1990s to upgrade its own ports in the Baltic Sea, and to build a new oil terminal at Primorsk on the northern shore of the Gulf of Finland connected with a new pipeline, later known as the Baltic Pipeline System (in Russian BTS), as well as a coal and bulk export terminal at Ust-Luga on the southern side. These projects were speeded up after Vladimir Putin became Russian president in 2000.[200] At the inauguration of the Primorsk port in December 2001, President Putin reassured Russia's neighbours that it did not signify a Russian determination to sever ties with the Baltic states, only a desire to protect Russia's security and independence. Diplomats expressed a concern that Russian exports might be disrupted, if the Baltic states were NATO members and NATO states imposed an oil embargo as had already occurred against Yugoslavia in 1999.[201] Ex-Governor and ex-Deputy Prime Minister Vadim Gustov stated that Estonia and Latvia now would have to revise their policy towards Russia and their

[198] Elagin (2001) p. 155; Kommersant, 18 August 2000.
[199] NG-Stsenarii, No. 9, 13 November 1999, Izvestiia, 28 November 2000.
[200] RFE/RL Security Watch, 3 January 2002, NG, 28 December 2001. Later, the *Lukoil* decided to build another oil terminal at Vysotsk near Primorsk.(DN, 29 August 2002).
[201] Demurin (2001) p.79, Elagin (2001), p. 154.

Russian-speaking minorities, if they were to keep at least part of their transit incomes.[202]

On occasion, the 'trade weapon' was also used against Lithuania. For example, when Lithuania tried to replace the military transit agreement of 1993 with a stricter law, Russia refused to ratify the MFN agreement and threatened to reduce transit traffic to Klaipėda.[203]

Further, Russia attempted to play off one Baltic state against another with regard to transit trade. Thus, Lithuania's new oil terminal at Butingė in 2001 became the fastest growing route for Russian oil export.[204] Russia also wanted to direct trade from Baltic ports to Kaliningrad, which had surplus capacity.[205] Trade with the Baltic states, especially imports, markedly decreased in the 1990s, and Russian tourists, who earlier flooded the Baltic sea resorts, went to cheaper places.

Naturally, nationalists and Communists in the Russian State Duma were particularly inclined to believe in pressure tactics. As noted the Duma in 2000 passed a law in two readings forbidding trade with Latvia altogether with reference to the minority question. Liberal Democratic Party leader Vladimir Zhirinovsky once thought that without Russia's sources of energy and infrastructure, Estonia would be annihilated as a state, so the Estonians would soon come begging to join Russia; alternatively, if they could not pay their debts, Russia would annex Estonia as compensation for losses(!).[206].

An assumption underlying these measures was that the Baltic states were vulnerable and dependent on Russian transit traffic. In Tsarist and Soviet times, a broad infrastructure of roads, railways and pipelines had been developed, connecting Russia's central regions and major cities with the ports of Tallinn in Estonia, Ventspils, Liepāja and Riga in Latvia, and Klaipėda in Lithuania, with transit goods flowing mainly in the east–west direction. A considerable part of Soviet/Russian exports of crude oil, oil products, minerals, chemicals, metals and industrial products passed through these ports.

Thus, Minister of Foreign Trade Oleg Davydov in 1996 claimed that Russia remained the main trading partner of the Baltic states, accounting for about 30 per cent of their total turnover, whereas their share of Russian foreign trade was 2.7 per cent. Russia still was the main partner of Latvia and Lithuania. Regarding

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[202] RG, 11 February 2002.

[203] Oldberg (1998) p. 7.

[204] Izvestiia, 17 October 1997; RG 17 August 2001. In 2002 export volumes increased by 23 %, while Ventspils decreased by 35 %. (BT, 16-22 January 2002)

[205] NG, 4 October 2001.

[206] Morrison, James W., *Vladimir Zhirinovskiy. An assessment of a Russian Ultra-Nationalist*, McNair Paper 30, Washington D.C.: National Defense University *1994.*, p. 109, *The Baltic Independent*, 14 April 1995.

Latvia, Russia in 1995 supplied 93 per cent of its need of fuel, 50 per cent of its electric energy, and 90 per cent of its ferrous metals according to Davydov.[207] A Foreign Ministry spokesman claimed that Russian transit cargo constituted 85 per cent of Estonia's gross freight volume, equalling almost half its GDP. As a result, if and when Russian trade restrictions were imposed, the entire Estonian economy would be affected.[208] The policy guidelines of February 1997 complained that the opportunities of the transit and re-export of Russian goods, mainly fuels and non-ferrous metals, were often used by the Baltic states to the detriment of Russia, and drew the conclusion that state regulation and customs control had to be strengthened and transit channels to be diversified.[209] By 2001, between a fourth and a third of the Estonian and Latvian budget incomes was calculated to derive from Russian transit export,[210] while Baltic and other sources give lower figures.[211]

The above cited political motives behind this economic policy were naturally mixed with calculations of economic advantage. (Ecological advantages were also mentioned in the case of Primorsk.) [212] The Baltic states were perceived by Russia to be unduly profiting from their geographical position by charging monopoly prices for transit. The official press thus pointed out that the BTS could not only save Russia huge transit fees but also benefit the Leningrad oblast and other regions in northwest Russia.[213] After the Primorsk terminal was opened, Russian oil exports through Ventspils fell by 35 per cent in 2002, and export companies were reported to ask for price cuts of two thirds. The official Russian press quickly noted with satisfaction that the Baltic transit fees for Russian oil were reduced.[214] In January 2003 the state-dominated company *Transneft* with open governmental support stopped oil exports through Ventspils altogether, even though oil prices were at a record level, stocks were full, and other companies wanted to use the

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[207] According to Hansson, Ardo, "The Baltic States: Performance Much Improved", *The Stockholm Report on East European Economics*, Stockholm School of Economics, 4 July 1997, pp. 5, 10, 17, Russia in 1996 had 22.8 and 20.2% of Latvia's export and import, respectively; 23.6 and 28.8% of those of Lithuania, but only 16.5 and 13.5% for Estonia.

[208] "The Baltic states", p. 51. Foreign Minister Primakov in January 1997 claimed that 60% of Estonia's national income came from Russian transit. (NG, 11 January 1997)

[209] SWB BBC, 13 February 1997.

[210] Elagin (2001), p. 154, NG, 13 January 2001.

[211] According to Spruds (2002) p. 360f, 20-25 per cent of Latvia's GDP is linked to transit, and 80 % of rail shipments were transit in 2000. According to Sutela (2002), transit in 1995-99 accounted for 56 % of the total transport in Estonia, 87 % in Latvia, 66 % in Lithuania, while the GDP shares for transit transport in 1999 were 7.9, 8.0 and 4.6 % respectively.

[212] NG, 25 December 2001, 28 February, 2 April, 29 May 2002.

[213] According to RG, 26 January 2001, the BTS would save 600-800 USD a year. RG, 29 August 1997, asserted in a headline that the transit was costlier than the oil itself.

[214] RG, 13 February 2002.

pipeline instead. This could lead to the bankruptcy and asset depreciation of the state and privately-owned terminal. Since the Latvian government had announced plans to auction most of its shares, this was seen as a means to help the *Transneft* to buy a controlling share in Latvia's single largest economic asset at a bargain price.[215] Latvia sent a letter to the EU complaining about Russian imperialism.[216] Apparently without such pressure, the private Russian *Yukos* oil company in 2002 had acquired 53.7 per cent of Lithuania's major refinery *Mažeikių nafta*, but the opposition saw it a sell-out of the energy sector and a security threat.[217]

These measures should be understood against the background of Russia's energy strategy in general. The BTS pipeline is intended to bring oil from the northern Komi Republic, and also deliver products to the Russian home market. When Putin opened the Primorsk terminal, he stressed that it would allow Russia to control the distribution of Siberian and Caspian oil, as well as open a Russian window to the European energy market circumventing the Baltic states. Thus Russia in January 2003 also discontinued the transit of oil from Kazakhstan to Latvia.[218]

Similarly, Russia has started to construct a new gas pipeline from Yamal to Belarus and Poland in order to serve West European markets, and made plans to lay another beneath the Baltic Sea from the Gulf of Finland, which should be connected with reserves in the Arctic Sea.[219]

Thus, Russian economic policy towards the Baltic states must be characterised as rather heavy-handed, often combined with political ends. At least it was bound to be perceived as such in the Baltic states against the background of Russian military and political pressure as shown above.

Reasons for Russian restraint

However, this account of Russian economic pressure towards the Baltic states must be weighed against other evidence, which speak for the emergence of normal businesslike economic co-operation. Also in this sphere, Russian attempts to pressure the Baltic states often backfired against Russia's own interests. Several reasons can be cited for this.

Firstly, as already noted, the Russian economic sanctions but also unintended events such as the financial breakdown in August 1998, most severely hurt the Russian minorities in the Baltic states, the protection of whom was a major Russian political objective. Secondly, these problems with Russia strengthened the

[215] BT, 16-22 January 2003, Wall Street Journal Europe (WSJE), 31 January-1-2 February 2003.
[216] MN, No. 5, 12-18 February 2003. This liberal newspaper supported the Russian move.
[217] BT, 29 August--4 September 2002; BBC, Lithuania, 27 August 2002.
[218] WSJE, 31 January-1-2 February 2003.
[219] RG, 11 December 1999; MN, 11-17 December 2002.

desire of the Baltic states to reduce their dependence by reorienting their trade toward the West, in line with their primary strategic objective. Amazing progress was attained. From above 90 per cent of imports from Russia in 1991, Estonia reduced this dependence to 21 per cent in 1994, Latvia and Lithuania to 29 and 46 per cent, respectively. Estonian and Latvian leaders already in that year declared that Russian sanctions did not unduly concern them. Since that time Latvia and Lithuania in particular have further reduced imports from Russia, and exports to Russia have shrunk to seven per cent or below.[220] Thus, economic sanctions were increasingly ineffective. But one should keep in mind that not even in 1990 – when Lithuanian economic dependence on Soviet trade was all but total – did President Gorbachev's total embargo compel the Lithuanians to abrogate their declaration of independence.

Russian economic pressure was also counteracted by the assistance of Western countries to the Baltic states. The West boosted trade and invested far more money than Russia, promoted market reforms and Baltic co-operation. A political explanation for this, at least at the outset, was that many Western states preferred to integrate the Baltic states into the EU rather than into NATO. Estonia oriented itself primarily towards her Nordic neighbours and key partners Finland and Sweden, whilst Latvia and Lithuania shifted its orientation more towards major EU states such as Germany and Great Britain. Intra-Baltic trade grew from close to nil – a typical pattern in Soviet times – to about ten per cent in some cases.[221] Estonia and Latvia—the countries with the worst ethnic problems—were first to implement market economic reforms, which soon led to growth and increasing internal stability, despite frequent changes of governments.

Further, the Baltic states began to import energy and fuels from Arab states and Western Europe in order to reduce their dependence on Russia, and key Western companies were invited to enter the Baltic energy sector. The states also made deals with individual republics in the Russian federation, such as oil-rich Tatarstan, by-passing the federal government.[222]

The Baltic states also turned to their own, albeit limited, energy resources thus abandoning the concerns of the late Soviet era about the environmental problems involved. Estonia decided to continue to exploit its oil shale, Lithuania retained its nuclear-power station at Ignalina, which is of the same unsafe type as the one in Chernobyl. Latvia and Lithuania renewed their interest in oil prospecting in the Baltic Sea (which however led to economic border disputes). Lithuania built an oil

[220] DN, 8 March 1994. Imports from Russia in 2000 were: Estonia 21 %, Latvia 29 %, Lithuania 46 %, Exports to Russia: 7 %, 4 % and 7 % respective states. (calculated from *Direction of Trade Statistics Yearbook*, International Monetary Fund, 2001)

[221] Hansson 1997, pp. 2 ff, BT, No. 74, 1997.

[222] BT, No. 74, 1997.

terminal at Butingė, which could handle oil both from the West and Russia. When the Mažeikių refinery was privatised, the Lithuanian state first preferred to sell a third of the shares to the American company *Williams* rather than to the *Lukoil*. The new Lithuanian security doctrine explicitly bans the dominance of a single internal or foreign investor in sectors of strategic significance. Latvia in 1997 stopped the *Lukoil* from buying a third of the shares of the Ventspils oil port.[223]

Another type of Baltic response was to reduce the consumption of energy by pricing and energy-saving measures and by closing down old and inefficient industries, when the economies went over to market conditions.[224]

Thirdly and most importantly, the reduction of transit and trade with the Baltic states would run counter to Russia's own economic interests. Already the presidential Guidelines of February 1997 stressed the importance of developing economic ties on the basis of mutual profitability. When Vladimir Putin became president in 2000, he geared Russian foreign policy more emphatically than Yeltsin towards Russia's economic needs and development so as to catch up with Western states. He saw Russia as a European state and wanted political and economic integration with the West. Russia therefore had to stake on economic co-operation with the West. Membership in international trade groups like the World Trade Organisation (WTO) became a priority in Russian foreign policy.[225] Economic sanctions for political ends are incompatible with the principles of free trade embodied in this organisation.

Thus when Russia suffered from transition problems and economic crises and the state was unable to collect taxes in the 1990s, the exports of oil and gas became the most important budget revenues. Russian exports shifted away from CIS to Western states that could pay world market prices, and Russian transit through the Baltic states increased, especially through Latvia, where the modern Ventspils terminal with its pipeline to Russia came to account for up to 13–15 per cent of total Russian oil export, and about thirty per cent of oil exports to the West, second only to ports on the Black Sea.[226]

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[223] MN, 12-18 February 2003.

[224] *Finansovye Izvestiia* (FI), 22 October 1996; Kramer, J. M. (1993) ""Energy Shock" from Russia Jolts Baltic States, *RFE/RL Research Report*, no 17, 23 April 1993, pp. 41 ff., BBC, 29 May 2002.

[225] RG, 11 July 2000, NG, 30 December 1999.

[226] Spruds 2002, p. 361, RG, 26 January 2001. According to RG, 17 August 2001, Ventspils took 13 million tons in 2000, almost all that went through the Baltics. According to RG, 15 January 2002 it still had one tenth of total exports.

Although Russian oil exports through Ventspils now have diminished, Russia still needs this outlet. It has now become the world's leading oil exporter, its oil production and exports are expected to grow, and the world market price is high.[227]

Concerning the construction of new ports and pipelines circumventing the Baltic countries, Russia also has to consider the high investment costs and the long lead times. The completion of the BTS and the Primorsk and Ust-Luga terminals had to await the upswing of the Russian economy after 1998, and the oil pipeline from Primorsk to the Pechora fields is only expected to be ready in 2006. Consequently, Russia has shown an interest in attracting foreign investments into the BTS.[228] The construction of a gas terminal near St Petersburg has been slow, and so has the rail connection to the coal port at Ust-Luga.[229].

Furthermore, the Russian press has noted that the Ventspils oil terminal is very efficient all year round, while Primorsk is ice-bound for several months in the winter – 40 cm on the day of inauguration.[230] The government paper *Rossiiskaia gazeta* has observed that even when Primorsk approaches the same volumes as Ventspils had in 2001, it could not meet Russian export needs. Also the advantages of the Butingė terminal, for which Russia had not paid anything, have been noted by some Russian oil companies. Only this offshore terminal was said to receive tankers up to 150 000 tons.[231] A problem for all Russian oil export from Baltic ports, particularly Primorsk, is the risk of tanker accidents, especially in the winter, which might cause massive environmental damage in the sensitive and narrow Baltic Sea similar to the recent one off the Spanish coast. Therefore the Nordic littoral states have lodged protests and want to restrict and control the tanker traffic.[232]

Concerning the argument that some Russian regions will profit from the BTS and the use of ports in the Gulf of Finland, the Russian press is aware that other regions such as the economically weak Pskov region will lose, if the transit through the Baltics shrinks.[233] Regarding the political risks of exporting through future NATO countries, one may recall that Russia is already exporting through Poland and is going to build more gas pipelines there.[234] On top of all this comes the fact that Russia is very dependent on Lithuania, soon a NATO member, for transit to and from its Kaliningrad exclave (more on this below).

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[227] *Jane's Foreign Report*, 28 March 2002.
[228] NG Dipkurier, 26 October 2000, RG, 26 January, 15 June 2001.
[229] Izvestiia, 24 December 2001.
[230] RG, 26 January, 15 June, 17 August 2001, 11 January 2002; NG, 25 December 2001.
[231] RG, 17 August 2001.
[232] *Dagens industri*, 4 February 2003The tanker off Spain came from Ventspils.
[233] NG, 27 September 2001.
[234] NG, 1 March 2001.

Besides oil, Russian officials have expressed an interest in using the Baltic ports, for example Tallinn, for other types of bulk export to the West, like grain and fish.[235] Russian export firms switched the export of raw materials from the Russian Kaliningrad to Lithuanian Klaipėda, because it was cheaper and more efficient.[236]

A final reason for Russia not to reduce trade with and transit through the Baltic states was the fact that these quickly carried out market economic reforms, thereby offering favourable business conditions also for Russian companies.[237] In the early 1990s Estonia abolished customs barriers for Russian transit export and enlarged the Tallinn port. As a result Estonia allegedly for some time became the world's fifth biggest exporter of non-ferrous metals.[238]

Russian banks and companies established themselves in the Baltic states, often linking up with local Russian business elites, both legal and illegal. In the 1990s (before Putin re-centralised power) some regions and republics in the Russian Federation signed their own agreements with the Baltic states and companies.[239] Russian energy giants like the *Gazprom*, *Lukoil*, *Transneft* and *Yukos* attempted to maintain and enlarge their market positions, opening filling stations in all three countries and investing in the ports. Prime Minister Viktor Chernomyrdin in 1996 proposed trilateral investment activities by companies and banks from Russia, Baltic Sea states and the European Union for the development of the energy sector, ports, projects in modern technology, and the banking sector.[240]

In these circumstances, politically-motivated economic sanctions and threats from Russian state authorities tended to undermine the status and integrity of Russian private companies in the Baltic states. Thus Arkady Volsky, the head of the Russian Union of Industrialists, spoke out against mixing politics and economics, and advised the governments not to interfere.[241] At the same time as some Russian officials talked about measures against the Baltic states, they also praised the businessmen in the Baltic states (Balts and Russians) for wanting more trade and political dialogue with Russia, resisting NATO-mania and favouring ethnic reconciliation.[242]

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[235] RG, 21 March 2001, 11 January 2002.

[236] FI, 22 Oct, 1996, BT, 21 November 1996, NG, 6 August 1996; NG Stsenarii, No. 9, 13 October 1999; Spruds (2002) pp. 362 f.

[237] *Neue Zürcher Zeitung* (NZZ) 4 April 2002, *Baltic Economic Trends*, No. 1, 2002; Stockholm Institute of Transition Economics, pp. 20 ff.

[238] Jonson, Lena (1997) "Russian Policy in Northern Europe", in Baranovsky, Vladimir (ed.) *Russia and Europe: The Emerging Security Agenda*, Oxford: Oxford University Press, Sipri, p. 313; BT, No. 69, 1997, FI, 24 May 1996.

[239] BO, 13 July 1995; "The Baltic states", p.51.

[240] NG, 30 August 1996.

[241] BT, 15--21 February 2001.

[242] NG, 11 August 2000; Elagin (2001) pp. 152 ff.

Besides having other interests than the state, Russian private companies sometimes conducted competing policies regarding the Baltic states. For example, when Lithuania in 2001 decided to sell shares in the Mažeikių refinery and the *Lukoil* refused to accept the price and to guarantee safe oil deliveries, the *Yukos* stepped in instead.[243] Lithuanian officials defended the Yukos take-over of a majority of the shares by pointing out that the Yukos is a Western company co-operating with the USA and out of Kremlin control.[244] As for Ventspils, some Russian oil companies protested against the blockade of this Latvian port in early 2003.

Even if Russian state or private companies in the energy sector are able to take over key assets in the Baltic states, they thereby also get a vested interest in keeping the business running, which means paying taxes and employing local workers. Western states and energy giants can also have a countervailing influence.

On balance, both Russia and the Baltic states increasingly realise that they are economically interdependent, so there is scope for developing mutually profitable relations as befits close neighbours. Even though the Baltic states' dependence on Russia has been drastically reduced and Russia tends to overestimate it, they still depend on Russian transit traffic and energy delivery, and they may in fact find a certain amount of it politically and economically useful. The Baltic states also compete among themselves for Russian transit. Both in Russia and the Baltic states, private interests compete and may be at odds with those of the state. Thus market considerations and conditions seem to have a growing impact on the economic relations between these states, even if politics still play a salient role.

EU enlargement and Russian fears

Russia's economic relations with the Baltic states have in recent years been increasingly affected by the latter's ambition to become members of the European Union, the predominant economic community in Europe. They intensified their efforts for EU membership after Sweden and Finland joined in 1995 and when they were not included in the first wave of NATO enlargement in 1997, but the two processes were seen as complementary. Most West European states are members of both organisations. Already in 1994 the Baltic states concluded free trade agreements with the EU, and in 1998–99 they opened membership negotiations, engaging a veritable race in fulfilling the conditions laid down in the *acquis communautaire*. In the process they backed the EU's evolving Common Foreign

[243] MN, No. 26, 2001; RG, 17 August 2001; RFE/RL Newsline, No. 235, Part II, 13, 17 December 2001; BBC, Lithuania, 13 June 2002.
[244] BBC Lithuania, 27 August 2002.

and Security Policy (CFSP), the creation of a EU rapid reaction force and other key political decisions.[245]

Further, Lithuania agreed to shut down the two Chernobyl-type nuclear reactors at Ignalina by 2005 and 2009, respectively, which the EU considered unsafe, in return for compensation.[246] Another difficult problem was agricultural policy. Especially Lithuania and Latvia insisted on more EU support and quick access to the common market.[247] In general, this adaptation process was by no means easy, and it generated growing resistance to the EU in the three countries, paradoxically most in Estonia, which first fulfilled the conditions.[248] Interestingly, the rural populations dominated by the titular nations were more negative to accession, whereas the urban Russians were more positive. This opposition caused political headache for the governments, because the EU accession was to be confirmed by referendum.[249]

Even if Russia for political reasons accepted and even supported the Baltic quest for EU membership as an alternative to NATO, its leadership gradually realised the potentially negative impact that the process of Baltic affiliation with the EU had or could have on its own interests.[250] Russia itself has no chance of becoming a member of the EU in the foreseeable future, so EU enlargement to the Baltic states will irrevocably separate them from Russia.[251] Another political problem, mentioned by a Russian diplomat, was the possibility that EU membership would enable the Baltic countries to conduct inter-state dialogues with Russia from firmer positions.[252] Researcher Arkady Moshes at the Institute of Europe in Moscow added the concern that the states with tense relations like the Baltic ones might influence the EU's Russian policy in a negative way.[253]

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[245] Herd & Huang (2001) pp. 15 f, 33; Arnswald, Sven & Jopp, Mathias (2001) *The Implications of Baltic States' EU Membership*, Berlin: Institut für europäische Politik, pp. 45ff.

[246] RG, 30 August 2001; BBC, Lithuania, 19, 24 April, 4 May 2002; Kommersant, 15 March 2002.

[247] Herd & Huang (2001) p. 8, BBC, Latvia, 16 March, Lithuania, 17 April 2002.

[248] Hasekamp (2002), p. 3.

[249] Herd, Graeme P. & Löfgren, Joan (2001) "'Societal Security', the Baltic States and EU Integration", *Cooperation & Conflict*, Vol. 36, No. 3, pp. 288 f; Lepik, Lauri,"The Accession of the Baltic States to the European Union", in *First Baltic--German Dialogue* (2001) pp. 21-23; NG, 20 April 2000.

[250] Generally on this relationship, see chapters in Hubel (2002); Timmermann, Heinz (2000) "Russlands Politik gegenüber der EU", *Osteuropa*, Vol. 50, No. 7, 8; Vahl, Marius, *Just Good Friends? The EU-Russian Strategic Partnership and the Northern Dimension*, CEPS Working Documents, No. 166, Brussels: Centre for European Policy Studies, March 2001.

[251] NG, 6 October 2000.

[252] Elagin (2001) p. 155.

[253] Moshes, Arkady (2002) "Russia, EU Enlargement, and the Baltic States", in Hubel (2002) p. 311.

Russian officials also expressed concern about Baltic reorientation of trade from Russia to the unified EU market, or more justifiably, a reinforcement of this trend. Russia itself might lose potential investments due to the higher attractiveness of the new members. An important problem was the fact that the introduction of EU standards and regulations with regard to quality, environment, means of transport, among others, in the new member states would seriously restrict some Russian exports and also affect Russian transit traffic. A government paper claimed that the Baltic states on accession would raise import tariffs by at least half and be obliged to co-ordinate export quotas vis-à-vis eastern neighbours.[254] All in all Russia was calculated to have lost USD 350 million a year after Sweden, Finland and Austria joined the EU in 1995.[255]

Most importantly, EU accession also meant that the candidate states had to adopt the Schengen agreement, which meant eliminating border controls among the members while introducing stricter controls and visas for non-members. The main aim was to hinder illegal immigration, which is a hot political issue in all European states.

The introduction of Schengen visas in the Baltic states posed special problems for the Kaliningrad region, which will become a Russian enclave inside the EU, when Lithuania and Poland join. Already in 2001 Latvia introduced visas for Russian transit trains after some passengers had jumped off, and Lithuania decided to do it in 2003.

Lithuania and Poland also decided to introduce visas for visits from the Kaliningrad region, which (unlike the rest of Russia) had been visa-free until then (and vice versa). In the 1990s this visa exemption had allowed a very intensive border trade, which according to some calculations engaged about a fourth of the working population in the region, but also many on the other side of the borders. About five million people were claimed to have crossed the borders annually around 2000.[256] This was also promoted by the fact that Kaliningrad in 1991 had became a Free, in 1996 a Special Economic Zone in order to compensate for Kaliningrad's exclave location, which allowed customs-free imports to and exports from the region. As a result Kaliningrad city became completely dependent on importing foodstuff from abroad, which was cheaper than importing from Russia. The inhabitants of the region travelled much more often to the neighbouring countries than to the rest of Russia.

The introduction of visas for these states therefore worried the Kaliningraders especially. Instead of Schengen visas Kaliningrad authorities proposed a 'Baltic

[254] RG, 7 February 2002.
[255] Moshes (2002) pp. 310-313; Elagin (2001) p. 155.
[256] Oldberg (2001) pp. 41 ff; Timmermann (2001) p. 16.

Schengen', which implied granting visa-freedom in *all* the Baltic states. Also the Russian government opposed the introduction of visas, but concentrated on the transit issue. When Latvia introduced visas on transit trains, Russia redirected the trains to Belarus, which however took much longer time.

In negotiations with the EU in 2001 the Russian Foreign Ministry demanded free transit through Poland, Lithuania and Latvia without visas on trains, buses and cars along agreed routes, and proposed free, one-years visas for Kaliningraders to visit these states. Other officials talked about erecting 'corridors', which evoked unpleasant memories especially in Poland.[257] Kaliningrad Governor Yegorov proposed visa-free bus transit along two routes across Lithuania.[258]

At meetings with the EU and the CBSS in mid-2002 Putin criticised the intended introduction of transit visas for violating Russia's territorial integrity and the Russians' human right to visit a part of their own country. He considered the solution of this vital question decisive and an absolute criterion for the relations with the EU. Instead of visas Putin suggested the adoption of the procedure used for transit through the GDR to West Berlin in the 1970s – disregarding the crucial difference that the travellers then hardly wanted to defect into that transit country.[259] Instead of demanding visa exemption only for Kaliningrad residents, Putin in August 2002 called for visa-free travel between the EU and all of Russia, a far-reaching idea indeed.[260] Preserving the link between Russia and Kaliningrad was thus deemed more important than the special problems of the Kaliningraders.

Another problem with EU enlargement for Kaliningrad is that the region depends on receiving some 80 per cent of its energy (oil, gas and electricity) from Russia via Lithuania. As the Baltic states decided to switch their electricity grid from the ex-Soviet to the Polish and European systems, Kaliningrad faced the choice of either following suit, which meant dependence on foreign sources and higher costs, or the building of conversion stations or new transmission lines across neighbouring states. One solution to the problem was the government's decision in March 2001 to build a new gas pipeline through Lithuania and a huge electricity power plant in Kaliningrad fed by gas.[261]

The above problems of EU enlargement for Kaliningrad were aggravated by the fact that the region had worse economic, social and environmental conditions with concomitant problems of crime and diseases than Russia at large, not to speak of the neighbouring countries.The region itself is small, has few natural resources (except amber), and suffers from a worn-down infrastructure, unstable legal

[257] BBC, Russia, 17, 18 May, 29 August 2002; RG, 24 May 2002; Oldberg (2001) 43 ff.
[258] RG, 24 May 2002.
[259] Prezident RF, Vystupleniia, 9 May, 5 Oktober 2002; BBC, Russia, 30 May 2002, 11 June 2002.
[260] BBC, Russia, 30 May, 12 June 2002; RFE/RL Newsline, 28 August 2002.,(www.rferl.org)
[261] Swiecicki, Jakub (2002) pp. 21 f; MN, 26 March 2002.

conditions and rampant corruption. The central government proved unable to remedy these problems and to develop the region, and Western investors preferred the neighbouring states.[262]

To solve the problems of enlargement President Putin advocated trilateral negotiations including Russia, Lithuania and the EU. When visiting Poland, he suggested solving the problem before EU enlargement and creating a common working group to that end. These Russian suggestions sometimes sounded like conditions and pressure tactics, an impression which is confirmed by press comments to the effect that Russia could delay EU enlargement to the Baltic states.[263]

Russian benefits from Baltic EU membership

The above Russian apprehensions concerning Baltic EU membership must be weighed against the benefits that can be derived from it. In fact, Russia had at least as many reasons to accept the enlargement of the EU as that of NATO. Firstly, also this enlargement was up to the parties concerned. Attempts to prevent or halt it would only prove counter-productive, whereas acceptance could give some possibilities to influence the parties to heed Russian interests.

Secondly, as noted the EU was viewed as a European organisation mainly concerned with economic matters as opposed to NATO which was seen a military organisation dominated by the United States. Russian leaders therefore neither opposed the European Foreign and Defence Policy nor the creation of an EU crisis prevention force, and even talked about a strategic partnership with the EU.[264]

Thirdly, as already shown Russia noted that the move towards EU (and NATO) membership induced Estonia and Latvia to amend citizenship and language legislation for the Russian-speaking inhabitants to conform with international standards.

Fourthly, as Russia gave priority to economic development, the EU became its single most important trading partner, accounting for up to 40 per cent of Russian foreign trade, while the EU candidate states had about 15 per cent. Two thirds of Russian exports, which rose quickly in 2001, consisted of oil and gas. By contrast,

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[262] Swiecicki (2002) passim; Smorodinskaya, Natalia (2001) *Kaliningrad Exclave: Prospects for Transformation into a Pilot Region*, Moscow: Institute of Economics, Russian Academy of Sciences. (2001), pp. 61 ff.

[263] Prezident RF, 16 January 2002; Oldberg (2001) p. 47.

[264] Danilov, Dmitrii (2001) *The EU's Rapid Reaction Capabilities: A Russian Perspective*, IISS/CEPS Forum, 10 September 2001, Brussels: Centre for European Security Studies, (www.eusec.org/danilov) Retrieved 1 September 2002; KZ, 6, 9 December 2000, NG, 24 May 2001; RG, 16 April 2002; Blank (2000), p. 16.

the EU was not as dependent on Russia, receiving only 16 per cent of its oil imports and 19 per cent of its gas imports from there.[265]

Thus, even if Russia itself did not aspire to EU membership, it strove to develop as close relations as possible, and this policy appeared to be popular among the population.[266] Russia signed a Partnership and Cooperation Agreement (PCA) with the EU in 1994. It formulated a medium-term strategy for developing relations with it in 1999 in response to the EU Common Strategy on Russia, and contacts and co-operation on all levels intensified. A Joint Declaration with the EU in 2000 spoke in favour of boosting exchanges between the parties as well as between Russia and the candidate countries. A year later the EU and Russia created a common working group that aimed to develop a concept for a common European economic space within five years.[267] In May 2002 the EU recognised Russia as a market economy, a decision which was designed to facilitate its entry into the WTO. In return Russia promised to fulfil the remaining conditions such as liberalising its domestic energy market.[268] The Italian Prime Minister Silvio Berlusconi even called on the EU to accept Russia as a member state.[269]

With regard to the Baltic states' entry into the EU, Russian officials also identified some economic advantages. On the strength of the EU Partnership Cooperation Agreement with Russia, Baltic import tariffs would be lowered, facilitating Russian export. The transit of goods through EU states would be free from customs and other fees, except for administration and transport.[270] It was pointed out that Russian joint ventures and business already present in the Baltic states would gain access to the vast European market. Thus, Russian investments in and trade with for example Lithuania has grown rapidly of late.[271] The All-Russian Market Research Institute in Moscow calculated that the enlargement would have an aggregate positive effect on Russian foreign trade estimated at 200–450 million USD a year.[272]

Concerning the difficult visa problem and Kaliningrad, Russia could not expect the EU to change the Schengen agreements, which had taken them much effort to attain, or that the Baltic states (and Poland) should keep their borders to the EU

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[265] NZZ, 22 May, Handelsblatt and Wall Street Journal, 29 May 2002.
[266] Moshes (2002) p. 312.
[267] More on this in Timmermann (2000), Hubel (2001), Vahl (2001).
[268] RG, NZZ, 30 May 2002.
[269] (Der) *Tagesspiegel*, 27 May 2002.
[270] Moshes (2002) p. 309 f; Oldberg (2001), p. 37 f.
[271] RG, 5 March 2002.
[272] Frumkin, Boris (2002) "The economic relationship between Russia and Europe: Current situation and emerging trends", in Fedorov, Yuri and Nygren, Bertil (eds.) *Russia and Europe: Putin's Foreign Policy*, Stockholm, Swedish National Defence College, Acta B23, p. 109 f.

closed for the sake of Russia or its Kaliningrad region or that they should postpone joining the EU. Estonia rejected the idea of regional Baltic visas for Kaliningraders or unchecked transit.[273] Moreover, Russia itself imposed visa regimes on several CIS states in 2000, even though exceptions were then negotiated, and Russian visas remained much more expensive and difficult to get than those of EU states and candidates.

Moreover, even if the imposition of visa regimes at the borders meant new problems for Kaliningrad, Russia had to concede that the present situation at Kaliningrad's borders is very problematic with long queues, much corruption, smuggling and crime according to frequent reports in the media.[274]

Russia could also observe that the EU gradually came to realise the specificity of the Kaliningrad problem and edged towards compromise. An official EU 'Communication' of January 2001 noted that all EU rules, notably Schengen rules, need not apply at once to the new members, and their special practices could be used. For example, visa exemptions could apply to border populations, or visas could be made multiple and long-term, cheap and available at consulates in Kaliningrad. Sweden resolved to open a consulate there in 2002. Also Lithuania and Poland wanted to enlarge their consular services in Kaliningrad, and Latvia prepared to open a consulate there, though Russia long made difficulties, probably in order to support its demand for visa exemption.[275]

Moreover, EU officials and representatives of EU states pointed out that visa regimes could actually be made quite flexible and at least as efficient as the present border controls. The EU especially staked on improving the border infrastructures of the candidate states as well as of Kaliningrad. Finland was frequently used as a positive example. The number of Russian travellers to Finland in fact grew after that country joined the EU and the Schengen zone, and Finland became second only to Germany in issuing visas to Russian citizens.[276] Admittedly, this growth was also due to Russia's economic recovery.

After arduous negotiations and Russian interventions with leading EU nations, Russia and the EU at a summit in Brussels in November 2002 reached a compromise on the visa issue, which both sides hailed as a success. Avoiding the term 'visa', they agreed on introducing , firstly, a so-called Facilitated Transit Document (FTD) for Russian citizens to be applied for at Lithuanian consulates, allowing multiple transit trips on all means of land transport to and from Kaliningrad. Secondly, a Facilitated Rail Transit Document (FRTD) for single

[273] BBC, Estonia, 9 October 2002.
[274] See also Swiecicki (2002) pp. 24 f.
[275] MN, 12 March 2002, RG, 30 April, 16 May 2002.
[276] Finnish ambassador René Nyberg in *The Baltic Sea*, p. 26. One million Russians visited Finland in 2000.

return trips by train was instituted, which would be attainable on the basis of personal data submitted at the time of ticket purchase in Russia. This information would then be forwarded electrically, and the FRTD would be checked and issued at the border by the Lithuanian authorities.

Lithuania pledged to accept Russian internal passports until 2005, and the EU would investigate the possibility of rapid trains. In exchange Russia vowed to sign a readmission agreement with Lithuania by 30 June 2003 and start negotiations with the EU on the same thing, to permit the enlargement of the Lithuanian consulate and the opening of other consulates in Kaliningrad, and finally to speed up the issuance of Russian international passports.[277] Putin's special Kaliningrad envoy, Dmitrii Rogozin, declared that the residents of Kaliningrad, of whom only one third had such passports, should be the first to receive them.[278]

Before that compromise was reached with Russia the EU Commission had agreed to examine the preconditions for future visa exemption between the EU and Russia, while noting several problems.[279] This Putin accepted. Thus the visa question, in which Russia had invested much prestige, lost most of its urgency.

Returning now to the problems of the effect of EU enlargement on economic conditions in Kaliningrad, one has to realise that Russia needed support from the neighbouring states and the EU, Russia called for EU investments and economic aid to Kaliningrad with reference to the impending enlargement, and most federal projects there counted on EU assistance.

Indeed, the EU spent a lot of efforts to the social, economic and ecological problems of the region, mainly through its technical assistance programme. At the November 2002 summit, the EU promised more assistance.[280] Of course this willingness was to a large extent due to the self-interest in preventing the problems of crime and diseases in Kaliningrad from spilling over to the EU states.

True, Russia complained that it and Kaliningrad received less EU assistance than the Baltic states. However, this could be justified by the fact that these countries were after all official EU candidates, which had made great progress in meeting membership conditions. The EU could not really be blamed for the structural and legislative problems in Kaliningrad. For these Russia of course bears the main responsibility.

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[277] European Commission, Tenth EU-Russia Summit, "Joint Statement on Transit between the Kaliningrad Region and the Rest of the Russian Federation", 11 November 2002. Address: www.europa.eu.int/comm/external-relations, retrieved 13 November 2002.

[278] BBC, Russia, 16 November 2002.

[279] BBC, Russia, 11 November 2002. Here the long and unguarded Russian borders on Ukraine and Kazakhstan can be mentioned.

[280] European Commission, Tenth EU-Russia Summit, "Joint Statement on Transit", 11 November 2002.

Russia also had to acknowledge that Lithuania, in spite of its small size was demonstrably co-operative concerning Kaliningrad. Like Poland, it had provided the region with humanitarian aid after the August 1998 crisis and was interested in maintaining border trade. The two countries worked out a list of common projects to be implemented under the auspices of the EU Northern Dimension (the Nida initiative).[281] Lithuania agreed to let Russia build a new gas pipeline across its territory to Kaliningrad. Of course, this Lithuanian policy not only served to make its EU accession more palatable to Russia but also to win favours with the EU.[282]

A final reason for Russia to accept the Baltic states joining the EU was that this did not harm but might in fact promote Russia's main recent ambition vis-à-vis the EU, namely to establish an energy partnership with Europe and become its main provider of oil and gas.[283] When visiting Germany, Russia's main customer, President Putin commented critically that EU states were not permitting more than 30 per cent of their power supplies to come from a non-member. Hopes were expressed that Russia would meet 70 per cent of the EU's need of energy in 2020.[284] Russia is already building pipelines from its fields in Siberia and northern Russia in the western direction, and those in southern Russia have been modernised. European oil companies have showed an increased interest in making investments in Russia, thanks to the country's legal and fiscal reforms and improving economic performance since 1999.[285] At the November 2002 summit, the EU declared that there was no need for an upper limit for energy imports from any non-member state and that it was interested in long-term agreements on gas imports and in the construction of pipelines in Russia. The EU also accepted to investigate the possibility of linking the electricity grids.[286]

In order to bring about such an energy partnership, Russia could rely upon existing pipelines and other means of transport in the Baltic states, though preferably at lower prices. Even when the Baltic states become EU members, they will remain dependent on Russian oil and gas, and they have spent a lot of investments on improving the infrastructure for Russian transit. The future closure of the Ignalina nuclear power station offers Russia the opportunity of taking over

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[281] RG, 17 February 2000.
[282] Oldberg (2001) p. 41 ff.
[283] NG, 24 January 2001; Oldberg (2001) p. 48.
[284] BBC, Russia, 10 April 2002; *Vremia Novosti*, 3 October 2001, Tass, 21 November 2001.
[285] FT, 25 April 2002.
[286] European Commission, Tenth EU-Russia Summit,"EU-Russia Energy Dialogue – Third Progress Report", 11 Nov 2002 (www.europa.eu.int/ comm/external-relations) Retrieved 13 November 2002; "The EU-Russia Energy Partnership", 11 Nov 2002 (www.europa.eu.int/comm /energy_transport) Retrieved 13 November 2002.

some electricity customers in the Baltic states.[287] Lithuania was offered to buy gas from the new pipeline, and Russian businessmen have expressed a hope of exporting electricity from the future power plant in Kaliningrad, e. g. to Sweden.[288] The *Gazprom*, though state-owned also prefers exporting at world market prices to helping the Russian state to support Kaliningrad.

Thus, even if EU enlargement to the Baltic states might entail some economic losses and complications, political considerations and the prospect of becoming a major energy partner for the EU make it easier for Russia to accept a development, which it could not stop. When the Baltic states become EU members, the EU will support them, if Russia resorts to unfair economic pressure. Russia can also take pleasure in the fact that a compromise solution with the EU was reached concerning the complicated transit problem for Kaliningrad, which had been made a test of the relationship. However, the social and economic problems in that region, which continue to worry the neighbouring countries, remain to be solved, and here Russia can count on assistance. Hence, Russia's overall long-term interests with regard to Europe seem to overshadow the losses it will incur from the inclusion of the Baltic countries into the EU.

[287] NG-Dipkurier, 26 October 2000; Handelsblatt, 12 Juni 2002.

[288] Ballad, Baltic Institute, "Anatoly Chubais prepared to invest in Kaliningrad-Sweden cable", 9 November 2001, www.ballad.org. retrieved 27 November 2001.

Conclusions and prospects

The above analysis shows that Russian policy towards the Baltic states since 1991 has been quite contradictory and changeable. Officials have contradicted each other and changed views depending on the situation, the time and the audience. One is left with an impression of an ill-defined, short-term and reactive policy subject to pressure both from inside and the international environment.

Predictably, Russian nationalists and military officers pressed for a tough, confrontational stance regarding the Baltic states, and Western-oriented liberals and economists preferred a more cooperative line. The population and politicians in Kaliningrad were particularly interested in maintaining and improving the economic contacts with the neighbouring states.[289]

On the official level, President Yeltsin seems generally to have avoided extreme statements, but he never visited any Baltic state after independence. Several Foreign Ministry officials appeared as hardliners, keen on exercising pressure on and hectoring the Baltic leaders. By comparison President Putin turned out to be more cooperative in line with his pro-Western policy. He took the initiative of signalling reluctant acceptance of Baltic NATO membership and managed eventually to reach a compromise with the EU concerning the difficult Kaliningrad transit visa issue.

Key problems in Russian–Baltic relations since 1991 have been the disparity of power and the heavy legacy of mutual suspicions, fears and conflicts. Russia is the largest state in Europe with about 145 million inhabitants, a successor to the former imperial Soviet power that occupied and incorporated the small neighbouring states, which together only have about seven million inhabitants. Overestimating its power, Russia thus often used pressure tactics and threats against the Baltic states. The latter have been very wary of Russia's intentions, sometimes overlooking its real limits of power and overstating the influence of Russian nationalists and communists.

Summarising the development of Russian–Baltic relations since independence, several stages can be discerned. The early 1990s were characterised by Russian pressure and threats, using the presence of troops, the Russian-speaking inhabitants and the Baltic dependence on Russian energy as levers. The Baltic states strongly

[289] More on this in Oldberg (2001) p. 59 ff.

opposed Russian policy and called for support from the West. Estonia and Latvia raised border claims on Russia and did not yield concerning the Russian-speaking population. After the Russian troops were withdrawn in 1993–94 the Baltic countries became more cooperative vis-à-vis Russia. Economically, the Baltic states successfully carried out market economic reforms and oriented their foreign trade to the West, and Western countries supported their endeavours. Also Russia increased trade with Europe and became quite dependent on energy export through the Baltic states, but it was much less successful with its economic reforms, which resulted in the August 1998 breakdown.

Before the NATO decision on eastern enlargement in 1997 the Baltic states made great efforts to meet membership conditions, which also meant that they shelved border claims on Russia and adjusted their minority policy to international standards. Russia replied with new pressure but also launched alternative security proposals, such as advocating EU membership. Russia was relieved when the Baltic states were not admitted into NATO in the first wave, but the Baltic states did not give up their ambition and continued to integrate with NATO structures. In 1998 the tension increased as Russia started a political campaign against Latvia, and in the following year Russia and the Baltic states took opposite views concerning NATO's military intervention against Yugoslavia.

However, in 2000 Russia under its new President Putin started to mend fences with NATO, and when the NATO in 2001 seemed increasingly determined to admit the Baltic states, the Russian leadership grudgingly acquiesced in the fact. After 11 September 2001 Russia supported the US-led war on international terrorism and the intervention in Afghanistan, which was seen as linked to Russia's own war against terrorism and separatism for example in Chechnya. In May 2002 Russia became an equal member of the NATO–Russian Council aimed at fighting terrorism and other common threats. This could be seen as a compensation for Russia, saving its prestige as a great power. When the Baltic states in November 2002 were invited to become NATO members, Russia grudgingly accepted it. The development reminded strongly of NATO's first enlargement in 1997, when e.g. Poland was invited, but this time the common interests of Russia and NATO were stronger.

Russia accepted and even recommended Baltic EU membership, because it was long seen as an alternative to NATO membership. After the August 1998 crisis economic recovery became a priority in Russian foreign policy, and President Putin intensified Russia's own cooperation with the EU, especially in the energy sector. Even though EU enlargement also signified problems for Russia, notably, with regard to transit across Lithuania to Kaliningrad, which Putin made a test of the relations, that problem was solved by a compromise before the Baltic states were invited to join the EU.

This cursory summary of the development since the early 1990s shows that Russian–Baltic relations to a high degree have been influenced by the international context and third parties. Further, the relations have gradually moved from mutual estrangement and hostility in the early 1990s towards a more respectful dialogue and accommodation in the last few years. The Finnish economist Pekka Sutela has coined the fortunate concept of "Linen Divorce" to describe a process which is rough at first, but grows softer over time and is very resilient.[290] One can add that the divorced parties in this case have to cohabitate in the Baltic region and remain interdependent.

Another conclusion from this study is that Russian policy towards the Baltic states has common features, while these countries also have common interests in striving away from Russia towards NATO and EU membership. However, they also have specific identities and some divergent or competing interests, which Russia can exploit.

Comparing the states, Russian relations with Lithuania have on the whole been better than with the others, despite the fact that Lithuania was the leader among the Baltic nations in breaking up the Soviet Union and seeking NATO membership. Russia pulled out its troops first from Lithuania, signed a border treaty and has more political exchange with it. The explanation appears to be that Lithuania at an early stage solved the citizenship question to Russian satisfaction, and that its moderate leftist governments proved cooperative with respect to Kaliningrad. Russia needed transit, and Lithuania also long remained relatively dependent on trade with Russia.

Russian relations with Latvia have on the whole been tenser than with the other neighbours. This may largely be attributed to the fact that Latvia has the largest Russian-speaking population and the strictest citizenship and language legislation. Initially, Latvia made border claims on Russia, too. Russian officials and state-dominated companies have tried to use Latvia's dependency on oil transit for political ends or, lately, in order to take over economic assets. On the other hand Russia and the Russian minority in Latvia were also dependent on and profited from this transit.

At times, the Russian relations with Estonia have been at least as bad as with Latvia, for instance in 1993, and for the same reasons. However, Estonia was most successful in switching its trade away from Russia and carrying out economic reforms, thus also offering good conditions for Russian business. Estonian

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[290] Sutela, Pekka (2003) "*The Linen Divorce*. Die baltischen Staaten und Russland", in Alexandrova, Olga & Götz, Roland & Halbach,Uwe (Hg.) *Russland und der postsowjetische Raum*. Baden-Baden: Nomos Verlag (forthcoming).

nationality policy was a little softer than the Latvian one. In 2002 Estonia took steps to improve relations with Russia, and Russia responded positively.

In order to see Russian relations with the Baltic states in a wider perspective, they should be also compared with those in other ex-Soviet regions, such as the Caucasian and Central Asian ones. It is then obvious that Russia has acted quite cautiously in the Baltic area. True, this region is strategically situated between Russia and its former main enemy NATO, but it has been quite stable by comparison. The Baltic states are democratic and develop rapidly unlike Russia's southern neighbours. There have been no wars among the Baltic states over borders or resources, neither civil wars nor violent clashes between ethnic groups as in the southern neighbour states. Russia nowadays sees separatism and Muslim fundamentalism in the south as the main threats to its security and has therefore intervened militarily there, whereas it must acknowledge that the Baltic Sea region is prosperous and invites peaceful Russian participation.

Looking finally to the future, Baltic EU and NATO membership may serve to help Russia to overcome residual imperial proclivities towards these small neighbours and to stake on peaceful ties with them. Many people in Russia retain personal, cultural and commercial ties in the Baltic states. However, Russia's remaining economic influence on the Baltic states in the energy sector and the minority problems in Estonia and Latvia will surely continue to tempt Russian actors to exercise pressure.

As for the Baltic states, NATO and EU memberships will not only promote their economic development and European identity. They can also feel more secure from Russian pressure and develop ties with Russia that are profitable to them. Many Balts know Russia well and speak Russian. The Russian-speaking populations, especially people engaged in business, tend to be more EU-centric (*Eurorussians*) than the titular nations, at the same time as many have old contacts in CIS states. The Baltic states can thus become some kind of a bridge between Europe and Russia and contribute to integrating Russia into Europe. The Baltic countries also have strong interests in promoting European unity and progress.

NATO and the EU can benefit from the Baltic states' unique experiences of state building and democratisation. The latter will automatically draw the attention of the other NATO and EU states to the problems and opportunities of the Baltic Sea region. Even if the states will require structural support from the EU for several years, their needs will not be as big a burden as, for example, those of Poland. However, the fact that the Baltic states will have external EU borders on Russia and Belarus is likely to make them more exposed to the influx of refugees and job-seekers from these countries and Asia. This will be a heavy responsibility for the

Baltic states but also a reason for the EU to seek agreements with Russia.[291]

Concerning the effects on third states, Baltic NATO accession will clearly increase the security of non-allied Sweden from any future Russian threats by creating a shield stretching all along the Baltic coast except the Kaliningrad region. Also Finland will probably gain security from the extension of NATO to the Gulf of Finland, unless Russia for some reason would increase its forces at the Finnish borders. In both Sweden and Finland the pressure to follow suit and join NATO is likely to grow, as NATO more and more transforms into an all-European, political organisation, in which also Russia has a role. True, steadfast supporters of the traditional Swedish policy of neutrality could retort that it would be unnecessary to follow the Baltic examples, since the country like another Switzerland would be safely embedded by NATO states, and current US foreign policy may be used as an argument against NATO.

Finally, NATO and EU enlargement to the Baltic states may have some impact on Belarus, a state which has a union with Russia. The Belarussian President Alexander Lukashenka has opposed NATO and its enlargement more strongly than Russia, and his relations with the EU are also bad. His regime remains authoritarian and repressive, and the economy is still state-planned in the old Soviet way and dependent on Russian subsidies. Belarus is therefore a growing burden on Russia, if it aspires to be a Western-oriented market economy and democracy and gets more integrated in cooperation with NATO and the EU. Russia may therefore apply more pressure on Belarus in the future.

In short, the Baltic states' accession to NATO and the EU will on the whole have beneficial effects both on the states involved and their neighbours, thus transforming the security landscape around the Baltic Sea.

[291] Arnswald & Jopp (2001) pp. 60 ff.

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