

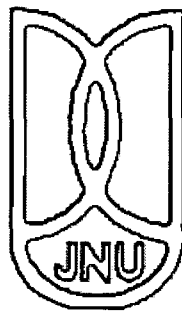
RUSSIA-BALTIC RELATIONS, 1991-2004

*Dissertation submitted to Jawaharlal Nehru University
in partial fulfilment of the requirements
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MASTER OF PHILOSOPHY

BY

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DECLARATION

I declare that the dissertation entitled *Russia-Baltic Relations, 1991-2004* submitted by me for the award of the degree of **Master of Philosophy** of Jawaharlal Nehru University is my own work. The dissertation has not been submitted for any other degree of this University or any other university.

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Dedicated to...
Parents, Family and
Friends

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*New Delhi
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CHAPTER 1

CHAPTER-1

Introduction: Situating Russia and Baltic States in the Post-Soviet International System

In the modern times, when peace and chaos co-exist simultaneously, when possessions and dispossessions are contested more often than not, the existence of human race calls for a serious introspection for finding a solution to peaceful coexistence in this world. People differ from people and the ideas are plenty and varied and variegated and that is the reason forwarded for most of the differences in this world. In such circumstance, what needs to be done is to look at the things with a new and different perspective and with a new vision and meaning. Russia-Baltic relations also need the same lens of clarity and approach while being envisioned.

The Baltic States refer to Estonia, Latvia and Lithuania, all of which were controlled by the Soviet Union during the 1940 to 1991. Since the collapse of the Soviet Union in 1991; the Baltic States have been continuously engaged in reshaping their policies towards each other. Estonia, Latvia and Lithuania (Baltic States) have been redefining their place in the region, with their similarities and differences (Sleivyte, 2010:1).

The geopolitics of both the Russia and the Baltic States following the collapse of the Soviet Union (USSR) has largely been defined by a search to cut out their own niches within a new geopolitical context. Several ideological, psychological, cultural, and historical factors contributed to closer cooperation between Russia and. Baltic States. In addition, Russia's geographical position and proximity to Baltic States necessitates the development of cooperation between Russia and the Baltic States as leading voices on the continent.

This research mainly aims to shed light on the development of Russian policy towards Baltic States from 1991-2004. There are three periods that correspond

to the main dynamics of Russia-Baltic policy. Each period is characterized by the dominance of different issues and policies. The first (1991-94) was primarily concerned about dealing with the legacy of the collapse of the USSR. The second period (1995-mid 1997) was largely dominated by Russia's reaction to the possible rapid Baltic integration into Europe Atlantic structure particularly NATO. The third period from (1997-2004) Russia showed a tendency of both hard and soft strategies to balance western initiatives in the Baltic region.

The collapse of Soviet Union brought a decline in the living standards and quality of life for the majority of the people living in Estonia, Latvia and Lithuania, including Russia, which resulted in numerous conflicts and confrontations. The most important task for Russia and the newly independent states were to define strategic aims for maintaining stability and promoting economic, political and military cooperation with each other.

There are a number of linguistic, historical and cultural differences between Estonia, Latvia and Lithuania. From a linguistic standpoint, only the Latvians and Lithuanians are Baltic people properly speaking, as the Estonians speak an unrelated Finnic language. Despite these Cultural and historical differences it is more appropriate to view Estonia, which is Lutheran and Finnic speaking as belonging in the northern European cultural sphere. Despite these differences Estonia, Latvia and Lithuania, are often treated as the Baltic States as a whole rather than treating them as separate political entities on the lines of international relations.

The reason behind this treatment lies in their history. These are small states who won their independence in (1918), upon the collapse of the Tsarist Russian Empire. These states shared a common geo-strategic environment and embarked on similar roads to development. Although these nations had a relatively short period of independence, nonetheless it was very important for building their respective national identities. The Baltic States were forcefully

incorporated into the Soviet Union in 1940, later they were occupied by the Nazi Germany during the Second World War and then re-emerged as soviet republics in 1944. 'Hundreds of thousands of Estonians, Latvians and Lithuanians fell victim to the Nazi and soviet occupations. Following the Second World War Estonia, Latvia, and Lithuania put up fierce armed resistance against Soviet occupation' (Sleivyte, 2010:116).

Mikhail Gorbachev's policy of *Perestroika* and *Glasnost* brought about nationalist forces in the Soviet Empire, which, so it turned out soon, were impossible to control. In Estonia, Latvia and Lithuania, national consciousness, which had never disappeared, got a fresh impulse as well.

Thus we can see relations between these countries were based on geographical proximity and geo-strategic position of the Baltic States and the historical past. It is the latter that give multiple reasons for the Baltic have to be in fear with their big neighbour. It is for this reason that the Baltic countries distinguish an increasing Russian power as a depressing factor for their mutual relations.

Different Approaches:

As a big power, Russia has always been an important neighbour of the Baltic States. When examining Russia-Baltic relations, it is important to make a conceptual analysis. To give arguments for the choice of a theoretical model of this study, There are three major modes of reflection on security politics which I will briefly review— three major paradigms of contemporary international relations theory - neo-realism, neo-liberalism and constructivism.

Neo-realists would explain Baltic- Russia relations in accordance with the theory of balance of power politics, institutionalists would give the greatest attention to cooperation with international institutions (NATO, the EU, the UN, the OSCE, and so on), whilst constructivists would analyze interaction between collective identities of these states. Each of these schools has its own flaws and limitations, and each of them may give different answers to the

same questions. Thus, the choice of a theoretical model for a research subject becomes crucial (Heinemann and Gruder, 2002).

The argument that neo-realism can best explain Russia's threat perception, her interests and policy towards Europe and the Baltic States. Russia's foreign policy itself is conceptualized using neo-realist terminology, such as 'national interest', 'domination', 'sphere of influence', and other notions. It is noteworthy that the theories of relations between big and small states are based on the neo-realist paradigm. The 'neo-realist' claim holds that the Baltic states are over-determined by external conditions, defined by their physical capabilities, betrayed by a history of victim hood, threatened by Russia as a malignant great power, in need of alliances, particularly with NATO, and without any options other than 'realist' ones. These kinds of assertions serve as an explanatory context for security, particularly defence policies (Sleivyte, 2010:118).

The very notion of 'big' and 'small' states comes from this paradigm. A major shortcoming with neo-realist theories is that they dismiss other important variables, e.g. the role of international institutions, domestic structures and individuals. The international system defines the broad parameters of foreign policy making but obviously it cannot explain the specific decisions that determine the behaviour of states in the realm of external relations (Sleivyte, 2010:118).

One particular branch of 'neo-realist' writing highlights the peculiarities of the foreign and security policy of small states. It sees the conduct of small states as a function of measurable criteria, such as population, territory, resources or income. The usefulness often the concept of 'small states' has been questioned from time to time: How should smallness be defined and how dependent is it on the relationship with its exterior world? Notwithstanding these reservations, small states seem to share certain features. Due to their limited means, small states are usually confined to their own region.

The traditional logic of neo-realist and neo-liberal theories as mainstream approaches to understanding international relations has become dominant in explaining the dynamics of Russian-Baltic relations. However, the logic of such mainstream approaches is insufficient for reflecting on complex processes of change in Russian-Baltic rapprochement. Alternatively, constructivist theoretical frameworks present different maps of the international arena drawn with a different focus and on a different scale.

‘Constructivism’ highlights the active role of actors, for example the perceptions, politics of identity, and socialization of actors through international interaction. It treats security as a function of collective or national ‘identity’. ‘Constructivists’ are therefore mainly interested in the process of image formation. In the constructivist perspective, NATO and EU can be defined as "constitutive institutions that contribute to shaping actors' identities, values and interests" by imposing "definitions of member characteristics and purposes upon the governments of member states (Schimmelfennig, 1999:211).

Constructivists would argue that interests are changeable, flexible and dependant on dialectical agent-structure relations, cooperation becomes a self-evident practice and a social fact based on ‘human agreement’ that is perceived as objective so long as the agreement exists. Partners prescribe more meaning to this cooperation constituting new realities and constructing new structural and institutional conditions, which in response constrain partner’s egoistic interests or enable their behaviour.

This insight is of particular importance for the Baltic States because, contrary to ‘hard-line’ realist thinking, structural factors and ensuing distrust and fears vis-à-vis Russia could, at least theoretically, become subject to changes due to the international institutions in which the Baltic States participate. It would thus be possible to argue, even from a ‘neorealist’ point of view, that any perceived increase in Baltic security would have to consider the desired

impact on Russia's domestic policy. Following the reverse logic of the security dilemma, increases in Baltic security at the expense of Russia's security would be counter-productive.

Emergence of Baltic States:

After the disintegration of USSR, the former Soviet States moved towards democracy. The transition to democracy of Baltic States was seen as costly; making the political and economic situation more or less frosty towards Russia. Russia seeks to maintain its influence on these States due to its geopolitical interest and the need to protect the interests of ethnic Russians residing there. In the reverse, Baltic States wish to pursue a more independent foreign policy. The formation of these states has created a number of challenges in the region, as each state has unique territorial and ethnic aspirations and socio economic priorities (Schimmelfennig, 1999:211).

In the beginning of the 1990s, Estonia, Latvia and Lithuania re-emerged as independent actors in the international system. Policy makers of these three Baltic countries were faced with a range of options in choosing their cooperation partners and forms of cooperative arrangements best suited for the particular needs and interests of their countries. The decisions had to be taken in the environment of changes in international security and the institutional structures as well as domestic economic and political reforms accompanied by the establishment of new rules and institutions.

The choice of foreign policy priorities was to a large extent determined by the aims of political and economic reforms (establishment of democratic governance and transition to the market economy) and perceived external threats and opportunities. The issue of the security of the Baltic States is closely linked with the questions of international cooperation and participation in the institutional settings that have characterized the "post-Cold War" Europe. In the beginning of 1990s the Baltic States re-emerged on the map of Europe, which was a Europe characterized by many interlocking and

overlapping institutions.

Another dilemma the newly independent states faced was that they seemed to be taken in by the West, at the same time, did not want to disrupt their links with Russia. They applied for the membership of European Union and the USA led security alliance NATO.

During this period Western Powers intervened and pressurized Russia to withdraw its troops from Baltic States to this end, Russia put geo-strategic pressure on the Baltic's, which was not obvious during the process of negotiation on troop withdrawal. The pressure was manifested in the areas like ensuring stability; the seeking of guarantees with regard to the rights of Russian speaking people in the Baltic States. Whenever a situation arises where a big state, shares a common border

With a small country which is also geo strategically important for the big country, then the relationship between them bounds to be a complex one. Russia, as a big power has always been an important neighbour of the Baltic States. While examining the Russia-Baltic relations, it seems necessary to make a conceptual analysis of the relationship between great powers and small states.

On the other hand analysing the security concerns of a smaller state, it becomes essential to deal with the power disparity between great powers and small powers. Thus, the search for a condition of "enduring normality" has a predominant place in the policy making of small states, e.g. the Baltic States. Although the Baltic States have clearly acknowledged that their countries could not be defended militarily due to the lack of strategic depth, their open borders and their proximity to Russia have nevertheless emphasized the need to establish a strong defensive posture (Bajarnas, Haab and Viskne, 1995: 35-40).

The relations between the Baltic states and Russia have not lived up to their

potential. The foundations of a positive relationship, filled with new possibilities for partnership, existed at the beginning of the 1990s. At that time, Vilnius, Riga and Tallinn were the important driving force behind national independence and democracy in the former Soviet environment, which also included a newly sovereign Russia under presidential of Yeltsin, a Russia that was clearly different from the former Soviet Union.

“Iris Campe” states that focus on mutual understanding illustrated that the process of identification of historic self has been started, but the output is far from mutual co-operation. The idea of Baltic States of “returning to Europe” has remained closely intertwined with the idea of “distancing from Russia”. The EU not only meant the economic and political forms that Baltic States should adopt, but also recovery from Russian influence. Overall the Baltic States have fewer questions about their identity than their Russian neighbours, but at the same time their position can be characterized as restricting their activities to one side of the pitch and forgetting the other strategic half (Iris, Kempe and Buhbe, 2005: 4).

The main task of a country after the attainment of independence is to forge a national identity to gain confidence as a nation. Hence after the dissolution of the Soviet Union in 1991, the Baltic States strived to strengthen their independence; putting themselves on the geographical map of Europe as a separate entity. The newly found independence has to be defended with appropriate security measures. Therefore Baltic States’ concern for security became essential. Considering themselves the meeting point of Eastern and Western civilizations and after independence, they have been constructing their narratives of ‘return to Europe’ and Russia as their threatening other.

The process of integration with the West by adopting Western values has been leading the Baltic States closer to the Western security community. While membership of NATO helped them in upgrading their armed forces to international standards, the membership of EU guided them towards economic

growth and prosperity. In review the period in which Baltic States gain sovereignty from Moscow was surprisingly brief in hardly two years, and without wide spread conflict or great loss of life, these states shed the status of Soviet Republic and accomplished full independence (Bajarnas, Haab and Viskne, 1995: 40-45).

There were many obstacles for the Baltic States to establish its stability, prosperity and hardly any solid development has been made as to developing forms of productive collaboration with Russia. Van hen has pointed out “seven vexed political issues that have manifested themselves as serious obstacle to more rewarding relations between Russia - Baltic such as, the withdrawal of the Russian military from Baltic soil, the question of Kaliningrad exclave, the separation of the Estonian Russian and Latvian Russian borders, NATO ambitions of the Baltic states, there is a explicit engagement with the so called Western Newly Independent States (WNIS), Russian energy politics and lastly Positions of the Russian minorities in Estonia and Latvia (Bajarnas, Haab and Viskne, 1995: 35-40).

To incorporate the full array of factors affecting complex Russo-Baltic policies, an interactive approach based on the interplay between the international, domestic and individual levels has been used. The international systemic approach argues that foreign policy outcomes result only from a changing external environment but not from a domestic change. The domestic political level (or state level) defines foreign policy as the result of ‘domestic political manoeuvring’. This level of analysis examines the operational environment – the political context and mechanisms – for policy making. The individual level of analysis focuses on the actions and behaviour of individual policy makers to explain how they define purposes, choose among causes of action and utilize national capabilities to achieve objectives in the name of the state.

Taken separately, the importance of these levels of analysis for Russian and

Baltic foreign policies is different. This is due to their power asymmetry: the larger and more powerful a state, the greater it's freedom of action; while the choice for small states is more limited. Since, the Baltic countries (as small states) are more preoccupied with survival than Russia (a great power); the international system will be the most relevant level of analysis in explaining their foreign policy choices. Baltic policies reflect concern to the constraints of the international environment, meanwhile Russia is supposed to be less susceptible to external developments, and thus has more options for action. This makes her foreign policy formation 'more susceptible to domestic political influences.

Security Concerns in Russia & Baltics Relationship:

Whenever security concerns have been discussed during the last decade, a potential Russian threat perception has figured as the key concern of Baltic defence policies. Baltic security has been portrayed as overlaid by the larger pattern of Russia's great power presence. The Baltic States are of strategic importance for Russia; Russia will be unable to consolidate its process of democratization; Russian minorities and the recent history of annexation provide a possible pattern for the future. Russia is perceived by the Baltic States as a potential threat.

Although the most sensitive foreign and security policy challenges, to all three Baltic States are the management of their relations with Russia. The most serious problem with the Baltic States face is Russia's unwillingness to accept Baltic independence. Both the policy makers of Russia and its populous the Baltic independence has been unacceptable. Security issues belong to the list of priority to determine the character and development of Russia- Baltic policy. As neighbouring countries the security decisions of the Baltic-States are obviously of the supreme significance for Russia. The influence Russia wields in the Baltic region is clearly stronger than its power at present on the international arena is.

After independence Baltic States have undergone multidimensional transitions from authoritarianism to democracy on one hand and then a move towards a market economy. They choose to “return to Europe” because of security concerns. Therefore, they tried to gain access to NATO and EU. They thought it both as a moral and geopolitical necessity. In 2004, the Baltic States became full fledged members of NATO and the EU. This angered Russia but a situation for dialogue and negotiations also emerged.

The reason for this Western orientation of the Baltic States is quite obvious. Firstly, they considered themselves as Europeans and wanted to belong to the West European family of democracy, with free and prosperous market economies. Since the early 1990 they made admirable progress in this direction. Europe on the other hand has tried to exercise their influence in a strategic and ideological contest with Russia. Baltic States have always been historically a part of Western Europe. Considering the economic prosperity of the West European countries, the Baltic States saw a bright future in aligning with them. After the dissolution of USSR, Russia proposed a loose confederation of erstwhile Soviet States named ‘Commonwealth of Independent States’ which was readily refused by Baltic States. Baltic States have also refused to be included in the “Near Abroad” to indicate that Russia’s sphere of influence definitely excludes the Baltic regions ((Bajarnas, Haab and Viskne, 1995: 105-116).

To maintain influence Russia followed the policy of ‘near-abroad’. This Russian military doctrine presented repression of Russian speaking population as an acceptable reason for the use of military force and it was left to the Russian to decide when the minorities were being repressed. In the year 1997 there was a marked shift in the Russian policy towards the Baltic States .This policy shift was in nature of a more positive one. Russia offered security guarantees and cooperative projects to the Baltic Countries. Later it followed a complementary proposal to include cross security guarantees of the USA, Germany and France by Russia. The Three Baltic countries turned down these

prospects (Bujarunas and Eitvydas, 2000:56).

USSR as a superpower held immense clout over world affairs. The collapse of USSR made a dent on the image of communist ideology. It seems that Russia's degraded power status and upset sense of identity has fuelled preoccupations with territorial integrity. Border agreement between Russia, Estonia and Latvia remain unsigned, although agreements with Lithuania was reached to issues related with Russian ethnic groups residing in Estonia and Latvia are still a high priority on their bilateral agenda. The Russian minorities living in the Baltic countries would become EU citizens with whom it would be relatively easy for Russia to make a fruitful connection on various levels particularly cultural and economic (Bujarunas and Eitvydas, 2000: 45).

Although, Former Soviet States understand the importance of maintaining cordial and friendly relations with Russia, it seems Russia and FSU both want to maintain checks-and-balances in policy towards each other. The formation of these Republics has brought up a number of challenges in the region since each of them has unique territorial and ethnic aspirations and socio-economic priorities. The Baltic States are also seen as buffer states against the encroachments of the West. Russia had to maintain its sphere of influence over these states to maintain the buffer. This was done by following various policy measures and action (i.e. diplomatic pressure, propaganda and disinformation campaigns, military threats and peacekeeping deployments, economic leverage and energy controls, exploiting ethnic and social discontent, and discrediting governments via political influence and penetrating intelligence services), Russia has tried to maintain its influence upon them in order to manipulate their foreign, security and domestic strategies, and thus far, it has been unsuccessful in its attempts to do so (Ciziunas and Pranas, 2008: 287-303).

Russia Strategic Partner and Adversary:

Russia is not only a neighbour of Baltic-States but a strategic partner in

cooperation on a wide range of bilateral and global challenges. Russia's security goals in regard to Baltic States were evolved on the basis of geographical proximity of the Baltic States on its border. Russia's strategic aims are to keep the Baltic States out of military blocks, to maintain a strategic presence in the Baltic Sea. Russia sees it as crucial to retain them as part of a neutral buffer zone, around the Russian federation since the collapse of the Soviet Union, because of geo-political reasons such as NATO enlargement to its borders.

February 1997, marked a turning point in Russia's Baltic strategy, when the Russian leadership publicised a theoretical outline of its Baltic policy. This was the first policy- paper that had been made on the issues, and it set the guidelines for the entirety of Russia- Baltic relations. Thus it attempted to examine security, minority, economic and international issues in a consistent way. There can be no question of even the hypothetical possibility of extending NATO's sphere of operation to the Baltic countries. Such a view is categorically unacceptable to Russia, and we would regard steps in that direction as posing a direct challenge to our national security interests and destroying the fundamental structures of European stability (Ciziunas and Pranas, 2008: 287-303).

Meanwhile NATO and the EU have modified their strategies towards the opposite direction: by placing much more emphasis on cooperative security regimes based on commonly shared non military threats, engaging all actors, providing confidence and security building measures (CSBM) and spreading of stability. Thus, the essential strategic problem of the Baltic States has been that they face the challenge of having to relate to two opposing and incompatible external security strategy and a traditional Russian power based security strategy. The increased sharpness in official statements and the policy paper of February 1997 can be construed as different tactics to counter the threat of NATO expansion and possible attempt to bargain with the west on the issues.

Russia's willingness to go in defence of its strategic interests was never tested, as the Baltic States were not included in the first round of membership negotiations with NATO. Russia's policy in refusing to accommodate small states can be interpreted as great power mentality or tactics, not necessarily as a categorical denial of their independent statehood, but firmness that its small neighbouring states keep the interests of their larger neighbour in mind.

Russia does not formulate policy exclusively according to the three main elements of its bilateral relations with the Baltic States. The international community whose attitudes and reactions constitute one factor that Russia must take into account when devising its policy. The international context is essential to look at because the West monitors Russia's actions towards the Baltic States closely. This kind of situation does not exist to such an extent vis-à-vis other corners of Russian foreign policy. The issues to discuss here are the following: how do western responses impact on Russia's Baltic policy.

The relationship between an erstwhile superpower and a newly independent small country was never going to be an equitable one. This was very much visible in relationship between Baltic and Russia which was more of a confrontational one. But from the collapse of USSR, Russia has shown maturity in its policies towards the Baltics and now the stress is more on continuing dialogue and cooperation rather than antagonization. In order to strengthen their position vis-a-vis Russia, the Baltic in near future may join EU and NATO which in their perception would lead to the ultimate reconciliation between Russia and the Baltic states and create more solid ground for stable mutual relations in the future (Sleivyte, 2010: 40).

Role of the West:

'The West' denotes North American and Western European governments and international organisations, and they are taken to represent the same core values and motives. It is possible to explain the similarities and continuities of Russia's external relations in large part as a result of the changing international

environment, which conditions foreign policies of all states. The international system, based on the primacy of sovereign states and the central role of the United Nations in governing international relations, is weakening. The reasons for the competitive nature of the relationship are persistent Russian notions of international relations as a zero-sum game, and the unmitigated importance of competition, conflict and the 'balance of power' in international affairs (Rowb and Torjesen, 2009: 67-87).

The topics that are critical in assessing the international context are related to security (troop withdrawal and NATO expansion) and the Russian-speaking minorities (human rights/citizenship rights). The internationalization of the withdrawal and minority questions and the issue of expansion of Western institutions have given Russian-Baltic relations a complex pattern.

At the beginning of the period the pressure was mostly from the West on Russia (troop withdrawals). Subsequently Russia began to return the pressure not only directly towards the Baltics, but also indirectly through the international community (minority rights). The inclusion of the international context in Russian-Baltic relations has been beneficial for and welcomed by the disputing parties, as they all can find positive aspects in direct contacts with the West to resolve the problems in their relationship.

NATO must simultaneously deter Russia and reassure it and the Baltic States that their security will be enhanced. The key players in this process are Russia, Germany, and the United States. They have the means to shape the future parameters of any Baltic security system and are the principal players in Europe as well. And it is their policies that will define the limits of what can be done in the Baltic, as well as in much of Europe, since Baltic security is inseparable from that of Europe as a whole. Or, in other words, European security is indivisible, and Baltic security is part of it.

With reference to "Mouritzen" and his four scenarios of coexistence between a great power and a small state (domination, isolation, balancing among various

influences of great powers and obedience to a great power) it is possible to affirm that the Baltic States are implementing the balancing model in their relations with Russia. All three levels of 'de-occupation' (political, legal and economic) confirm this conclusion. The Baltic States seek to co-ordinate interests of several power centres – the United States, the European Union and Russia. The US treats the Baltics as reliable political partners (they are among the most pro-American states in Europe). For Russia, the Baltic States are the arena for consolidation of her economic interests and the gateway to Western European markets (Clesse, Bauwenes and Knudsen, 1996:10).

Over the last fifteen years, the relationship with the West has been marked by a positive tendency, while hardly any concrete progress has been made as to developing forms of constructive cooperation with Russia. Seven vexed political issues have manifested themselves as serious obstacles to more fruitful relations: the retreat of the Russian military from Baltic soil; the question of the Kaliningrad exclave; the demarcation of the Estonian-Russian and Latvian-Russian borders; the position of the Russian minorities in Estonia and Latvia; the NATO ambitions of the Baltic States; their explicit engagement with the so called 'Western Newly Independent States' (NIS); and Russia's energy politics (Heli, Marques, 2006: 113-123).

The EU views the Baltic countries as the area of expansion of the Union's political and economic influence, and experts on Russia-related matters, especially regarding the implementation of the concept 'Wider Europe – European Neighbourhood Policy'. Baltic security is assured through their full-fledged membership of NATO (US-dominated organization). Baltic membership of NATO and the EU is expected to secure a balance to Russia's political and economic influence. All of the above, the balancing model is seen as the best corresponding to the current international environment and national interests of the Baltic States. The future of the Baltic States depends on their ability (as small states) to maintain the stable balance of interests between the US, the EU and Russia.

US and NATO ideas of a 'Europe whole and free', the EU's concept of a wider Europe and the European Neighborhood Policy (ENP), and the 'common vision' of the countries loosely allied in the Community of Democratic Choice are in conflict with notions of a Wider Russia. Western (including NATO) and Russian perceptions and policies are at odds with each other in the whole area stretching from the Baltic States via Belarus, Ukraine and Moldova to the northern and southern Caucasus (Rowe and Torjesen, 2009: 67-87).

The NATO states have understood the ambition and problems of Baltic States, 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. 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 (Oldeberg and Ingmar, 2003: 43)

The EU with its growing economic influence and military power of NATO alliance, there has been an overlap of the of the EU's "New Neighbourhood" and Russia's "Near Abroad". To define the new strategic requirement of a European neighbourhood policy, Vilnius, Riga and Tallinn are challenged to fill their particular strategic place which mutual co-operation and input on the European agenda.

It became obvious that only Lithuania started to give some momentum to the EU's Eastern policy, by implementing its interests on the Kaliningrad issue and elaborating strategies for a democratic and European Belarus. If the Baltic States continue to neglect their interest in an Eastern policy, they may face the risk of being excluded in upcoming European-Russian decisions. These include the negotiation of the new framework agreement between the European Union and the Russian Federation (Partnership and Co-operation

Agreement), or the recently signed pipeline agreement between German gas giant EON AG and Russia's natural gas monopoly Gazprom on transporting Russian gas to Germany via the Baltic Sea, by passing transit states such as Lithuania, Poland and Ukraine. Furthermore, representatives of Estonian business and some Finnish participants spoke about the importance of economic co-operation between the Baltic States and Russia. The benefits would be related to transportation and trade in particular, but also to Russia's growing economy in general (Buhbe and Kempe 2005: 101).

Although the Baltic States' inclination towards the West has remained closely intertwined with the idea of distancing themselves from Russia, they cannot afford to show their indifference in their relation towards their eastern neighbours, mainly Russia, due to their heavy dependency upon them. Their negative approach towards Russia might cost them a disruption in energy supply. They might even be abandoned from the energy agreement between the EU and the Russian Federation or from the pipeline agreement between German energy giants EON-Ruhr gas and BASF-Winter shall. The non-cooperative attitude between them might also get in the way of economic and trade relations between the states (Buhbe and Kempe 2005: 101).

The economic element of interstate politics in the post-Soviet has been one of the determining factors of Russia-Baltic States. This is particularly important to Russian policy towards the Baltic States, in which economic considerations have played a major role. Keeping in view the vast energy resources of Russia the economic consideration have overshadowed all other things. With the energy driven economies the Baltics are have become more dependent on Russia's energy resources. This dependence has become a new political lever for Russia. Main sources of economic interdependency: the energy sector and the Baltic ports, Baltic dependence on Russia pertains predominantly to fuel and energy sectors, in particular oil and natural gas, and to raw materials in the early phase (Laura and Kauppila, 1999:64).

It is also evident that Russia on several occasions has threatened the Baltic States with sanctions. Russia has also used trade tariffs and its status of most-favoured nation (MFN) as an instrument in keeping pressure on its neighbouring states. Russia's economic action can take three forms: a suspension or decrease of transit trade through the Baltic ports, a ban of commerce between Russian and Baltic firms, or the cutting off of energy.

The goodwill that has developed between the governments and people of each side, to neutralize the negative elements and stereotypes to achieve normalization in mutual relations is positive one. Both Russia and the Baltic states emphasize the strategic importance of cooperation with each other, and are willing to find out ways and means to end the differences and controversies.

Russia's Response to West & NATO Expansion into Baltics:

As NATO enlarges and approaches the borders of the Baltic States, it faces one of the most difficult and complex security challenges in contemporary Europe. While the Baltic States desire membership in NATO, Russia views it as a threat to break cooperation with the West and NATO allies themselves remain divided over the knowledge of Baltic membership. This is evident from NATO's and Russia's positions, and the Baltic states' firmness upon consideration for their security interests, makes both East and West to work together on devising a workable and acceptable security system for the region that respects both Russian and Baltic, not to mention Western, interests. Otherwise, this region might become the flashpoint of a political conflict that could eventually worsen into a military one.

The desire of the Baltic States to become members was interpreted as an extra proof of their anti-Russian inclinations, and vice-versa, any statement on behalf of the NATO members confirming their willingness to admit the Baltic republics was taken as an indication of NATO expansionism. Security was still the central paradigm, while security threats were customarily associated with

NATO. The Baltic States were a security threat for Russia in military terms (because of their intention to join NATO), but most importantly their existence was a challenge to Russian national identity as it had been formed by the end of the 1990s (Laura, Kauppila 1999:64).

The rebirth of the national statehood had brought to an end the former alliance between Russia and the Baltic, while a number of factors have upset Russia-Baltic security relations. Instability in the international system after the end of the Cold War and on-going systemic changes make their presence felt on Baltic politicians making them constantly alert to even the slightest shift in international undercurrents that may determine the future status of Baltic states in the new world order now emerging. The Baltic States accordingly must show flexibility in coping with political realities while at the same time reasserting their foreign policy goals. There has been no indication that the strongly pro-western orientation of the Baltic States could be questioned by international community.

Russia has been unable to play the constructive and mature role in this process. Russian policies for Europe are confused and attached to models of European security that have little or no relevance to other states or that actually alarm them. Russia still despises the small states, thinking them to be of no consequence, proposes impracticable and objectionable schemes of pan-European collective security that do not unite it but would bind NATO.

Russian policy is also confrontational, demanding border revisions and refusing to sign formal border treaties to recognize the post-1989 changes in Central and Eastern Europe. It makes demands for an exceptional position in Europe or for unworkable security systems that do little to advance faith in Russia's coherence or good will. Furthermore, views everything in terms of correlations of aggressive military forces, and of desires for exclusive rights over small states (Lukin and Vladimir, 1994: 118-132).

Further the Baltic States have strengthened their relations with all European

Partners, US and Canada. The USA owing to its geopolitical position combined with its capabilities makes a counter balancing effect in the Baltic Sea region. It has been a backbone of politico-military support for the Baltic Countries. The USA commitment is a strong reminder that the region is an integral part of Euro-Atlantic context. USA engagement in the region is characterize by the north European initiative.

The bond of Partnership between USA and republics of Baltic signed in Washington DC in January 16, 1998, establishes the institutional framework that promotes the continuance of bilateral and multilateral cooperation. The Charter underscored a common goal of the partners to work together in enhancing the security of all the states through the integration of Baltic Countries into the European and Trans-Atlantic security, political and economic institutions. The US Baltic partnership charter states that USA real profound and enduring interest in the independence and security of the three countries.

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Despite the complex problems described above, the practical cooperation between Russia and the Baltic are normalised. Even serious open questions like the absence of an officially recognized border do not have a negative impact on the actual connections between Russia and the Baltic states, or on the policies of the European Union. However, if the current approach to the relations continues, there will be no development or revival. It is possible that cooperation might actually decrease. The main ailments are of a psychological nature, and only time can cure these wounds. (Iris and Kempe, 2005: 4). The reasoning behind foreign and security policies in Russia and the Baltic states is based on the external influence and patterns of domestic decision making.

Now that the Baltic States have acquired membership of EU, Russia will definitely have to restructure its policies and priorities according to the new political and strategic realities. The most identified two aspects crucial for further cooperation. From the top-down perspective, bilateral relations can be



rendered in a European framework based on the identification of common future goals and priorities. The situation inside the region requires the political will to deactivate negative myths and stereotypes, with the overall goal of normalizing bilateral relations. Trust is taken into account as an essential for the development of stability between states (Iris and Kempe, 2005: 4).

Common values, external threats, or powerful economic interests usually inform and reinforce regional integration. The Baltic States are small both in relation to their immediate neighbours and in the larger European context. Their geographic proximity and a shared threat perception are factors which determine their interest in cooperation. Conditions which help to further regional cooperation among the Baltic States might therefore be seen in their geographical location, their smallness, the distribution of power vis-à-vis Russia, their joint past as part of the Soviet Union, a shared perception of Russia, comparable problems in constructing security policies, and the outside view of the Baltic States as a region. All these commonalities could point in the direction of regional security cooperation.

The Image of a ‘Russian Threat:

Whenever security concerns have been discussed during the last decade, a potential “Russian threat” has figured as the key concern of Baltic defence policies. Baltic security has been portrayed as overlaid by the larger pattern of Russia’s great power presence. Russia figures as the main defining context. The Russia-related threats to the Baltic States manifest in several different forms of pressure: economical, political and cultural. The recent history of annexation provides a possible pattern for the future.

History figures as a prominent guideline for Baltic security conceptions. The main lessons are seen in preventing a repetition of the mistakes made in 1940 (lack of common security among the Baltic states); in not once again allowing a revanchist turn in Russia to affect Baltic independence; and in integrating the

Baltic states into the West militarily, economically and politically. The perception of Russia as a threat is usually combined with heavily loaded metaphors such as “no man’s land”, “security vacuum”, or “grey zone”, which in turn are intended to justify the quest for “security guarantees” from NATO. The Baltic States are of strategic importance for Russia. Russia will be unable to consolidate its process of democratization (Pranas and Ciziunas 2008).

Russia use to make threats to make threats against the Baltic States of economic war, of criminal subversion from without, and of refusing to recognize borders, while attempting to gain a veto over NATO's activities. Because Russia cannot carry out these threats, it only further antagonizes the Baltic States, makes them more intractable in their own anti-Russian policies at home and abroad and only worsens the regional situation.

The total size of Russia is perceived by the Baltic States as a potential threat. At times, Baltic politicians and security experts even fundamentalize the hostile relationship with Russia by portraying it as a kind of “clash of civilizations” Furthermore, economic independence on Russia, for example for electricity supplies, is sometimes interpreted as a potential menace . The Russian financial crisis in August 1998 seriously affected Latvia and Lithuania. Both countries therefore define their dependence on foreign trade with Russia as a security issue

There is a specific link between Russia’s domestic politics and its attitude towards the Baltic States: against the backdrop of Russia’s post- Soviet identity crisis, concessions to the Baltic States may lead to losses of power among nationalist constituencies until 1995, Russia’s foreign policy attacked Estonia and Latvia for violating human rights and for not integrating the Russian population. In the winter of 1997/98, Russian diplomacy once again raised the issue of the discrimination of the Russo phone minorities in Estonia and Latvia. As ethnic tension grew in Latvia, the Russian government adopted

economic measures by diverting oil exports usually shipped through the Latvian port of Ventspils.

The Baltic States are unique among the former republics of the Soviet Union for several reasons. First, of the post-Soviet states, the Baltic countries have unique historical political and economic connections to Western Europe. Second, they have moved far closer to the West since the break up of the Soviet Union.

This chapter in a nutshell shows that during the 1990's, after the fall of Soviet Union the Russian political elite were trying to adopt a moderate policy, while maintaining Russia's influence over the Baltic States. But over a period of time towards 2004, Russia has grown more determined to protect and defend its politico-security concerns in the area. Russia further feels that it cannot afford to lose its Influence in the Baltic by limiting the attempts of other powers to weaken its influence. But despite the political games being played out in the region both Russia and Baltic states feel that their problems and concerns can be resolved without a third party mediation and that cordial relationship is beneficial for both.

CHAPTER 2

CHAPTER- 2

Evolution and Characteristics of Russia-Baltic Relations, 1991-1994

In the first chapter we have already seen in a broader perspective the relations between Russia and Baltic states through an analysis of security as is conceived in these States, however there are issues over security, and how does it effect the 'Baltic States' especially in the sphere of domestic politics and international relations .In this chapter we will look briefly at some of the major issues, which define and further the domestic and international relations between Russia and the Baltic states. In order to map out the general development of Russian-Baltic relations in 1991-94, this chapter has a double task. To assess Russian policy towards the Baltic States, it must be put in the context of Russia's general foreign policy orientation to the West, and the simultaneous formulation of policy towards the other former republics of the Soviet Union.

The Soviet Union collapsed with relatively little internal and external violence. Many republics of the former Soviet Union declared their independence almost in unison. Russia at the time was powerless to prevent any of this from happening. Its government was going through great transitions of its own, and decision-making power was yet to be clarified. The 1990s saw a turbulent economy and a fragile democratic regime under Yeltsin further hamper the ability of Russia to assert its foreign policy prerogative.

In August 1991, the three Baltic States Estonia, Latvia and Lithuania declared the restoration of their independence. Russia's independence was effectively brought about by the creation of the Commonwealth of Independent States (CIS) and the dissolution of the USSR in 1991. During this early period, Russia needed to be quickly accepted by the West as a democratic partner. The essential foreign policy

aim focused therefore on developing both political and economic ties to Western countries and international financial organizations as a response to the acute crisis Russia was facing as a consequence of the Soviet economic system. This paved the way for Russia's relatively positive and non-confrontational stance towards the Baltic region.

The collapse of Soviet Union and the emergence of sovereign Baltic States was probably one of the principle catalysts that changed the entire geo-strategic in the Baltic Sea region. However, such change in the situation gave rise to a new line of conflict between the Baltic States and Russia, with the ensuing threat to the regional security.

However, as the Soviet Union disintegrated and as it was replaced by Russia, both the legal form and content of bilateral Russian- Baltic relations had to change certainly. The Baltic States still accommodated armed forces controlled by Russia; the economy of new states was fully integrated in the economic space of the former Soviet Union; many Russians immigrants From Soviet Union lived in the Baltic States, who suddenly found themselves living abroad as the Soviet Union collapsed. Therefore, it is quite natural that in this period the Baltic States and Russia faced many unresolved issues related to the dismantling of the Soviet Union's legacy.

Legacy of the Past:

The framework of Russia's Baltic policy is determined by the past. It is difficult to escape history in the Baltic States. Its presence is everywhere. To understand the determined concern of the Baltic nations with respect to ensuring their security one should have a look at their chaotic history. The historic destiny of the Baltic was to a large extent determined by their unfortunate geographic location in

between two nations to the west and to the east The Germans and Russian respectively.

Most importantly, the political structures of the Baltic States, designed in Moscow for the purpose of maintaining the republics subordination to the Kremlin, had to be remade to conform to the resurgent values of national sovereignty, personal liberty and democracy. It is very difficult to separate history and policy making because history gives background and understanding for the policies followed before and where they went wrong. History has a double effect on policy-making: it acts as memory and bequeaths specific processes. In the case of Russia- Baltic relations, this is expressed by legacies of imperial domination and Soviet occupation, and interdependence in terms of demography and economics (Conor, 2003: 168).

The territories that make up the modern Baltic States were incorporated in Tsarist Russia in between 1721-1795. When the Tsar was dethroned by the Bolsheviks in the October Revolution of 1917, the Baltics won their independence but only after hard fought war. In 1940, the states were returned of by annexation to the Soviet Union, until USSR collapsed. Estonia, Latvia and Lithuania going to be soon face real difficulty in integration in the USSR meant in practice .Forty seven years of Soviet rule produced a disastrous effect on the economy and the environment as well. The long period of time that the Baltic territories have been a part of a Russian-cum-Soviet entity is an influential factor constituting Russian attitudes towards the renewed independence of these states. The difficulty of dealing with and recognizing the Baltic's as foreign and sovereign states underlies many of the problems in their relations (Bult, 2006:127-130).

Russia's relations with the Baltic States came through several stages in the post-communist regime. In 1990-94, when both Russia and the Baltic republics struggled with the Soviet centre for independence; these relations were based on a

co-operative basis. The Baltic States, since the restoration of their independence in 1990, have worked hard to redefine their identity and their place in the region and on the continent. Despite being various cultural-historical differences between Estonia, Lithuania, and Latvia, in the context of international relations, they are normally treated as an entity the Baltic States. Their common history in the 20th Century provides justification for this treatment (Bult, 2006:127-130).

Lithuania, Latvia and Estonia gained their independence in the first of the 1990 whereas Russia itself became independent only after December 1991, when Gorbachev resigned from the post of President of USSR. Hence the issue of evolving and pursuing a policy towards the Baltic states on the principle of equality of independent nations came up before Russia much before it itself gained a fully independent status. However the formal recognition of their independent status by Russia and the International community came from August 1990 onwards.

That three nations historical perception, in turn, is shaped by a collective sense of identity that comes from the fact that the Baltic peoples have a longer connection with their homeland than almost any other nation in Europe. Baltic nations nonetheless found that their geographical location made their homeland a battleground for other states striving for political or economic mastery of the region. This sense of belonging creates a special feeling of both attachment and legitimacy (Elletson, 2002: 3).

Thus, history played a prominent role in fuelling the independence movement and it continues to play an important role in the political psychology of the Baltic countries today. Just as in 1989 the truth about the Nazi- Soviet Pact was an important part of the case for independence, so today it continues to haunt relations between the Baltic States and Russia.

The period between 1991-1994 can be distinguished in the deterioration relationship between Russia and the Baltic States. Moscow, while delaying the procedure of signing and ratification of various agreements, like border issue, ethnic settlement and tried to prevent the Baltic States from becoming the members of the EU and NATO. Besides, Russia tries to interfere into internal affairs of the European Union by requiring taking sanctions against Latvia and Estonia because of “infringement of the rights of the Russian speaking population. So far it does not seem that the Kremlin could be ready of refusing the opposing policy towards the Baltic States, and the approaching elections to Duma and presidential elections would even more activate the search of “enemies of the country (Elletson, 2002: 3).

Some of the major issues may be identified in the beginning- the most urgent was how to meet the pressing demand of the Baltic states for a total withdrawal of Russian army and naval fleet from the region. This issue has become complex for the Russian as the western powers particularly USA and Germany were pressurizing the Russian government for a quick and unconditional withdrawal of Russia's armed presence as it was done in Germany. From other issues were civic rights of Russian ethnic minorities and the problems of citizenship and the use of Russian language.

Major Issues:

Since the early 90s the Baltic States have become important markets for each other's goods; the countries have maintained close political and cultural relations and have pursued similar foreign policy goals. Perhaps even more importantly, the Baltic States have been concerned about threats emerging from the East and threatening their welfare, sovereignty and sometimes even independence. The Russian federation became the legal successor state to the USSR, the majority of the issues which dominated the Russian Baltic agenda were integrally linked to

the legacy of 50 years of Sovietization. This was particularly those of the three contentions points that characterized inter state relations in this period.

The main elements at this stage of Russian policy consisted of security issues relating to troop withdrawals from all three states, and the question of the substantial Russian minorities in Estonia and Latvia. These problems were taken to the international arena by different parties in order to gain support, but the issues were dealt with independently from each other.

Troop Withdrawal:

Russia's relation with the Baltic States was marked by violations of sovereignty, the use of political and economic pressure, indefinitely Soviet-and then Russian-military presence in the Baltic States. The paramount security task facing the Baltic States on achieving independence of withdrawal of Russian remaining forces concerned issues such as political linkage with human rights, financial costs of redeployment of forces and dismantling of military installations and technically of Russian military property in the Baltic states and the accommodation of the withdrawn troops in Russia.

As the issue of withdrawal of Russian forces and naval fleet stationed in the Baltic's emerged as the most significant problem for Russia in the North with international dimension. The main elements at this stage of Russian policy consisted of security relating to troop withdrawals from all three states, and the question of the substantial Russian minorities in Estonia and Latvia. The Question of troop Withdrawal was the immediate concern of the newly independent Baltic States: the demand for the Withdrawal of army, Thus it was clearly the most prominent issue in Russian-Baltic relations at this age.

On 17 September 1991, the day Estonia, Latvia and Lithuania were admitted to the United Nations, they were still under occupation by another member-state: the

Soviet Union. An estimated 200,000 troops of the Baltic Military District, with its headquarters in Riga, were stationed in their capital cities (Tallinn, Riga and Vilnius) and on bases throughout their territories. The Soviet Union had refused to agree on a troop withdrawal date or on a redefinition of the status of these forces that would be consistent with the restored independence of the Baltic States (Peter 1999: 45-47)

West was applying immense and persistent pressure on Russia to withdraw its military from the Baltic States as soon as possible. The United States of America and the European countries was firm in their rejection of Russian attempts to link troop withdrawal to any other issue. Western governments refuse to accept the purported logic underlying the linkage, but they took a formal collective stand on the issue in the form of CSCE and United Nations decisions, demanding Russia accede to the consensus calling for early, orderly, and complete troop withdrawal from the Baltic States. The West did not, however, object to Russian demands that veterans and demobilized on this point to the end ((Peter, 1999: 45-47)

After long negotiations and different tactics, finally the last soldier left Lithuania in August 1993, and Estonia and Latvia one year later. The agreement with Lithuania was easiest to achieve not only because of the small Russian population in that Country, but also because there were no bases that were considered to be of Strategic importance located on its territory-although the most direct Ground transportation route from Russia to the Kaliningrad region is through Lithuania.

Negotiations with Estonia and Latvia remained problematic until US President Clinton became involved in forging a compromise Formula.' Russia had been adamant over the ABM radar installation near Skrunda, insisting that it could not be relinquished because of its strategic importance. The agreement reached with Latvia in April 1994 provided for Russian operation of the station for another four years, but under civilian control and international observation. The agreement

with both Latvia and, three months later, Estonia included concessions on Russian army veterans and demobilized personnel allowing them to obtain permanent resident status. By the end of August 1994, the last Russian troops were withdrawn-although many were simply demobilized in place in Estonia and Latvia. (Peter, 1999: 45-47)

In the process, the Russian side repeatedly linked the military presence to the well-being of ethnic Russians and other 'compatriots' in the three states by its policy of 'Near Abroad'. The policy was aimed towards both the Baltic's and Russia's domestic audience, particularly nationalists. And the various political allegations of human rights violations were intended primarily for Western audiences. These allegations have clearly been intended to serve a multifold purpose. First, to delay perhaps indefinitely a comprehensive troop withdrawal, Especially from Skrunda and the Latvian ports of Liepāja and Ventspils with its valuable intelligence-gathering facility-the Russian government sought to establish a link between human rights issues and the withdrawal of its troops (Miniotaite, 1995: 15-25).

The case of the military withdrawal from Estonia, Latvia and Lithuania is particularly illuminating with regard to post-Soviet Russia's efforts to come to terms with the break-up of the USSR. This case has both an ethnic dimension and a geopolitical dimension. In particular, a perceived 'neo-imperialism' on Russia's part was seen as a dangerous sign, The Russian minorities were likely to remain there, and could thus give Russia 'a permanent excuse to express concern about the status of these communities, and demand that Russian forces protect them. (Miniotaite, 1995: 15-25).

Russian efforts failed to fulfill any of these goals. The United States and the European countries was firm in their rejection of Russian attempts to link troop withdrawal to any other issue, including the set of problems related to the Russian

populations in Estonia and Latvia. The United States and the European countries took a formal collective stand on the issue in the form of CSCE and United Nations decisions, demanding Russia accede to the early, orderly, and complete" troop withdrawal from the Baltic states. The West did not, however, object to Russian demands that veterans and demobilized personnel be granted permanent resident status and Russia remained adamant on this point to the end (Miniotaite, 1995: 15-25).

The other facet of troop withdrawal from the Baltic States occurred in the period when Russia enjoyed good relation with the United States. Being preoccupied with its strategic partnership with the U.S., and Russia was very interested in maintaining a low level of tension with it. In reality, for Russia the greatest benefit from this partnership was US economic, political and military assistance. In this context, troop withdrawal from the Baltic's was a real litmus test of the sustainability of this partnership and the reliability of Russia's new policy. Despite the twists and turns of the negotiation process, which can be interpreted as Russian stalling tactics, often on economic grounds, the validity of the promise to withdraw was never officially renounced.

The military and the withdrawal-Diaspora linkage:

The linking of Russian Diaspora issue with the military withdrawal seemed a sensible step for Russia. In the second half of 1992, various issues came into forefront which had to be sorted out immediately. Some of the issues were: legislation on Baltic citizenship, the dissatisfaction in the military over their social conditions and the prevailing tense political situation. The intertwining of these issues made the linking seem sensible thing to do on Russian side. But the political and economic costs to Russia would have been very serious if it had opted to go all the way and attempted to keep the forces in the Baltic indefinitely. To President Yeltsin, whose image was that of the man who brought democracy

to Russia, this was not a real option? It also appears that in the armed forces, too, the withdrawal was taken as a foregone conclusion. (Simosen, 2001: 771-791).

At this time the Baltic States which were alarmed by this Diaspora-withdrawal linkage strategy of Russia, cleverly drew attention of the International community towards the issue. The policy had the capacity to produce far reaching implications.

Citizenship Issue:

On the citizenship issue, the interests of the European states and Russia coincided in one major respect. Both feared a massive entry of Russian emigrants from Estonia and Latvia if they were not given assurances of being able to obtain citizenship or permanent residence.

Estonia and Latvia proceeded from this assumption to restore their pre-war citizenship legislation. Accordingly, only citizens of the pre war republics and their descendents were entitled to citizenship in 1991. Citizens of the former Soviet Union whom had arrived during the soviet era and their children had and have to pass a process of naturalization to receive an Estonian or Latvian passport. This procedure implies inter alia that the candidates have to prove their knowledge of the constitution, the history and the national anthem; they have to swear an oath of faithfulness and, foremost, they have to pass an examination testing proficiency in the national language (Ballington, 1997: 738-740).

This situation, which was only clarified after an initial period of absolute legal uncertainty, implies that both Estonia and Latvia have to deal with a large number of stateless persons, called non-citizens. Lithuania alternatively preferred to apply the so-called zero option, which meant the granting of citizenship to all permanent residents of the restored Lithuanian state regardless of nationality and without any language requirements (Elsuwege, 2004).

In the Latvian case the most important provision to be modified in response to the recommendations was the explicit use of quotas to limit the number of individuals able to acquire citizenship in any given year. The final version of the law on age group categories is to define annual eligibility for citizenship.

In February 1992 Estonia introduced a legislation which revived its 1938 citizenship law. According to this law, Estonian citizenship became limited to those who were citizens of the inter-war republic and their descendants, and the criteria for naturalization became difficult to fulfill for most of the Russians. The most important recommendation was to make the language requirement less burdensome.' The other recommendations focused mainly on the need for clarification of vague or ambiguously stated criteria and requirements that could lead to arbitrary treatment of citizenship or residency applicants. Similar steps were taken by Latvia also (Barrington, 1997: 738-740).

Russian response towards these laws, Russia vehemently opposed these steps accusing Estonia and Latvia of discrimination, ethnic cleansing, apartheid, etc. Apart from this, Russia also criticized 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. National minorities enjoyed cultural autonomy only if they were citizens. Especially Foreign Ministry officials of Russia 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 naturalization process very slow through tough conditions regarding the command of the state language (Barrington, 1997: 738-740).

With the implementation of the law, most of the people who were ineligible for

acquiring the citizenship started to leave the Baltic States. The worst affected were the military and security personnel. 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. 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. Russia in January 2001 imposed a visa regime on non-citizens of these countries, making it harder for them to do without Russian citizenship (Oldberg, 1990: 33-36).

Minority Issue:

A lot has been said and written on the position of the ethnic Russians living on Baltic soil over the last fifteen years. Since 1991, Russia has continuously complained about discrimination of the Russian minorities living in Estonia, Latvia and Lithuania. It has persuaded the United Nations, the OSCE, the Council of Europe and the EU to force Estonia and Latvia to adjust their laws on citizenship.

It could be argued that Moscow is overlooking the clear differences between the three Baltic republics. The ethnic Russians in Lithuania only amount to 8% of the total population. In comparison to the Russians in Estonia and Latvia, 28% and 32% of the total population respectively, they have hardly encountered any serious difficulties in attaining Lithuanian citizenship. Russian non-citizens in Estonia are allowed to vote during local elections, which is not the case in Latvia. In Latvia, the naturalization procedure as such has a more severe and complicated character.

Regarding the minority problem the Baltic Russians cannot be totally vindicated.

They too have to bear some blame for their present plight and the Baltic distrust against them. At the end of the Soviet period, they failed to perceive the fear of extinction among the minorities in Baltic States and their wish to restore an ethnic balance. After Soviet disintegration, they suddenly became a minority in a small state instead of being a majority in a vast country. When the people of Baltic States had to learn Russian language, Baltic Russians found it perfectly natural but when they were now on the receiving end, they were reluctant to learn the Baltic languages and adapt to their culture. In Soviet days, besides being occupied, the people were forced to learn Russian and were discriminated against as regards jobs, flats, schools, whereas the Russians were privileged.

With the integration of Baltic States into Europe this problem was alleviated gradually. In this changed scenario the Baltic Russians became increasingly pro-European. 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. 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.

Despite of the ethnic relations in Estonia and Latvia being a big and very real problem that politicians in Russia could exploit both for internal reasons and as a means of pressure, the style of at least the officials has gradually moderated. President Putin in September 2001 promised that he would rather 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”.

Nevertheless, the early stage of the Russian-Baltic “cold war” over the treatment

of the Russian minority is largely over. Given the timing and inconsistency of Russia's reaction to the minority issue, the prospect of the Baltic States' accession to NATO and Russia's domestic policies seem to be interlocked. The Baltic image in Russia is further tainted by signs of indifference towards, or even tolerance of, Baltic participation in the Holocaust.

Another obstacle in the normalization of the Russian–Baltic relations since the early 1990s is the border issues. Russia feared that newly established states might become points of conflict or war zones. In this sense, ensuring security in the Baltic States as part of a buffer zone surrounding Russia was of great importance to Moscow. It was also an opportunity for Russia to retain its influence in the region.

Since the collapse of the Soviet Union in 1991, the question of the precise territorial delimitations of the Estonian and Latvian borders with the Russian Federation has been a source of discord between the states, and a permanent point of irritation. The question of these national boundaries became an important issue on the political agenda shortly after Estonia and Latvia regained their independence in 1991. The principal reason for this laid in the arbitrary transfers of territory and the “correction” of borders that was made by the Soviet government shortly after its reoccupation of the Baltic States.

Border issues 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 (Oldberg, 1990: 33-36).

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 recognized 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 given was that the 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.

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.

The analysis of Baltic States' border disputes leads to the conclusion that their common source is the orientation to the nation-state identity and its institutionalization in foreign and security policy. Positive changes are usually prompted by integration processes and the requirements for membership in NATO and EU. One can easily distinguish the connection between NATO summits and Baltic States' attempts at solving their border disputes. In 1994 NATO Brussels summit encouraged the revision of Lithuanian-Polish relations. In 1997 NATO Madrid summit was a stimulus to Estonia and Latvia to drop their demands of including the treaties of 1920 in border agreements with Russia. In 1999 NATO Washington summit was a stimulus for Lithuania and Latvia to sign the sea border agreement. The conclusion is equally valid in relation to the ethnic disputes in the Baltic States.

Above all, the border agreements concluded and ratified between Russia and the Baltic States become the main indicator of the bilateral relations. As mentioned above, those agreements have waited for years for a favorable

political time. The signing of border agreements is technically not that important, as the borders function despite a formal agreement, and the lack of such an agreement does not hinder the accession of the Baltic States to NATO and the European Union. Yet these agreements are important from the psychological dimension. Baltic-Russian relations have lacked expressions of good will, mainly from Russia, and finalizing the border agreements depends on the political will of Russia. The border agreements would also give a boost to the solution of many other problems, above all agreements regulating economic cooperation.

Ethnic Issue:

The ethnic issue was the second element in Russian policy, but at this stage it did not yet command a major role in official policy, although the situation of Russian minorities and their lack of citizenship rights in Estonia and Latvia were topics frequently discussed in the Russian media. Ethnic unrest in the Baltic States is mostly associated with Latvia and Estonia. As already noted, during the Soviet period Estonia and Latvia were transformed into multi-ethnic states. The percentage of Latvians in Latvia decreased from 77 per cent in 1935 to 52 per cent in 1989, while the number of Russians grew from 8,8 to 34 per cent. In Estonia, during the same period, the percentage of Estonians decreased from 86 to 61, 5 per cent, while that of Russians grew from 8 to 30,3 per cent. After the restoration of independence this demographic situation led to the problem of ethnic minorities, with the involvement of UN, Council of Europe, OSCE, European Commission and Russia (Turlais, 1997: 9).

The resulting situation had wide repercussions both in the East and in the West. In November 1992 Boris Yeltsin appealed to the UN condemning human rights' violations in the Baltic States. In 1993 an economic ban was imposed on the Baltic States. In 1994 Andrei Kozyrev, minister of foreign affairs, declared

the Baltic states a source of threat and emphasized the possibility of using force for the protection of the Russian-speaking population of Estonia and Latvia. Early in 1997 Russia's foreign minister Yevgheni Primakov proclaimed that Russia would not sign border agreements until the situation of the Russian-speaking minority was improved.

In the West, too, the Latvian and Estonian legislation on citizenship was met with little enthusiasm. The West tried to improve the Baltic citizenship legislation through the activities of the EU, the OSCE and the Council of Europe. However, in Russia's view, Estonian and Latvian authorities have failed to improve the situation of Russian-speaking minorities and to comply with recommendations by international experts.

As this short review of ethnic problems shows, minority problems in Estonia and Latvia remain a source of strain in the relations with Russia (particularly in Latvia). Besides, the convoluted process of minorities' naturalization raises the question of the role international organizations can ultimately play in domestic policies and of the relation of that role to the nation-state identity construction (Grazina, 1999: 112-118).

The key factor in Russia Baltic relations is power irregularity with Lithuania as a small state and Russia as a great power. Hans Mouritzen, singles out for scenario of coexistence between a great power and a small state: domination full independence of a small state on the influence of a great power; a balancing between the various influence of great powers; and finally, obedience to a great power (e.g. Finland during cold war) thus Baltic States had to pursue one of these scenarios its relations with Russia (Mouritzen, 1998).

Having experience Russia's domination during the Soviet occupation period, Baltic States tried to avoid the first scenario. In 1994, officially declaring itself set

on the course of East-West integration, Baltic States rejected the scenario of pursuing a passive policy towards its big neighbor act between different power centre - Russia, Europe and United States.

Russian-Baltic relations: geopolitics and conflict sign at one point of time Russia's support was instrumental for the Baltic countries to obtain independence and international recognition in 1991. But this tactical understanding soon disappeared after the national leaders ensured dominant positions in their respective countries. Actually, after Russia assumed the status of the legal successor of the Soviet Union, Russia and the Baltic states, now as sovereign countries, had to resolve all those disagreements and problems that existed between the imperial center and its periphery (Oldberg, 1990:38-40)

In order to understand the remaining concern of the Baltic nations with respect to ensuring their security one should have a look at their turbulent history. The historic destiny of the Baltic was to a large extent determined by their unfortunate geographic location in between two powerful nations i.e. Germany to the west and Russia to the east. The evolution of the Baltic States is related to the stages of development of great powers; their status (dependent or independence) coincided with the phases of strongest collision between great powers- the world wars. Due to their geo-strategic position the Baltic countries, as small states, were often victims of the policy of great powers (Sleivyte, 2010: 117).

Economic factor:

In modern world, economic relations have become most significant in any bilateral relationship. It overshadows all other aspects be it political, social or cultural. This is so because it is the economic well-being of the people which matters to them most. Hence by analyzing the economic relations one can comprehend the relations in other spheres of common interest. In the context of

Russian-Baltic Relations, economic relations constitute a sensitive, largely politicized sphere for the welfare of both sides; therefore tensions and developments in them can be to some extent extrapolated to the entire range of bilateral relations.

In the period between 1930-1960 Russia followed a migration policy which other than its economic aspect had a political agenda. This policy was called "Internationalizing" i.e. Russification of ethnic peripheral of the Baltic States. In more general terms it means that the Russian authorities promoted large scale migration of workers, predominantly Russian, to areas of prospective industrial development in the Baltics. This planned migration was a major factor in the process of industrialization in many non-Russian areas of the Soviet Union, leaving its lasting imprint on the ethnic composition of the working class. Even now the Baltic Republics rely heavily on Russian workers for their industrial potential. According to some estimates, Russian labor force in Latvia still creates about 70 percent of the country's gross national product in 1993 (Sleivyte, 2010: 117).

Russia has always been aware of the dependency of the former Soviet republics on the Siberian gas and oil reserves. It hasn't hesitated to bring this instrument into play against the Baltic States, together with other economic measures, such as imposing high custom tariffs (which caused high trade deficits with Russia). It interrupted its oil deliveries to Estonia, Latvia and Lithuania in an attempt to subdue the independent movements in 1990 and suspended gas deliveries to Estonia in June 1993, when the country implemented its rigid Law on Aliens. Russia which remains a non-democratic at home, is demonstrating imperial temptations in the post-Soviet space. It has been using its energy resources as a lever to uphold its geopolitical interests, which has become obsolete in Western thinking.

Lithuania, Latvia, and Estonia which had the same network of institutions of the Soviet-type economy, were roughly equally distant from the developed capitalist market economy as late as 1989-1990. But by 1994 it had become apparent that market development in the three Baltic States had gained momentum and have become irreversible. According to the European Bank for Reconstruction and Development, in 1994, 55 percent of Estonia's GNP was produced in the private sector; the figure was the same for Latvia and slightly lower for Lithuania (50 percent). Thus, by 1994 the three Baltic States had approached a "critical mass" of irreversible market transformations which since then have proven to be immune to the impulses of post-Soviet political life.

In order to reduce Russia related threats, Baltic States can formulate two pronged strategy. First approach should be a direct one i.e. through bilateral relations with Russia, engagement with her institutions and other bodies; and the second approach should be indirect i.e. through making difference in Russia's structural environment. By acting in a direct way and concentrating on the tasks of Russia's domestic economic and social development, the Baltic States should aim to bind her to the Euro-Atlantic space, which would stimulate Russia to assume obligations in the spheres of democracy and liberalization of economy, and help curtail her expansionist tendencies.

The indirect way can be perceived as democratization or 'Europeanization' of the post-Soviet space, i.e. spreading of European values towards the East. This process has been going on for some time with the involvement of Euro-Atlantic institutions and Western European states in the post-Soviet area. In fact, the Baltic States have already contributed a great deal to the democratization of the post-Soviet space by extending security and stability to the East European States like Ukraine, South Caucasus, Moldova and Belarus. To attain the most from the ongoing process it is necessary that Baltic States use the tools related to their increased structural power i.e. NATO and the EU.

Russian-Baltic business interests:

The transit sector is a strong business for all three Baltic States and Russia. Russia has a calculated interest in developing its own economic infrastructure, due to its disadvantageous geography. Therefore issues that are framed as political controversy are often in fact also economic in nature. Similarly, environmental issues play in, one case being the future of oil shale production in Estonia. Furthermore Russia wants to keep the Baltic States as markets for its oil, gas and raw materials, while Russia is a large market for Baltic consumer and engineering goods. Russian companies such as Gazprom and Lukoil are major investors in the Baltics and businesses in both countries often act more flexible than their respective governments.

The Baltic States are very much dependent on Russia for their energy needs. They import most of their oil and gas from Russia, through Russian pipelines and infrastructures. This level of dependence on Russia makes them extremely vulnerable to Russian pressures hence the enduring goal of the energy policy of the Baltic States is to considerably reduce their energy vulnerability. In order to minimize such dependence, it is of crucial importance for the Baltics to intensify energy dialogue with Western European and CEE states, as well as with the states of the Caspian Sea region (South Caucasus) and Central Asia, which are extracting oil and gas to diversify their energy needs.

In order to reduce current Russia-related threats to the Baltic States following economic goals have to be achieved by the Baltic States:

- Loosening the grip of Russian political regime over the Russian economic subjects.
- Adopting more comprehensive strategies to project Baltic States as economic gateway between the West and the East; and most importantly.

- Reducing Russian influence on the economies of the Baltic countries.

The Baltic States are not only a consumer of Russian energy, but they also play a significant role in the distribution of Russian energy. The oil exports of three major Baltic Ports of Ventspils, Butinge and Talinn represented approximately 16% of net Russian crude oil exports. Being an important transit location for the Russian export system has given the Baltic States flexibility in bilateral relations with Russia (Mauring and Scbaer, 2006: 74-75).

Russia's natural gas monopoly, Gazprom, whose majority stake belongs to the Russian Federation, is the only Player in the Baltic natural gas market. Currently, the Baltic States, because of their special Transit country status, enjoy a price for natural gas of around \$80-\$85 per thousand cubic meters as opposed to the European Prices (around \$120-135 per thousand cubic meters) (Mauring and Scbaer, 2006: 74-75).

The Ignalina Nuclear Plant (INPP) in Lithuania is another relic of Soviet occupation, but its importance to Lithuania's energy supply is significant as 85% of Lithuania's electricity production comes from the power plant. Lithuania and Estonia are both net electricity exporters and Latvia is a net importer from the other Baltic States and Russia (Mauring and Scbaer, 2006: 74-75).

Economic relations were strained throughout the initial period. The Baltics repeatedly accused Russia of staging an outright economic blockade, in terms of oil and raw material imports in particular. The trade and economic co-operation agreements between the states signed in March 1992 did not eliminate the problem of energy supplies, and it was thought that Russia was using economic levers as a means of applying pressure in the Baltic States. However, dire economic problems on both sides, increasing Baltic payment debts to Russian enterprises, and the virtual break-down of trade links and supply routes across the

former Soviet Union created a substantial part of the problems. Therefore it would not justify claiming that Russian policy at this stage was intentionally trying to disrupt the Baltic States for its own purposes.

Various psychological pressures and informal mechanisms have discouraged Russian investment in the Baltic's. While a sentiment in the Baltic's of "less Russia is better" can be rather popular at both the grassroots level and is used at the political level subsequently Baltic businesses, while free to invest in Russia it is not offered any government support for expansion in the east. Hence, overall the economic cooperation between the two has slowed down thanks to the political controversies (Elmar and Lejins, 2008).

To what path a country treads to reform its economy is totally dependent on its available resources and the political ideology. In practice, the political considerations mostly prevail over the market reform designs and economic rationality. The predominance of political motives manifests itself in many ways and at every stage of privatization, from the initial valuation of assets to managing privatized enterprises.

While means and ends of economic reforms vary from country to country, economic reforms themselves have an important aspect in common: all are political actions. Whatever the original intentions of reformers, political considerations are introduced in market reform design from the outset and often prevail over economic rationality. The predominance of political motives manifests itself in many ways and at every stage of privatization, from the initial valuation of assets to managing privatized enterprises.

Baltic States nation state building story of the 1991-1994 as a continuous search for security and identity. With the end of the Cold War the quest for a new identity became a pressing issue for other actors in the Baltic security space as

well, namely for Russia and for the West. Conceiving themselves as the meeting point of Eastern and Western civilizations, the Baltic states have been constructing their narratives of return to Europe and of Russia as their threatening other.

The West, by contrast, has made a sustained endeavor of revising the traditional model of their relations with Russia. In supporting the democratization processes in Russia the West has aimed at creating a common security space around both Russia and the Baltic states. As for the majority of Russia's political elite, they have held that Baltic states are part of Russia's sphere of influence and that problems in relations with them should be resolved on the bilateral basis, without direct or indirect interference on the part of third parties.

Conflicting interests of the Baltic States, Russia and the West, finds its reflection in Baltic States' security conceptualizations and security policies. Their security conceptions, based on the idea of nation-state building, are dominated by an instrumental interpretation of the integration with the West. While Western decision-makers saw NATO as becoming "more of a co-operative security organization in its relations with Russia", politicians in the Baltic States used to treat it as a "collective defense organization against Russia. This view on the role of NATO in Baltic security conceptions was particularly prominent till NATO Madrid summit in 1997.

Moscow resolutely opposed the advance of NATO to the territory of the former U.S.S.R. Russian discontent was first given utterance to on official level by Foreign Minister Andrey Kozyrev (1990-1996). During a speech in Stockholm in December 1992, Kozyrev spoke of a 'post-imperial space', where Russia would defend its military and economic interests. This vision gained ground after the December 1993 Duma elections, when Russian politics shifted in a far more nationalist direction. It finally translated itself in the doctrine of the 'Near

Abroad', The doctrine was aimed at reasserting and strengthening Russia's leading role in the Commonwealth of Independent States (CIS), in which other powers, like the U.S., should not be allowed to interfere.

Yet despite the ongoing integration processes the sovereignty of the nation is here still mostly associated with that of the nation-state, while in the West there is a tendency to separate the nation and the state. The Baltic States' integration with the West proceeds in a highly competitive way, and the idea of one's country's success (such as membership in NATO or EU) as success for all, though proclaimed in official documents, is rarely made good.

Estonia hopes to be the first to be admitted to EU, while Lithuania has similar hopes concerning membership in NATO. Thus the integration proceeds mostly at the institutional level without making much tangible effect on the building of their common identity. The same conclusion holds concerning Baltic States' membership in EU. As the Study for NATO Enlargement notes, the expansion of EU is "a parallel process which also, for its part, contributes significantly to extending security and stability to the new democracies in the East. However, this is a topic for next chapter analysis.

Assessing the first five years of Russian-Baltic relations after re-independence, it is interesting to attempt an evaluation of the basic thrust of Russian policy in terms of whether it has primarily been a matter of confrontation or of cooperation. On one hand vocally publicized political disagreements and mutual recriminations concerning security, minority and economic issues built up an environment of hostility. Nevertheless, there has been no serious conflict-seeking on the part of the Russian leadership, and its hostility has been largely rhetorical.

CHAPTER 3

CHAPTER- 3

Russia- Baltic Relations, 1995-2004:

Issues and Developments

Russian relation with the Baltic States came through several stages after the independence .In 1990-91 when both Russia and the Baltic republics struggled with the Soviet centre for independence these relations were based on a cooperative basis. In 1992-94 two issues withdrawal of Russian residual troops and Russian speaking minority's rights dominated in Moscow security policies towards the Baltic States. The Year 1995 was, in a sense , a turning point in the development of the Baltic region security system because the main conflict line threatening security in the region acquired new quality upon withdrawal of the Russian troops from Poland and the Baltic States. Since 1995 NATO and the EU's eastward expansion pre-occupied the area's security agenda.

Ever since the Baltic States became independent in 1991, Russia has had tense relations and numerous conflicts with them, and it has strongly opposed their inclusion into NATO. Nonetheless, Russia after some time accepts Baltic NATO membership. How and why this tremendous change, which appeared as highly unlikely only ten years ago, came about requires thorough analysis. Such analysis may also indicate future developments.

Baltic NATO membership will mean that Russia will have a long border with NATO, States close to its very heartland and its Kaliningrad region will be enclosed. The three former Soviet republics will thus join a military organisation, which in Soviet times was considered the main threat. For the first time the Baltic countries will be secured against Russian occupation and will assume international military obligations. EU membership will permanently de-couple the Baltic States from Russia, into which they were fully though reluctantly integrated

for fifty years, and adjoin *all* sectors of their societies to the strongest economic-political community in Europe partly overlapping with NATO.

Neutrality:

All three Baltic States have experienced a period of a positive attitude towards neutrality. Although it was never officially adopted, neutrality was quite a popular idea in the political discourse of 1989-91 and it remained a live option until 1994. Even in 1996, at the 9th session of the Baltic Assembly in Riga neutrality was an important issue of debates. However, it was judged a dangerous policy. Presently, the idea of neutrality exists only at the remote periphery of the political spectrum of the Baltic States. In Lithuania it is supported by the coalition "Uz teisingà Lietuvà" ("For a Just Lithuania") comprising several non parliamentary parties. In Estonia and Latvia it is supported by Russian political organizations (Trenin, 2001). However, neutrality as a means of ensuring the country's stability and security has been favorably treated by a substantial part of the population.

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 achieved, 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 strengthen their independence by a strong defence. Nor could the initial military co-operation among the Baltic States provide much security, since they were too weak to support each other.

A public opinion survey in 1998 showed that in Latvia the largest group of population believed that neutrality was the best guarantee for Latvia's security and stability (29 per cent). In Estonia neutrality as a means of security was

considered second best option (29 per cent) next to membership in both NATO and EU (30 per cent). In Lithuania the largest group considered membership in NATO the best way (26 per cent), followed by neutrality (23 per cent) and membership in both NATO and EU (Cox and Ginty, 1996: 135).

The question arises, why the idea of neutrality has lost its vitality and is not considered seriously as a security policy option? Neutrality was an alternative to the allied status during the period of influence of the bipolar power structure. It is based on the realist concepts of sovereignty and independence of policy and on the idea of objectively particular threats. The conditions which facilitated the maintenance of neutral policies no longer obtain. As traditionally conceptualized, neutrality has come to be seen largely irrelevant in the post-Cold era; unable to contend with the highly interdependent nature of the contemporary international system and the diffuse nature of threats it harbors (Cox and Ginty, 1996: 124). In the new unipolar Europe, with the EU as the pole, neutrality has changed its content.

In the Baltic States neutrality was first associated with the peculiarities of the construction of nation and state identity. In early 1990s, when constructing their political identities, the Baltic States still conceived themselves as situated in bipolar world, in between the two cultural and political poles: the East and the West. Geopolitically, they considered themselves as small and weak States on the borderline between two different cultural traditions. European Catholic and Protestant culture (the West) and the Slavonic-Byzantine cultural tradition (the East). In this context neutrality was quite naturally associated with the metaphor of the Baltic States as the bridge between the East and the West.

It is quite natural that neutrality as a security policy option was popular at the time of liberation movements and immediately after the restoration of independence. For this was the period when the problem of national and

political identity, closely related to issues of foreign and security policies, became most urgent. Identity issues were urgent not only for the Baltic states but also for Russia and NATO. For the Baltic States neutrality meant the continuity of foreign and security policies of the re-established states with those of the interwar states. In the 1930s all of them adopted a policy of neutrality. In re-constructing their identities the Baltic States focused on particularity and differentiation. Some aloofness from both the East and the West was considered important for the preservation of pre-given identity. The positive attitude to neutrality was also encouraged by Russia's progress in 1991-92 towards a liberal state's identity.

The idea of neutrality was finally discarded in 1993-94. This was influenced by the withdrawal of Russian troops from the Baltic States, by the results of the Duma elections in Russia in 1993, and by a more active NATO policy towards the CEE States. After Duma elections Russia's quest for a liberal State's identity was superseded by the ideology of "return to the empire" (Smith, 1998: 10). The ideas of a Baltic security alliance and of integration with Western security structures soon became predominant in the Baltic States.

The issue of neutrality of the Baltic states was raised once again by Russia in 1997-98. Early in 1997 Moscow came up with the 'Baltic Concept' which can be considered as Russia's response to Baltic States' declared intention to join the NATO. The document was explicit about Russia's interests: non-allied status of the Baltic States, economic and cultural co-operation, border co-operation and the citizenship issue. The document envisioned the traditional role of the Baltic States as Russia's infected area trade-off was proposed: the Baltic States' renouncement of NATO membership in exchange for the guarantees of their security needs.

The border treaty with Lithuania was signed in October 1997. After NATO Madrid meeting (July 1997), and with the Baltic States intention to sign the US-Baltic Charter declared, Russia's officials emphasized that the only basis for Baltic security was "the preservation of their status outside blocs. In exchange for non-alliance President Boris Yeltsin proposed Russia's guarantees for the security of the Baltic states through the establishment of regional security arrangements, the so-called "cross-security guaranties" (Oldberg and Ziugzda, 1997). Russia also proposed to establish a Regional Security and Stability Pact based on the principles of the OSCE.

All of these proposals were rejected by the Baltic States and the West. At the end of 1997 presidents of the three Baltic States announced in a joint statement that unilateral security guarantees do not correspond to the spirit of new Europe and that such guarantees, as well as regional security pacts, had never been on the agenda of Estonia, Latvia and Lithuania. Similar attitudes were voiced by Western commentators: The creation of a neutral or non-aligned zone would be of no security value to either the West or the Baltic States. Such a demilitarized zone would leave the Baltic States exposed and vulnerable and allow Russia the advantage to station forces in the geographical proximity without a counterbalance from the West (Austin, 1999: 7).

NATO Enlargement:

From the very moment of the restoration of their independence, Estonia, Latvia and Lithuania were determined to establish themselves under the safe wings of NATO. While some Western European states, like Germany, tried to temper Baltic NATO aspirations in view of their (economic) interests in Russia, the U.S. expressed less aloofness. President Bush's Warsaw speech (June 2001), in which he emphasized that all European democracies should have a chance to join the

Western institutions, can be seen as an important step to NATO's Prague decision (November 2002) to welcome the Baltic States as new members in 2004.

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 officially applied for NATO membership on its own, arguing that it could pave the way for the two neighbours. The states quickly became observers in the WEU, 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 them in January 1998, in which the latter promised assistance for 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. 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, (Schmidt and Peter, 2001). They energetically tried to fulfill these in time for the next NATO summit in November 2002. From very low levels, the Baltic countries expanded their military budgets in order to reach the desired level of two per cent of GDP, Lithuania leading the way.

The reasons for this Western orientation of the Baltic States are quite obvious. Firstly, they 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. Therefore they strove to get away from Russia, which in its different incarnations had stuck them from that for decades and centuries. During the Second World War the Soviet Union had occupied and incorporated the independent states and imposed its authoritarian communist rule with disastrous consequences. Thus Lithuania in 1992 held a referendum demanding compensations from Russia for the Soviet occupations 1940-1990, and in 2000 the parliament made it a law. The amount was set at 20 billion USD (Zvezda, 2000).

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. 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 neighbouring Leningrad Military District and the Kaliningrad region remained superior to the regular Baltic forces (Spruds, 2001: 42). Lithuania is situated between Kaliningrad and Belarus, which maintains a strong army closely integrated with Russian forces.

The NATO states also understood these problems and supported the ambitions of the Baltic States as noted above. At the same time, however, they wished to maintain and develop good relations with Russia, for which the Founding Act of 1997 was a clear expression. 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 (Schmidt, 2001: 420).

Russian opposition to Baltic NATO membership:

Russia's interest in the Baltic States is informed by a mixture of strategic, economic, and ethnic factors. The remnants of Russia's imposing legacy and its perceived humiliation by the neighboring small nations seem to influence the mindset of parts of the Russian leaders, which seek to prevent NATO membership of the Baltic States because they associate such membership with a further weakening of Russia's geostrategic position. Russian foreign policy additionally wants to preserve access to seaports in the Baltic States as well as guaranteed communication lines with the Kaliningrad region.

Russian leaders had several motives to resist Baltic NATO membership. To start with, they must be sought in general Russian policy ambitions. 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 and in which Russia plays an important role. Russia wants to strengthen its influence in the whole ex-Soviet space, promote integration there.

Even if the Baltic states – different from all other ex-Soviet republics – did not join the Commonwealth of Independent States (CIS) and were not included in the “near abroad”, they were not placed in the same “far abroad” category as for example Finland or even Poland either (Rossiyskaya Gazeta 7 March and 11 July 2000). The Baltic states were called “newly independent states”, which Russia allegedly had helped to freedom in 1991, when liberating itself from the Soviet Union. But especially Russian nationalists and communists even hoped to reincorporate the Baltic States. Secondly, Russia claimed to be a peaceful democratic state, which did not pose a threat to any country, and therefore it hard to understand the Baltic fears and suspicions.

The main reason for resisting Baltic NATO membership obviously was that it was viewed as a security threat to Russia, which implied that NATO also was deemed as a threat. The official Military Doctrine of 1993, which was replaced only in 2000, mentioned the extension of military blocks among the sources of external war danger. The increase of military forces at the Russian borders, preparing them for attack on Russia, attacking objects at the Russian borders and restricting the functions of Russian strategic warning systems (like in Skrunda, Latvia), and moving foreign troops to neighbouring states - all these cases were said to be direct military threats to Russia (KZ 19 Nov. 1993).

A major concern, particularly for Russian military and nationalists, was that Baltic NATO membership would bring NATO close to vital parts of Russia. 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.

The Communist Party leader 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. *Krasnaia zvezda*, the main military newspaper, in 2000 concluded that the Baltic States were practically subordinated to Washington, adding the fact that some Baltic presidents, ministers and top officers had lived and worked in America (KZ 26 April 2000). For example, the Russian press has lately been upset about a new radar station near the Russian border in Latvia, and Estonian offers to NATO of establishing air bases in the country.

At the all-European conference 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. At best NATO should be dissolved just like the Warsaw Pact or be transformed into a political

organisation, since no threat existed. Instead of enlarging NATO, Russia proposed strengthening the CSCE (soon to be reorganised as OSCE - Organisation for Security and Co-operation in Europe), where Russia was a member and had a veto right. The NATO candidate states were recommended to stay neutral and to be content with security guarantees.

In order to prevent or at least restrict NATO enlargement Russia in 1996 dusted off the old Soviet idea of a nuclear-free zone from the Baltic to the Black Sea, guaranteed by both NATO and Russia, and interest was shown in the British idea of a regional security zone, including Sweden and Finland. But these states rejected the idea, unable as they were to extend guarantees and provide security for the Baltic States (Forsberg, Tuomas and Vaahtoranta, 2001:76).

Another Russian proposal was security guarantees together with NATO. On the eve of NATO's Madrid summit, the sitting Foreign Minister Yevgeny Primakov declared that Russia had no intention to threaten or occupy the Baltic states, which 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 (Forsberg, Tuomas and Vaahtoranta, 2001:76). That is as long as they did not amount to Baltic NATO membership.

After NATO's Madrid summit in July 1997 came a row of proposals. At a conference in Vilnius in September Prime Minister Chernomyrdin suggested several confidence-building measures, such as a "hot line" between Kaliningrad and the Baltic states, and a common air surveillance system in the whole Baltic Sea area. Soon after, when the Lithuanian president visited Moscow, Yeltsin repeated the proposals of unilateral guarantees, international agreements with each or all Baltic States, multilateral ones with major Western states or a regional security zone including the Nordic states (Forsberg, Tuomas and Vaahtoranta, 2001:76).

In order to prevent Baltic- NATO membership and advance the above proposals Russia did not renounce from military threats and pressure. Not surprisingly, Russian nationalists like Liberal Democratic Party leader Vladimir Zhirinovskiy and military analysts such as Anton Surikov threatened with partisan war or pre-emptive strike (Forsberg, Tuomas and Vaahtoranta, 2001:76). More seriously, ranking diplomats in 1995 threatened with increasing troops at the borders, if the Baltic States joined NATO.

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. In late 1998 the Duma discussed a resolution on linking START-II ratification to an agreement not to extend NATO to former Soviet territory. In 2002, Krasnaia zvezda criticised the Baltic states for not signing the European disarmament treaty on conventional forces (CFE) because it created a grey zone and a threat to Russia. This could make Moscow break the force limitations on the northern flank (KZ 17 Jan. 2002: 18). 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.

The Kosovo crisis in 1999 stressed the 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 integrity of Yugoslavia and severed its official relations with NATO. Russia also opposed NATO's new military doctrine, which did not exclude operations outside the North Atlantic area. In June Russia held its largest military exercise 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 with this country intensified (NG June 1999: 3).

Russia's war against separatism in Chechnya in 1994-96 and its resumption in 1999 testified to the old inclination to solve political problems by force, which of course alarmed the Balts, who had old ties with the Chechens and even allowed them to have information office. On the other hand Chechnya turned Russian attention away from the Baltics. Besides military threats, Russia staged a diplomatic campaign in order to discourage the Baltic States from joining NATO and NATO from inviting them. A common argument was that NATO expansion would encourage anti-Western forces in Russia. In this way the Yeltsin administration did not resist the latter forces but adapted to them, especially in connection with the presidential and Duma elections in 1995-96 (Carolina and Vindil, 2002: 352).

Russian analysts also noted that the Baltic States were hostile to Russia and would influence NATO in that direction, if they became members. Officials further pointed out that admitting the Baltic States would be an economic burden on NATO members. Others argued that Baltic NATO membership was a risk to NATO itself, because if the states were attacked, they could only be defended with nuclear weapons. Russia was of course pleased when the Baltic States were not admitted in 1997, and the anti-NATO campaign tapered off. Still, 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. Others have pointed out that Russian opposition to Polish, Czech and Hungarian NATO membership actually was an advance position to stop Baltic accession.

The Baltic determined for NATO membership probably was one of the main reasons behind the Russia's insufficient and asymmetrical 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 were very few, mainly

connected with international conferences. By contrast, the Baltic presidents have occasionally visited Russia unofficially or officially, or they have met Yeltsin and Putin in third countries (BBC 13 Apr. 2002). Nor did the inter-governmental commissions meet.

Another kind of political protest was the refusal of the Russian Duma in May 2001 to attend the NATO Parliamentary Assembly meeting in Vilnius, the first one in a non-member state, and President Putin's decision in June not to attend the NATO summit in Prague in November, to which he was invited lest it be seen as a sign of approving NATO enlargement to the Baltic states (BBC 13 Apr. 2002).

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 and EU membership. Russia also criticised the Baltic States for allegedly supporting the Chechen terrorists, and this criticism was intensified after September 2002. Russia has finally often used or threatened to use economic pressure against the Baltic States. (More on these issues in previous chapter discussed already).

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 a tough Russian policy could disturb the economic relations with the Western states. Russia could not afford a confrontation with them, because it had suffered a deep economic crisis throughout the 1990s and had become extremely dependent on trade with and investments from Europe. President Putin geared Russian foreign policy more vigorously than Yeltsin to serving Russia's economic needs and developing it to catch up with Western states. He saw Russia as a European State and wanted political and economic integration with the West.

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 signed a Founding Act on Mutual Relations, Co-operation and Security with Russia, which instituted a Permanent Joint Council (PJC) with regular meetings. In this 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, where Putin took over the presidency from Yeltsin at New Year 2000.

A speech of President Putin in September 2001 (just before 11 September), during a joint press conference with Finnish President Tarja Halonen, can be considered a breaking point. "It is their own choice, though we see no objective reason for NATO expansion," said Putin to the journalists when commenting on the Baltic States' aspirations toward NATO (BBC 13 Apr. 2002). That was the first time the head of the Russian state actually agreed with NATO enlargement to include the Baltic States.

Just like NATO, Russian leaders declared that they did not see any threat from the other side. Just like Russian leaders had occasionally done under Yeltsin, President Putin in early 2000 even talked about Russia joining NATO – if its national interests were safeguarded. Even if this only was a hypothetical question, it at least undermined the policy of opposing Baltic membership (www.in.mid.ru). 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 as a way to make it abide by the ABM Treaty with Russia and desist from building a national missile defence (NMD).

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

Another approach was proposed by e.g. Dmitrii Trenin at the Moscow Carnegie Centre, 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 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.¹ This was the line that President Putin chose to follow. 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 (Wagner and Peter, 2002: 1250).

NATO also responded in kind by offering Russia a new joint council, where Russia would be one of twenty members with equal voting rights concerning certain issues such as the fight against terrorism, peacekeeping and non-proliferation of NBC weapons. Visiting Brussels in October, Putin praised the idea as one radically changing the mutual relations, and expressed extreme satisfaction with the relations with the USA.. In the autumn Putin decided to scrap Russian bases in Cuba and Vietnam, which long had annoyed the Americans. As a result of 11 September 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 also agreed to that as being in line with Russian interests.

Indeed, in May 2002 NATO and Russia signed an agreement creating the NATO-Russia Council, which was to devote itself to the fight against terrorism, crisis 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. (www.president.ru/events). Just before that event US President Bush 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. (www.president.kremlin.ru/events.) The questions of mutual military assistance were thus omitted, nor was the question of NATO enlargement mentioned.

Accepting the Baltic States joining NATO:

The Russian effort to undermine the Baltic states' democratic credibility by criticising their minority policy and tolerance of right extremism did not persuade the West and rather made the situation worse for the Baltic Russians, and the refusal to sign or ratify the border agreements hurt Russia at least as much as 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 Baltic 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. The states supported NATO's rapprochement with Russia, including the creation of the NATO-Russia Council with cooperation against terrorism and many other tasks on the agenda. Also they told Russia that NATO nowadays primarily is a political organisation aiming at stability, not a threat to Russia. (www.president.kremline.ru/events).

Lithuanian officials 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 its exercises with NATO and called for confidence-building measures with Russia, and an agreement was also reached. Lithuanian officials accepted the Russian denials of tactical nuclear weapons in Kaliningrad (www.president.kremline.ru/events.)

Even though Lithuania wanted full NATO membership, it saw no need for deploying nuclear weapons or big foreign military units on its territory. Actually, already in the early 1990s a Lithuanian firm built flats for Russian officers in Kaliningrad. After Russia's financial breakdown in August 1998 Lithuania and Poland had sent humanitarian aid to Kaliningrad, including the naval base Baltiisk. Russian military transit across Lithuania to Kaliningrad was regulated in an agreement of 1993, which was prolonged every year, and NATO voiced no intentions to change it on accession. Lithuania was also cooperative with regard to the economic development in Kaliningrad. (More on this in EU chapter below)

Latvia only agreed to military co-operation with Russia in the framework of the PfP and other international programmes. But Foreign Minister Indulis Berzins 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. Estonia indeed offered NATO bases in the country, but its Foreign Minister also hoped that closer relations between NATO and Russia would help improve Estonian-Russian relations, as well (<http://www.eko.org.ee>).

Under the impact of improving relations with NATO and this forthcoming policy on the part of the Baltic States Russia little by little responded in kind. To an increasing extent desisted from military pressure on the Baltic States, assured them of peaceful intentions and rejected the use of force as a principle. It did withdraw its troops from the Baltic States in the early 1990s, and in August 1998 on schedule closed the last military base, the anti-missile radar station in Skrunda, Latvia (Medearis, 1998: 3-9).

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. 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 (balld.org 26 Oct. 1999). 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.

Thus, 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. Economic co-operation and a common fight against 'terrorism' with the West served Russian national interest better than

attempts to defend old power positions in the Baltic area. NATO thus exercised influence on both Russia and the Baltic states to come to terms. Russia had to accept Baltic NATO membership, which guaranteed the states security in case of Russian threats, the Baltic States had to endorse Russian participation in NATO decision-making on certain issues and to adapt to Western conceptions concerning the Russian-speaking minorities.

EU Enlargement and Russian Perspective:

The EU's enlargement towards the Baltics is more than just an economic factor or recognition of their European cultural heritage. The Baltic countries membership of the EU would mean a dramatic shift in Baltic geopolitics. For Estonia, Latvia and Lithuania, accession to the European Union in 2004 was a major foreign policy triumph following a process that had lasted almost a decade since the three submitted their applications in 1995. The reasons for the Baltic countries, as well as other Central and Eastern European countries, wanting to join the EU were myriad. There were economic benefits, in the form of the market access and regional subsidies that membership would entail. Political benefits, such as democratic consolidation and reform assistance (Nilsen, 2007: 111-119).

Given this emphasis by the Baltic States on the relationship with Russia, the question arises as to what kind of security the EU has offered? To what extent the reality of EU membership has lived up to the expectations of enhanced security that the Baltic States themselves had put up while being candidates? Much as they would like to, the Baltic States can not escape the reality that they are small states bordering, Russia, and thus have a strong interest in economic interaction and stable, cooperative relations. How have they been able to square these potentially conflicting demands of security and integration? And what lessons can be drawn from their experiences since 2004? (Nilsen, 2007: 111-119).

The answers to these questions depend not just on the Baltic states and Russia alone, the relationship between the Baltic states and Russia must be seen in the context of the wider EU-Russia relationship, which in itself is mostly far from unproblematic. EU-Russia relations only extend back to 1989, as the USSR did not engage directly with the EC before that time, preferring to take a strictly bilateral approach to individual EC member states. In 1994 a Partnership and Cooperation Agreement (PCA) was signed between the European Union and the Russian Federation. The relationship was further upgraded in 2003 as part of the EU's Wider Europe initiative, which the following year led to the introduction of the European Neighborhood Policy (ENP).

According to the European Commission (2007a) the aim of the new mode of cooperation is to build a genuine strategic partnership, founded on common interests and shared values to which both sides are committed, in particular democracy, human rights, the rule of law, and market economy principles.

Russia's economic relations with the Baltic States had been increasingly affected by the latter's ambition to become members of the European Union. Already in 1994 the Baltic States concluded a free trade agreement with the EU. They intensified their efforts for EU membership 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 organizations.

In 1998--99, first Estonia, then Latvia and Lithuania opened membership negotiations with the EU, and the countries began a veritable race in fulfilling the conditions laid down in the *acquis communautaire*. Their negotiations were to be completed in 2002, and the accession is expected to take place two years later. They also backed the EU's evolving Common Foreign and Security Policy (CFSP), the creation of an EU rapid reaction force and other key political decisions (Herd and Huang, 2001: 15). Step by step they adapted their legal

systems to European standards, for instance with regard to human rights and minority issues, taxation and crime prevention.

The EU is crucial for Russian business, which is also highly interested in competing in the Baltics. For Russia the Baltic Sea is the only sea where it can access transit routes and where it wants to be as independent as possible. The Nord Stream project reflects this and also shows that Russia views Germany as its main partner in the region, while relations between Russia and the three Baltic countries are likely to continue to fluctuate between a “cold warrior” image and cooperation. It was debated whether the three Baltic States continue to need Russia as “the other” for their identities. Despite these difficulties, strategic cooperation with the EU remains Russia’s only current perspective for modernization. Russia also has great interest in economic integration and competition with European business in the Caspian Sea region (Lejins and Rompczyk, 2008: 4).

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 might lose potential investments due to the higher attractiveness of the new members. Most importantly, Russia was concerned that the introduction of EU standards and regulations with regard to quality, environment, means of transport, among others, in the new member states would amount to a *de facto* ban on some Russian exports and contribute to turning their trade West. Russian transit traffic might be affected, too. Russia was calculated to have lost USD 350 million a year after Sweden, Finland and Austria joined the EU in 1995 (Moshes, 2001: 64).

Another serious problem to Russia was the risk that the Baltic imposition of visas on non-members threatened to restrict Russian travel to and trade with the Baltic States. Thus in 2000--2001 Estonia and Latvia extended visa requirements to the

border populations in Russia, who had been exempted before (Moshes, 2001: 64)

Russian benefits from Baltic EU membership:

Russia had for years recommended EU membership as an alternative to NATO membership for the Baltic states, since the EU was viewed as a European organization mainly concerned with economic matters as opposed to NATO which was seen a military organization dominated by the United States. Russian leaders therefore did not oppose the EU CSDP or the creation of an EU military force and even talked about a strategic partnership with the EU (Danilov, 2000:16).

As shown above 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 to international standards in a way that Russian criticism and pressure failed to do.

Other important factor, Russia gave priority to economic development; the EU states became its most important trading partners, accounting for up to 40 per cent of Russian foreign trade. Two thirds of Russian exports, which rose quickly in 2001, consisted of oil and gas. By contrast, the EU states were not so dependent on Russia, receiving only 16 per cent of oil imports and 19 per cent of gas imports from there (Handelsblatt and Wall Street Journal 29 May 2002).

Thus, even if Russia itself did not aspire to EU membership, it strove to develop as close relations as possible, which seemingly was popular among the population. Russia signed a Partnership and Cooperation Agreement (PCA) with the EU in 1994, formulated a medium-term strategy for developing relations 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 (Moshes, 2002: 312).

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. In May 2002 the EU recognised Russia as a market economy, which paved the way for an early entry into the WTO. In return Russia promised to fulfil the remaining conditions such as liberalising its domestic energy market. The Italian Prime Minister Silvio Berlusconi even called on the EU to accept Russia as a member state (Tagesspiegel, 2002).

A final reason for Russia to accept the Baltic states joining the EU was that this did not greatly affect and might indeed 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. When visiting Germany, Russia's main customer, President Putin noted critically that EU states were not permitting more than 30 per cent of power supply from a non-member, adding that at Russia's borders, gas was four times cheaper than in Western Europe. Hopes were expressed that Russia would meet 70 per cent of the EU's need of energy in 2020. As mentioned above, Russia is already building pipelines from its fields in Siberia and northern Russia in the western direction, and an agreement has been reached concerning a new gas pipeline across Poland. European oil companies have showed an increased interest in making investments in Russia, due to its recent legal and Fiscal reforms and improving economic performance since 1999 (Tagesspiegel, 2002).

To realise such an energy partnership, Russia could also rely upon existing pipelines and other means of transport in the Baltic states, though preferably at lower prices. Even if the Baltic states become EU members, they will remain dependent on Russian energy, and a lot of investments has been spent on

improving the infrastructure for Russian transit. The future closure of the Ignalina nuclear power station offers Russia the opportunity of expanding its energy exports to Lithuania.

In order to cover the electricity needs in Kaliningrad Russia decided to build a huge gas-firing power plant fed from pipelines through Lithuania, and offers were in this context made to export electricity from this source to neighbouring countries, including Sweden. Poland was said to have shown some interest in investing in this project. Russian energy companies were more interested in export at world market prices than helping the Russian state to subsidise Kaliningrad (Tagesspiegel, 2002).

Security Concepts of the Baltic States:

Until 1995, the Latvian Defense Systems Concept stressed the presence of armed occupation forces and anti state groupings, foreign intelligence, organized crime, economic instability, and the demographic situation as major threats to its security. It is interesting to note that both this concept as well as later versions did not assume an imminent military threat to Latvia. Once the Russian troops withdrew, Latvia's security policy diversified in four important ways: security is understood to be an inclusive concept, not just military defense; potential domestic sources of insecurity are openly recognized; national and regional security are seen as interdependent; and any barrier to Euro-Atlantic integration is treated as a security threat (Ozolina, 1996: 41).

On 7 April 1995, Latvia's parliament adopted a Foreign Policy Concept and on 12 June 1995, the cabinet of ministers accepted the National Security Concept. Apart from expressing the desire to fully integrate into the EU and NATO, the security concept admitted that there was no direct military threat to the country. The main threats were seen in acts against independence and the democratic system; acts to

make Latvia politically, economically or otherwise dependent on another country; to hamper Euro-Atlantic integration; to prevent the integration of various social and ethnic groups into one nation; and to hinder the increase of defense capabilities (Ozolina, 1999: 27).

It is remarkable that the capacity to integrate different ethnic groups into one nation was seen as a key element of national security in 1997, Latvia's cabinet of ministers adopted another version of the National Security Concept This declared: "A threat to one of the Baltic nations is a threat to all three". For the first time, the concept outlined an implementation mechanism by assigning planning authority to the National Security Council and foreseeing institutionalized crisis management, including consultation mechanisms with NATO, the EU, the WEU, the OSCE and the UN. The security concept covers domestic, regional, and international security simultaneously: it addresses social and ethnic integration, fighting crime, border control, and ecological disasters. The civil defense system as part of the overall defense system is assigned to protect civilians and the national economy as well as to assist in the event of environmental emergencies (Ulmanis, 1996: 1-12).

The Estonian National Security Concept, adopted by parliament on 6 March 2001, defines security in an all-encompassing manner. It states that "the danger of wide-ranging military conflict has dropped sharply" and that the "region as a whole remains stable". It is acknowledged that Russia has reduced its forces stationed in Estonia's vicinity. The concept emphasizes the positive impact of the Intergovernmental Commission formed with Russia in 1998, as well as cooperation between Estonian and Russian border guards, customs and police authorities, and in the field of environmental protection. Furthermore, the security concept recognizes the positive impact of exchanges of military information with Russia in accordance with the OSCE Vienna Document of 1999 and defense

cooperation with Russia within the framework of the Partnership for Peace (PfP). Security is treated as “indivisible” and its prime mechanism is seen in organizational cooperation, including collective defense, international peacekeeping operations, arms control and Confidence-Building Measures (CSBM) (www.vm.ee/eng/policy/security/index.atm.). With respect to minorities, the Estonian security concept departs from the original idea of ethicized citizenship by aiming at “a balanced and democratically multicultural society” and “creating conditions for maintaining ethnic differences, based on the recognition of the cultural rights of ethnic minorities”. The Estonian defense system is assigned to provide military defense capability, participate in an international security system and build up crisis management mechanisms.

The Lithuanian National Security Strategy of December 1996 (amended in June 1998) resembles the Estonian security concept. While sharing the goal of Euro-Atlantic integration, it focuses on domestic sources of security, stressing “stable economic and social development” and “political stability”. With respect to Russians, it simply states that Lithuania does not have any ethnic minority problems or external territorial disputes (www.kam.lt/balta/part_I/I_1.html).

Lithuania’s Basics of National Security identify as the main potential threats, among others, political pressure and dictate, discriminatory international agreements, threatening military capabilities close to its borders, spying and subversion, interference in domestic affairs, economic pressure, and international crime.

Despite the heavy rhetoric on security problems emanating from Russia, prudent Baltic politicians acknowledge that the most vital security issues lie in homemade deficiencies, such as weak political parties, corruption, organized crime, and inter-ethnic tensions. Looking at the changing threat perceptions, one can discern a clear

shift away from threats emanating from Russia towards threats created by socio-economic instability and the impact of globalization. Yet, the Baltic States' security policy is still over-determined by the desire for "security guarantees" and NATO membership, mostly at the expense of regional security cooperation. Aivars Stranga already concluded in 1997 that, the Baltic states must devote much greater attention to the non-traditional and non-canonical threats which they face (economic, social protection, etc.); it is these threats that are currently the most significant, and if they are not dealt with, Baltic movement towards Western European institutions will be impossible (Stranga, 1997: 44).

Border Issue:

All Baltic States have borders with Russia. After ten years since their declaration of independence only Lithuania has signed a border treaty with Russia (1997), though it is still not ratified by Russia (Lithuania ratified it in 1999). Border disputes between Russia and Estonia and between Russia and Latvia began immediately after their declaration of independence, as we discussed previous chapter.

Estonia in November 1996 and Latvia in February 1997 gave up their demands for the inclusion of reference to the 1920 peace treaties in border agreements with Russia. Since 1997 it was agreed by foreign ministers of Latvia and Russia that the border agreement was ready for signing. The Estonian-Russian border negotiations were concluded on March, 1999 and now also formally ready to be signed, yet by 2001 they are still not signed. Undoubtedly, the drawn out story of border agreements is partly due to Baltic states' endeavor of joining the NATO. Even if this was a reason for the abandonment of their territorial claims against Russia, this was also an excuse for Russia's delay in signing and ratifying border agreements and thus creating an obstacle (beside the minorities' problem) to their membership in NATO (Stranga, 1997: 44).

Lithuania has no border disputes with Russia at the official level. The interwar Lithuania did not border Russia at all, and contemporary Lithuania has no common border with mainland Russia. But it has a long border, 247 km long, with the Russian enclave - the Kaliningrad region. The region is an enclave of 15,100 sq. km with a population of some 930,000 (Berryman, 1997: 113). It is the northern half of the pre-war German province of East Prussia with the center in Königsberg. The legal framework of Russian transit via Lithuania is based on bilateral agreements. The railway and airborne military transit is regulated by a temporary agreement which is prolonged each year.

Estonia and Latvia concluded an Agreement on the Re-establishment of the State Border in 1992. The agreement re-confirmed their land border. However, the sea border agreement was signed only in 1996. This delay was related to the conflict of interests over commercial fishing rights. The problem was solved in 1997 by signing a separate agreement on fishing rights.

Even more prolonged was the signing of the sea border agreement between Latvia and Lithuania (the land border agreement was signed in 1993 and was put in force in 1995). It was signed only in 1999, and it is still not ratified by Latvia's Parliament. Just as in the Estonian-Latvian case, the sea border dispute is related to the conflicting economic interests: oil and fishing rights. The heart of the matter is that in the disputed area of the Baltic Sea shelf there is a promising oil deposit claimed by both Latvia and Lithuania. Latvia started negotiations with foreign companies on the exploration and possible exploitation of the deposit.

In Lithuania this was perceived as injurious to her economic and political interests. The positive turn in the negotiations was reached when the legal and the economic aspects of the issue were separated. This, in turn, was influenced by the EU requirement making membership in EU conditional on signing of a

treaty on border delimitation. Nevertheless, in the words of Latvia's President Vaire Vyke-Freiberga, the ratification of the treaty is being delayed by Latvia because of the "concern for the preservation of traditional fishing areas.

On 24 October 1997, Lithuania and Russia signed the Treaty on the State Border, with the Treaty on the Delimitation of the Exclusive Economic Zone and Continental Shelf in the Baltic Sea added to it. The Lithuanian Parliament ratified the treaties on 19 October 1999, the Russian Parliament on 21 May 2003.

After the break up of the Soviet Union, the Kaliningrad region became an isolated Russian oblast, separated from the motherland by Lithuania and Belarus. The region has not lost its strategic importance, since the ice-free harbour of Baltiysk houses Russia's Baltic Fleet (in 1956, the headquarters of the Baltic Sea Fleet was moved from Leningrad to Kaliningrad). In the ten years of independence there have been considerable changes in the treatment of the Kaliningrad problem in Lithuania - from the view of it as a direct threat to Lithuania's security to the view that it is a common problem of the Baltic Sea region, to the solution of which Lithuania might contribute a great deal. These changes are undoubtedly related to Lithuania's integration with the West.

The Baltic States, especially neighboring Lithuania, perceived the concentration of tens of thousands of Russian troops on this relatively small territory as a potential security threat. NATO enlargement, first with Poland (1999) and finally with the Baltic States themselves (2004), gradually diminished this feeling. However, instability might occur in the future – Kaliningrad is facing numerous social-economic and environmental problems. For the time being, the issue is no longer a dominating factor in Baltic- Russian relations.

In spite of the complex problems described above, the practical cooperation between Russia and the Baltic states takes place in a more or less normal way.

Even serious open questions like the absence of an officially recognized border do not have too negative an impact on the actual connections between Russia and the Baltic states, or on the policies of the European Union.

The question of the boundaries of Estonia and Latvia, and that the border issues between the parties are, at least formally, still unresolved. During the prolonged history of these border disputes, neither the EU nor NATO has actively interfered in the contemps, nor did the absence of a ratified treaty not prevent the accession of Estonia and Latvia to the EU and NATO in 2004.

Furthered strengthening of relations with all European Partner and with US and Canada is had support to Baltic-States. The USA geopolitical position combined with its capabilities make a counter balancing effect in the Baltic Sea region. It has been a backbone of politico-military support for the Baltic Countries. Even since the Cold War (even during, as it was seen in the non recognition of Baltic incorporation policy) and continues to play this role. The USA commitment is a strong reminder that the region is a integral part of an Euro-Atlantic context. USA engagement in the region is characterize by the north European initiative.

The Charter of Partnership between USA and republics of Baltic sign in Washington DC in January 16, 1998, establishes the institutional framework that promotes the furtherance of bilateral and multilateral cooperation. The Charter underscored a common goal of the partners to work together in enhancing the security of all the states through the integration of Baltic Countries into the European and Trans-Atlantic security, political and economic institutions. The US Baltic partnership charter states that USA real profound and enduring interest in the independence and security of the three countries and further EU and NATO Baltic security cooperation a way ahead.

The Baltic States' accession to the European Union and to NATO will open new possibilities for a positive rather than a negative background for resolving the differences between Moscow and the Baltic capitals. The political fight for geopolitical affiliation of the Baltic States should not be seen as a loss to Russia and a victory for the western countries. On the contrary, the Baltic States, which have been, left to their fate all through their history, are about to become part of an area producing stability and welfare.

Indeed, enlargement of NATO and the European Union to the east coast of the Baltic Sea gives a strong impulse for stability in that region. The Baltic States that, because of their geopolitical location, have always been a buffer between the Western countries and Russia can finally abandon the status of buffer countries. By removal of that geopolitical dimension, the economic attraction of the region will undoubtedly increase. It is hoped that will be the determining factor in overcoming the prejudiced behavior models that have prevailed since the collapse of the Soviet empire.

CHAPTER 4

CHAPTER- 4

Conclusion

The study in the previous chapters shows that Russian policy towards the Baltic States since 1991 has been quite contradictory and unstable. It was changeable time to time. In other words, officials have adopted a pragmatic and realistic approach in their views. They have contradicted each other and changed their views with the situation accordingly. The policy towards the Baltic States varied with the two prominent fractions within the Russian policy makers. On the one hand, Russian nationalists and military officers pressed for a tough, confrontational stance regarding the Baltic States, while on the other hand, liberals-economists had preferred a more cooperative line. The later were necessarily Western-oriented. Another idea was also popular that the population and politicians in Kaliningrad were particularly interested in maintaining and improving the economic contacts with the neighbouring states.

On the official level, it was okay that president Yeltsin generally had avoided extreme statements on the Baltic States, but he never visited any Baltic state after independence. Later, President Putin adopted unambiguous policy, which was more cooperative in line with his pro-Western policy. In a phenomenal approach, he took the initiative of signalling reluctant acceptance of Baltic NATO membership. In other words, he managed eventually to reach a compromise with the EU concerning the difficult Kaliningrad transit visa issue.

There are some key problems in Russian–Baltic relations since 1991, i. e. disparity of powers. In other words, mutual dilemmas, fears and conflicts have been continuous perspectives. Russia is the largest state in Europe with about 145 million inhabitants, on the one hand, while on the other its neighbouring states, all 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. These states cumulatively only have limited power to contradict their say against Russia.

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 maintained their supremacy over the Baltic region. They seem to be dependent over the Russian for every say, in some extent. The Baltic States strongly 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 with Russia and Russia vice-versa.

Until 1995, Russia's foreign policy attacked Estonia and Latvia for violating human rights and for not integrating the Russian population. In the winter of 1997/98, Russian diplomacy once again raised the issue of the discrimination of the Russian minorities in Estonia and Latvia. As ethnic tension grew in Latvia, the Russian government adopted economic measures by diverting oil exports usually shipped through the Latvian port of Ventspils. Nevertheless, the early stage of the Russian-Baltic "cold war" over the treatment of the Russian minority is largely over. Given the timing and inconsistency of Russia's reaction to the minority issue, the prospect of the Baltic States' accession to NATO and Russia's domestic policies seem to be interlocked

Economically, the phase of transition occurred within the region and the Baltic States carried out market economic reforms and oriented their foreign trade to the West. Their transformations from Soviet block to the market economy were successful and Western countries supported massively their endeavours. Also Russia increased trade with Europe and became quite dependent on energy export

through the Baltic States. Thus, the relations between Russia and Baltic states seem to be cooperative in some extent. But on the economic front, Russia didn't attain more success, although it resulted in the August 1998 breakdown.

Baltic States not only traced the market-economy model, rather they were interested to join the Western arrangements. 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. At the same time they also had 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.

In the beginning of twenty-first century, Russia has embraced more practical approach towards the geo-politics. 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 not in favour of this enlargement. Russia supported the US-led war on international terrorism and the intervention in Afghanistan in the fact of 11 September 2001. Russia saw such developments linked to its' own war against terrorism, extremism 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 like drug-trafficking and growing extremism in the region. 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 reluctantly accepted it. The development reminded strongly of

NATO's first enlargement in 1997, when Poland was invited, but this time the scenario was different because some common interests of both Russia and NATO were stronger at this juncture.

Russia accepted and even recommended Baltics 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. This was more in the energy sector. Even in such condition also, Russia never legitimised the EU enlargements 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.

International relations always have been taken place by the geo-politics played by the states. This cursory summary of the development of the Russian-Baltic states to a high degree, since the early 1990s shows that it has been influenced by the international context and third parties. Further, the relations have gradually moved from mutual estrangement and hostility in the early 1990s to a more respectful dialogue and accommodation in the last few years.

Western attention towards the Baltic States provides a permanent constraining influence on Russian decision-making. Western influence is very important in the evaluation of overall circumstances of policy-making: it establishes a second dimension, a triangular pattern. The West regards the Baltic region in different terms from the rest of the former Soviet empire because of their historical and cultural ties to Central and Northern Europe, and because their forced incorporation into the Soviet Union was never officially recognized by most Western countries.

The importance the West attaches to the Baltic States was evident from the time of the troop withdrawal negotiations, when it was made clear by different states and multinational organizations that Russian military presence in the sovereign Baltic region was unacceptable. It can be maintained that the international aspect constrains Russia from taking harsh or violent action against the Baltics for fear of the West cutting its links with it in retaliation. International pressures and dependency on the West restrict action against the Baltic States. Even if the West does not support Baltic entry into NATO or does not always side with them, this does not take away from the conclusion that they have extended special care and support to the region. This is exemplified by the comparison to the CIS states.

Russia wants to protect its security interests in the Baltic region, but is aware that it must not risk ruining relations with the West by conducting a forceful policy towards the Baltic States. This situation presents Russian decision-makers with a “Baltic dilemma”: the more coercion Russia uses to enhance its security in the Baltic region, the more negative reactions it gets from the international community, further jeopardizing its security. Both security-related questions of Russian-Baltic relations – troop withdrawal and NATO expansion – have demonstrated this dilemma in Russian policy.

Despite the fact that the main priority of the West is to support the Baltic States, a level of reciprocity exists concerning the use of international pressure between the two sides. Significantly, the international context has made both sides aware of limitations in their dealings with each other as states in the exposure of the international arena. In the period in question, the rules of the game were being laid out through Russian attempts to define the limits of its new role as the big neighbor state.

Another conclusion from this study could be concluded that Russian policy towards the Baltic States has common features, while various Baltic States 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 all relations with Lithuania been positive than with the other states, although there is a crucial fact that Lithuania was the leader among the Baltic nations in breaking up the Soviet Union and seeking NATO membership. It was Lithuania, from where Russia pulled out its troops first, signed a border treaty and has more political exchange with it. The explanation for this development was that Lithuania at an early stage solved the citizenship question, which had satisfied the Russian aspirations, and also its moderate leftist governments proved cooperative with respect to Kaliningrad.

Another aspect was important in softening the relations that Russia needed transit, and Lithuania also long remained relatively dependent on trade with Russia. In a contradictory manner 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. At the early stage of its independence, Latvia made border claims on Russia, too. Russian officials and state-dominated companies were too big to had edge over and 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.

The Russian relations with Estonia was same as with Latvia, for instance in 1993, the reasons were the same. However, Estonia was most successful in switching its

trade away from Russia and carrying out economic reforms, but the other side of this development was that it offered good conditions for Russian business. But Estonian national policy was not much harder as was with Latvia. It was little softer than the Latvian one. In 2002 Estonia took steps to improve relations with Russia, and Russia also responded positively.

In order to see Russian relations with the Baltic States in a wider perspective, the need is to make the study larger. It should be also to see in other ex-Soviet regions, such as the Caucasian and Central Asian region. It is quite obvious that Russia has acted cautiously in the Baltic area. It was so because the 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 in nature and develop rapidly unlike Russia's southern neighbours. In a phenomenal occurrence, there have been no wars among the Baltic States over borders or resources. Neither civil wars nor violent clashes between ethnic groups could be seen in the Baltic, whereas in the southern neighbour states these troubles were in existence. Russia have 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's EU and NATO membership may serve to help Russia to overcome residual imposing inclination towards these small neighbours and to stake on peaceful ties with them. Many people in Russia have personal, cultural and commercial affiliations in the Baltic States. However, Russia's existing economic influence on the Baltic region in the energy sector and also the minority problems in Estonia and Latvia will surely continue to tempt Russian actors to exercise pressure.

As for the Baltic states, they find that NATO and EU memberships will not only promote their economic development and European identity, rather they can also feel more secure from Russian pressure and develop ties with Russia that are profitable to them. Therefore, the region wants mutual relations with Russia.

Many Balts know Russia well and speak Russian. The Russian-speaking populations, especially people engaged in business, tend to be more EU-centric (Euro Russians) 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, since these notions are integral principles of these organisations. 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. These geographical locations are as a heavy responsibility for the Baltic States, but at the same time, this is providing a chance to EU to seek agreements with Russia.

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. Finland will also probably gain security from the extension of NATO to the Gulf of Finland. This could be take place only after the Russian interests, if it tries to encroach 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. Belarus and Russia share a union relationship with each-other. The Belarusian 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. If Belarus gets more integrated in cooperation with NATO and the EU, the repercussions may therefore be a more pressure on Belarus in the future and from the Russian side.

The “return of the Baltic states” to the Euro-Atlantic international community and the implementation of their foreign policies have been primarily channeled through existing institutions. Membership in NATO and the EU has remained the main foreign policy goals of the three states and gradual deepening of cooperation with these institutions has already proved to exert a positive impact on security and stability of the Baltic countries. Besides providing with economic benefits of market integration and economic opening, strengthening of democratic institutions as well as reducing uncertainties and fostering the habits of

cooperation, gradual integration of the Baltic states into the EU and to some extent into NATO has provided a new forum for dealing with Russia and thereby reducing bargaining power asymmetries.

In short, the Baltic States' accession to NATO and the EU will on the whole have beneficial impacts both on the states involved and their neighbours. Thus, this could be a transformation of the security landscape around the Baltic Sea.

There is a possible imagination that the Baltic-Russia tensions are likely to disappear in the coming years. The Baltic States will be more favorably inclined towards Russia in the near future. While their membership of EU and NATO gave structural powers, at the same time it also worsened their relations with Russia and other former Soviet Union states. The Baltic States now understand that bitter relations with Russia could put them in an unfavorable position. Therefore, they now understand that building good relations with Moscow on the condition that the latter would woo their historical grievances is a naïve approach. Tallinn, Vilnius and Riga are now concentrating more on coming to term with their everyday pressing issues with Russia, like its grip over their energy sector and trade and economic linkages.

In the Baltic States approach towards Russia and other former Soviet neighbors are changing. They have permitted Russia to own significant stakes in their domestic energy systems, including the pipeline networks. These states are now trying to be flexible with EU about their relations with Russia. They are trying to concentrate in general, not specifically with both the sides. Although Russia looks energy as a playing tool to bring back its influence in these states and protect the rights of ethnic Russians living there. But apart from this, some new diplomatic tools are coming out of the process, namely pipeline and energy diplomacy. In other words, economic perspectives are fostering the cooperative methods in

normalizing the relations for both Baltic and Russia. The current situation and perspectives are indicating that Russia-Baltic relations would be more cordial in the coming future. Hopes, in general prevail in the region that the fears and instabilities of the transition period would not come for any more.

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APPENDICES

APPENDIX- I

THE MOLOTOV-RIBBENTROP PACT: THE DOCUMENT

ANTRIFFSVERTRAG ZWISCHEN DEUTSCHLAND UND
DER UNION DER SOZIALISTISCHEN SOVIETREPUBLICEN.

Die Deutsche Reichsregierung und
die Regierung der Union der Sozialistischen
Sowjetrepubliken

geleitet von dem Wunsche die Sache des Friedens
zwischen Deutschland und der U.S.S.R. zu festigen und aus-
gehend von den grundlegenden Bestimmungen des Neutrali-
tätsvertrages, der im April 1926 zwischen Deutschland
und der U.S.S.R. geschlossen wurde, sind zu nachstehender

Vereinbarung gelangt:

Artikel I.

Die beiden Vertragsschließenden Teile verpflichten sich, sich jeden Gewaltakts, jeder aggressiven Handlung und jeden Angriffs gegen einander, und zwar sowohl einzeln als auch gemeinsam mit anderen Mächten, zu enthalten.

Artikel II.

Falls einer der Vertragsschließenden Teile Gegenstand kriegerischer Handlungen seitens einer dritten Macht werden sollte, wird der andere Vertragsschließende Teil die Verbindung miteinander bleiben, um sich gegenseitig über Fragen zu informieren, die ihre gemeinsamen Interessen betreffen.

Artikel IV.

Keiner der beiden Vertragsschliessenden Teile wird sich an irgend einer Koalition beteiligen, die sich mittelbar oder unmittelbar gegen den anderen Teil richtet.

Artikel V.

Falls Streitigkeiten oder Konflikte zwischen den Vertragsschliessenden Teilen über Fragen dieser oder jener Art entstehen sollten, werden beide Teile diese Streitigkeiten und Konflikte ausschliesslich auf dem Wege freundschaftlichen Meinungsaustausches oder nötigenfalls durch Einsetzung von Schlichtungskommissionen bereinigen.

Artikel VI.

Der gegenwärtige Vertrag wird auf die Dauer von 10 Jahren abgeschlossen mit der Massgabe, dass, soweit nicht einer der Vertragsschliessenden Teile ihn ein Jahr vor Ablauf dieser Frist kündigt, die Dauer der Wirksamkeit dieses Vertrages automatisch für weitere fünf Jahre als verlängert gilt.

Artikel VII.

Der gegenseitige Vertrag soll innerhalb möglichst kurzer Frist ratifiziert werden. Die Ratifikationsurkunden sollen in Berlin ausgetauscht werden. Der Vertrag tritt sofort mit seiner Unterzeichnung in Kraft.

Ausgefertigt in doppelter Urschrift, in deutscher und russischer Sprache,

Moskau am 23. August 1939.

F110019 Für

Für die
deutsche Reichsregierung.

W. M. Winter

Für die Sowjetmacht
der Regierung
der UdSSR:

S. M. K. K.

F110050

Geheimes Strategierotokoll.

Aus Anlass der Unterzeichnung des Nichtangriffsvorgabens zwischen dem Deutschen Reich und der Union der Sozialistischen Sowjetrepubliken haben die unterzeichneten Bevollmächtigten der beiden Teile in streng vertraulicher Aussprache die Frage der Abgrenzung der beiderseitigen Interessensphären in Osteuropa erörtert. Diese Aussprache hat zu folgenden Ergebnis geführt:

1. Für den Fall einer territorial-politischen Umgestaltung in den zu den baltischen Staaten (Finnland, Estland, Lettland, Litauen) gehörenden Gebieten bildet die nördliche Grenze Litauens zugleich die Grenze der Interessensphären Deutschlands und der UdSSR. Hierbei wird das Interesse Litauens am Wilnaer Gebiet beiderseits anerkannt.

2. Für den Fall einer territorial-politischen

ДОГОВОР О НЕНАПАДЕНИИ МЕЖДУ ГЕРМАНИЕЙ И СОВЕТСКИМ СОЮЗОМ.

Правительство СССР и
Правительство Германии

Руководимые желанием укрепления дела мира между СССР и Германией и исходя из основных положений договора о нейтралитете, заключенного между СССР и Германией в апреле 1926 года, пришли к следующему соглашению:

Статья I.

Обе Договаривавшиеся Стороны обязуются воздерживаться от всякого насилия, от всякого агрессивного действия и всякого нападения в отношении друг друга, как отдельно, так и совместно с другими державами.

Статья II.

В случае, если одна из Договаривавшихся Сторон окажется объектом военных действий со стороны третьей державы, другая Договаривавшаяся Сторона не будет поддерживать ни в какой форме эту державу.

Статья III.

Правительства обеих Договаривавшихся Сторон останутся в будущем в контакте друг с другом для консультации, чтобы информировать друг друга о вопросах, затрагивающих их общие интересы.

F110051

Статья 19.

Ни одна из Договаривающихся Сторон не будет участвовать в какой-нибудь группировке держав, которая прямо или косвенно направлена против другой стороны.

Статья У.

В случае возникновения споров или конфликтов между Договаривающимися Сторонами по вопросам того или иного рода, обе стороны будут разрешать эти споры или конфликты исключительно мирным путем в порядке дружественного обмена мнениями или в нужных случаях путем создания комиссий по урегулированию конфликта.

Статья У1.

Настоящий договор заключается сроком на десять лет с тем, что поскольку одна из Договаривающихся Сторон не денонсирует его за год до истечения срока, срок действия договора будет считаться автоматически продолженным на следующие пять лет.

Статья У2.

Настоящий договор подлежит ратификации в возможно короткий срок. Обмен ратификационными грамотами должен произойти в Берлине. Договор вступает в силу немедленно после его подписания.

Составлен в двух оригиналах, на немецком и русском языках в Москве, 23 августа 1939 года.

М. Ульманногшио За Правительство
Ира Ситтлерова (с)р Германия.
В. Александров *В. В. Шторм*

F110052

СЕВЕРНЫЙ ДОПОЛНИТЕЛЬНЫЙ ПРОТОКОЛ.

При подписании договора о ненападении между Германией и Советским Социалистическим Союзом полномоченные обеих сторон обсудили в строго конфиденциальном порядке вопрос о разграничении сфер общих интересов в Восточной Европе. Это обсуждение привело к следующему результату:

1. В случае территориально-политического переустройства областей, входящих в состав Прибалтийских государств (Самбия, Эстония, Латвия, Литва), северная граница Литвы одновременно является границей сфер интересов Германии и СССР. При этом интерес Литвы по отношению Вилкиской области признается обоими сторонами.

2. В случае территориально-политического переустройства областей, входящих в состав Польского Государства, граница сфер интересов Германии и СССР будет приблизительно проходить по линии рек Нарва, Вислы и Сана.

Вопрос, является ли в общих интересах желательным сохранение независимого Польского Государства и каковы будут границы этого государства, может быть окончательно выяснен только в течение дальнейшего политического развития.

Во всяком случае, оба Правительства будут решать этот вопрос в порядке дружественного общего соглашения.

F19 184

3. Исключительно это-вопросам Европы с советской стороны подтверждается интерес СССР к Восточной Европе. С германской стороны указывается о ее полной политической неинтересности в этих областях.

4. Этот протокол будет сохраняться обеими сторонами в строжайшем секрете.

Из Управления Москва, 22 августа 1950 года.

Генеральный секретарь ССФР
В. Соловьев

За Правительство
Германии:

W. W. W. W.

F19 185

Source: Jan Szembek, *Diariusz i Teki* (London: Polish Research Centre, 1972), IV, 762-763 as provided by the British Foreign and Commonwealth Office Library.

THE DOCUMENTS IN TRANSLATION:

TEXTS OF TREATIES AND CORRESPONDENCE 1890-1941

TEXTS OF TREATIES AND CORRESPONDENCE 1938-1941

- Treaty of Nonaggression Between Germany and the Union of Soviet Socialist Republics and the Secret Additional Protocol, 23 August 1939.
- Secret Additional Protocol of 28 September 1939 Amending the Secret Agreement of 23 August 1939.
- German-Soviet Boundary and Friendship Treaty of 28 September 1939; Confidential Protocols Concerning Repatriation and Political Subjugation of Poland; Declaration of the German Reich and the Government of the USSR.
- German-Soviet Protocol of 10 January 1941 Concerning Transfer of the Rights to the Suwalki Strip to the USSR.

GERMAN CORRESPONDENCE ON THE PACT, OCTOBER 1939

- The German Foreign Minister Ribbentrop, to the German Ambassador in Moscow, Schulenberg.
- The German Minister in Kaunas Informed of the Secret Protocol; Zechlin Reports on Lithuanian Reaction.
- Ribbentrop Tells German Envoys in the Baltic About the Secret Protocol.

EDITORS' NOTE: The English-language translations of the German and Russian documents presented are taken from the following sources with only slight adaptations: Raymond Janes Sontag and James Stuart Beddie, ed. *Nazi-Soviet Relations: Documents from the Archives of the German Foreign Office* (Washington, D.C.: Dept. of State, 1949), 76-78, 106-107; Paul R. Sweet et. al. ed., *Documents on German Foreign Policy 1918-1945: From the Archives of the German Foreign Ministry* (Washington: Dept. of State, 1949-1964), Series D, Vol. VIII (1954), 186; Vol. XI (1960), 1068. The three documents of October 1939 are from the German Foreign Office files, from *Documents*, Vol. VIII, 214-215, 238. These and other documents are conveniently assembled in Bronis J. Kasias, ed. *The USSR-German Aggression Against Lithuania* (New York: Robert Speller and Sons, 1973).

Treaty of Nonaggression Between Germany and the Union of Soviet Socialist Republics

The Government of the German Reich and the Government of the Union of Soviet Socialist Republics desirous of strengthening the cause of peace between Germany and the U.S.S.R., and proceeding from the fundamental provisions of the Neutrality Agreement concluded in April 1926 between Germany and the U.S.S.R., have reached the following agreement:

Article I

Both High Contracting Parties obligate themselves to desist from any act of violence, any aggressive action, and any attack on each other either individually or jointly with other powers.

Article II

Should one of the High Contracting Parties become the object of belligerent action by a third power, the other High Contracting Party shall in no manner lend its support to this third power.

Article III

The Governments of the two High Contracting Parties shall in the future maintain continual contact with one another for the purpose of consultation in order to exchange information on problems affecting their common interests.

Article IV

Neither of the two High Contracting Parties shall participate in any grouping of powers whatsoever that is directly or indirectly aimed at the other party.

Article V

Should disputes or conflicts arise between the High Contracting Parties over problems of one kind or another, both parties shall settle these disputes or conflicts exclusively through friendly exchange of opinion or, if necessary, through the establishment of arbitration commissions.

Article VI

The present treaty is concluded for a period of ten years, with the proviso that, in so far as one of the High Contracting Parties does not denounce it one year prior to the expiration of this period, the validity of this treaty shall automatically be extended for another five years.

Article VII

The present treaty shall be ratified within the shortest possible time. The ratifications shall be exchanged in Berlin. The agreement shall enter into force as soon as it is signed.

Done in duplicate, in the German and Russian languages.

Moscow, August 23, 1939.

For the Government
of the German Reich:
v. Ribbentrop

With full power of the
Government of the U.S.S.R.:
V. Molotov

Secret Additional Protocol

On the occasion of the signature of the Nonaggression Pact between the German Reich and the Union of Soviet Socialist Republics the undersigned plenipotentiaries of each of the two parties discussed in strictly confidential conversations the question of the boundary of their respective spheres of influence in Eastern Europe. These conversations led to the following conclusions:

1. In the event of a territorial and political rearrangement in the areas belonging to the Baltic States (Finland, Estonia, Latvia, Lithuania), the northern boundary of Lithuania shall represent the boundary of the spheres of influence of Germany and the U.S.S.R. In this connection the interest of Lithuania in the Vilnius area is recognized by each party.
2. In the event of a territorial and political rearrangement of the areas belonging to the Polish state the spheres of influence of Germany and the U.S.S.R. shall be bounded approximately by the line of the rivers Narew, Vistula, and San.

The question of whether the interests of both parties make desirable the maintenance of an independent Polish state and how such a state should be bounded can only be definitely determined in the course of further political developments.

In any event both Governments will resolve this question by means of a friendly agreement.

3. With regard to Southeastern Europe attention is called by the Soviet side to its interest in Bessarabia. The German side declares its complete political disinterestedness in the areas.
4. This protocol shall be treated by both parties as strictly secret.

Moscow, August 23, 1939.

For the Government
of the German Reich:
v. Ribbentrop

Plenipotentiary of the
Government of the U.S.S.R.:
V. Molotov

Secret Additional Protocol of 28 September 1939

The undersigned plenipotentiaries declare the agreement of the Government of the German Reich and the Government of the U.S.S.R. upon the following:

Moscow, September 28, 1939

For the Government
of the German Reich:
J. Ribbentrop

By authority of the
Government of the U.S.S.R.:
V. Molotov

Secret Additional Protocol

The undersigned plenipotentiaries, on concluding the German-Russian Boundary and Friendship Treaty, have declared their agreement upon the following:

Both parties will tolerate no Polish agitation in their territories which affects the territories of the other party. They will suppress in their territories all beginnings of such agitation and inform each other concerning suitable measures for this purpose.

Moscow, September 28, 1939

For the Government
of the German Reich:
J. Ribbentrop

By the Authority of the
Government of the U.S.S.R.:
V. Molotov

German-Soviet Secret Protocol

The German Ambassador, Count von der Schulenburg, Plenipotentiary of the Government of the German Reich, on the one hand, and the Chairman of the Council of People's Commissars of the U.S.S.R., V.M. Molotov, Plenipotentiary of the Government of the U.S.S.R., on the other hand, have agreed upon the following:

1. The Government of the German Reich renounces its claim to the strip of Lithuanian territory which is mentioned in the Secret Additional Protocol of September 28, 1939, and which has been marked on the map attached to this Protocol:

2. The Government of the Union of Soviet Socialist Republics is prepared to compensate the Government of the German Reich for the territory mentioned in Point 1 of this Protocol by paying 7,500,000 gold dollars or 31,500,000 million reichsmarks to Germany.

The amount of 31,5 million Reichsmarks will be paid by the Government of the U.S.S.R. in the following manner: one-eighth, that is, 3,937,500 Reichsmarks, in nonferrous metal deliveries within three months after the signing of this Protocol, the remaining seven-eighths, or 27,562,500 Reichsmarks in gold by deduction from the German gold payments which Germany is to make by February 11, 1941, in accordance with the correspondence exchanged between the Chairman of the German Economic Delegation, Dr. Schnurre, and the People's Commissar for Foreign Trade of the U.S.S.R., A.I. Mikoyan, in connection with the "Agreement of January 10, 1941, concerning reciprocal deliveries in the second treaty period on the basis of the Economic Agreement between the German Reich and the Union of Soviet Socialist Republics of February 11, 1940."

3. This Protocol has been executed in two originals in the German language and two originals in the Russian language and shall become effective immediately upon signature.

Moscow, January 10, 1941.

For the Government
of the German Reich:
Schulenburg
(Seal)

By authority of the
Government of the U.S.S.R.:
V. Molotov
(Seal)

The German Foreign Minister, Ribbentrop, to the German Ambassador in Moscow, Schulenburg

Telegram

Very urgent

Strictly secret
No. 497 of October 4

Berlin, October 5, 1939—3:43 a.m.
Received Moscow, October 5, 1939—11:55 a.m.

Referring to today's telephonic communication from the Ambassador.

The Legation in Kaunas is being instructed as follows:

1) Solely for your personal information, I am apprising you of the following: At the time of the signing of the German-Russian Nonaggression Pact on August 23, a strictly secret delimitation of the respective spheres of influence in Eastern Europe was also undertaken. In accordance therewith, Lithuania was to belong to the German sphere of influence, while in the territory of the former Polish state, the so-called four-river line, Pissa-Narew-Wistula-San, was to constitute the border. Even then I demanded that the district of Vilnius go to Lithuania, to which the Soviet Government consented. At the negotiations concerning the Boundary and Friendship Treaty on September 28, the settlement was amended to the extent that Lithuania, including the Vilnius area, was included in the Russian sphere of influence, for which in turn, in the Polish area, the province of Lublin and large portions of the province of Warsaw, including the pocket of territory of Suwalki, fell within the German sphere of influence. Since, by the inclusion of the Suwalki tract in the German sphere of influence a difficulty in drawing the border line resulted, we agreed that in case the Soviets should take special measures in Lithuania, a small strip of territory in the southwest of Lithuania, accurately marked on the map, should fall to Germany.

The German Minister in Kaunas, Zechlin, to the German Foreign Office

Telegram

Most urgent
No. 175 of October 5
Kaunas, October 5, (1939)—7:55 p.m.
Received October 5—10:30 p.m.

With reference to telegram No. 252 of October 5 (4)

[Deputy Prime Minister Kazys] Bizauskas sent for me today even before I could ask for an appointment with the Foreign Minister as instructed in telegram No. 252; he first made excuses for Mr. Urbšys, who was completely occupied today with continuous discussions in the Cabinet and therefore unfortunately could not speak with me himself. He then informed me that Molotov had told Urbšys that Germany had laid claim to a strip of Lithuanian territory, the limits of which included the city and district of Naumiestis and continued on past the vicinity of Mariampolė. This had made a deep and painful impression on Lithuania, and Urbšys had frown back to Kaunas partly because of this information, which he had not wished to transmit by telephone.

The Lithuanian Government has instructed Škipas to make inquiries in Berlin.

I told him that in the Moscow discussions on the delimitation of the German and Soviet spheres of interest, the Reich Foreign Minister had advocated giving the Vilnius area to Lithuania and had also obtained the Soviet Government's agreement in the matter. While Lithuania had the prospect of such a great increase in territory a difficult and impracticable boundary in the vicinity of the Suwalki tip had come into existence because of the German-Soviet border division. Therefore the idea of a small border rectification at the German-Lithuanian frontier had also emerged in the course of these negotiations; but I could inform him that the German Government did not consider the question pressing. Bizauskas received this information with visible relief and asked me to transmit the thanks of the Lithuanian Government on his score to the Reich Government. Furthermore he asked on his part that the matter be kept strictly secret, which I promised him.

I might add that since the fixing of the German-Soviet frontier became known, political quarters here have had great hopes of obtaining the Suwalki tip from Germany.

Zechlin

The German Foreign Minister, Ribbentrop, to the German Ministers in Tallinn, Riga and Helsinki

Telegram

Most Urgent

- (1) To Tallinn, No. 257
- (2) To Riga, No. 328
- (3) To Helsinki, No. 318

Berlin, October 7, 1939

Exclusively for the Minister personally.

Supplementing our telegrams No. 241 to (1), No. 303 to (2) and No. 305 to (3), I am communicating the following to you in strict secrecy and for your personal information only:

During the Moscow negotiations with the Soviet Government the question of delimiting the spheres of interest of both countries in Eastern Europe was discussed in strict confidence, not only with reference to the area of the former Polish state, but also with reference to the countries of Lithuania, Latvia, Estonia, and Finland. At the same time the delimitation of the spheres of interest was agreed upon for the eventuality of a territorial and political reorganization in these areas. The borderline fixed for this purpose for the territory of the former Polish state is the line designated in

article 1 of the German-Soviet Boundary and Friendship Treaty of September 28 and publicly announced. Otherwise, the line is identical with the German-Lithuanian frontier. Thus it follows that Lithuania, Latvia, Estonia, and Finland do not belong to the German sphere of interest in the sense indicated above.

You are requested to refrain, as heretofore, from any explanations on this subject.

The Foreign Minister

¹ See the article "The Molotov-Ribbentrop Pact and the Baltic States" in this issue, fn. 66.

² Juozas Urbšys, *Lietuva ir Tarybų Sąjunga lemtingaisiais Lietuvos 1939-1940 metais* (Vilnius: Mintis, 1988); Stasys Raštikis, *Kovose dėl Lietuvos* (Brooklyn, N.Y.: Karys, 1966), I, 609-610.

³ Schulenburg to German Foreign Office, 5 October 1939, *Nazi-Soviet Relations*, 114 and Ribbentrop to Schulenburg, 5 October 1939, *Ibid.*, 115-116.

⁴ *New York Times*, 17 August 1966; *Sovetskaya Estonya*, 17 August 1966.

⁵ The important German-Soviet pacts of 1939-1941 are contained in National Archives, T-120. See George D. Kent, "The German Foreign Ministry Archives," in Robert Wolfe, ed., *Captured German and Other Related Records* (Athens: Ohio Univ. Press, 1974), 119-132. See Paul Sweet's letter to the *New York Times*, 2 September 1966.

⁶ Ribbentrop to Schulenburg, 5 October 1939, *Nazi-Soviet Relations*, 116.

⁷ Dozens of such references are contained in *Nazi-Soviet Relations*, as well as the more massive publications in Paul R. Sweet et al., ed., *Akten zur deutschen auswärtigen Politik, 1918-1945, Series D, vols. 7-9* (Baden-Baden: Imprimerie Neosch, 1961-2), 35, as well as the English-language *Documents on German Foreign Policy, 1918-1945, Series D, Vols. 7-9* (Washington: U.S. Government Printing Office), also edited by Paul Sweet.

⁸ Examples here are the so-called Protocols of the Elders of Zion or the KGB active measures against NATO and the U.S., State Department in the 1960s and 1970s.

⁹ The importance of controlling all variables in a fabrication is revealed by the famous case of the defendant E.S. Gotsman during the Stalinist show trials in Moscow in the 1930s. Gotsman claimed he conspired with Trotsky's son in the Bristol Hotel in Copenhagen in 1932. The hotel it turned out, had been demolished in 1917. See Roy A. Medvedev, *Let History Judge* (New York: Vintage, 1971), 250.

¹⁰ As quoted in *Aljtmėnas*, 16 September 1966, 8.

APPENDIX- II

Treaty of Brest-Litovsk, 3 March 1918

Article I

Germany, Austria-Hungary, Bulgaria, and Turkey, for the one part, and Russia, for the other part, declare that the state of war between them has ceased. They are resolved to live henceforth in peace and amity with one another.

Article II

The contracting parties will refrain from any agitation or propaganda against the Government or the public and military institutions of the other party. In so far as this obligation devolves upon Russia, it holds good also for the territories occupied by the Powers of the Quadruple Alliance.

Article III

The territories lying to the west of the line agreed upon by the contracting parties which formerly belonged to Russia, will no longer be subject to Russian sovereignty; the line agreed upon is traced on the map submitted as an essential part of this treaty of peace. The exact fixation of the line will be established by a Russo-German commission. No obligations whatever toward Russia shall devolve upon the territories referred to, arising from the fact that they formerly belonged to Russia. Russia refrains from all interference in the internal relations of these territories. Germany and Austria-Hungary purpose to determine the future status of these territories in agreement with their population.

Article IV

As soon as a general peace is concluded and Russian demobilization is carried out completely Germany will evacuate the territory lying to the east of the line designated in paragraph 1 of Article III, in so far as Article IV does not determine

otherwise. Russia will do all within her power to insure the immediate evacuation of the provinces of eastern Anatolia and their lawful return to Turkey.

The districts of Erdehan, Kars, and Batum will likewise and without delay be cleared of the Russian troops. Russia will not interfere in the reorganization of the national and international relations of these districts, but leave it to the population of these districts, to carry out this reorganization in agreement with the neighboring States, especially with Turkey.

Article V

Russia will, without delay, carry out the full demobilization of her army inclusive of those units recently organized by the present Government. Furthermore, Russia will either bring her warships into Russian ports or there detain them until the day of the conclusion of a general peace, or disarm them forthwith. Warships of the States which continue in the state of war with the Powers of the Quadruple Alliance, in so far as they are within Russian sovereignty, will be treated as Russian warships.

The barred zone in the Arctic Ocean continues as such until the conclusion of a general peace. In the Baltic sea, and, as far as Russian power extends within the Black sea, removal of the mines will be proceeded with at once. Merchant navigation within these maritime regions is free and will be resumed at once. Mixed commissions will be organized to formulate the more detailed regulations, especially to inform merchant ships with regard to restricted lanes. The navigation lanes are always to be kept free from floating mines.

Article VI

Russia obligates herself to conclude peace at once with the Ukrainian People's Republic and to recognize the treaty of peace between that State and the Powers

of the Quadruple Alliance. The Ukrainian territory will, without delay, be cleared of Russian troops and the Russian Red Guard. Russia is to put an end to all agitation or propaganda against the Government or the public institutions of the Ukrainian People's Republic.

Esthonia and Livonia will likewise, without delay, be cleared of Russian troops and the Russian Red Guard. The eastern boundary of Esthonia runs, in general along the river Narwa. The eastern boundary of Livonia crosses, in general, lakes Peipus and Pskow, to the southwestern corner of the latter, then across Lake Luban in the direction of Livenhof on the Dvina. Esthonia and Livonia will be occupied by a German police force until security is insured by proper national institutions and until public order has been established. Russia will liberate at once all arrested or deported inhabitants of Esthonia and Livonia, and insures the safe return of all deported Esthonians and Livonians.

Finland and the Aaland Islands will immediately be cleared of Russian troops and the Russian Red Guard, and the Finnish ports of the Russian fleet and of the Russian naval forces. So long as the ice prevents the transfer of warships into Russian ports, only limited forces will remain on board the warships. Russia is to put an end to all agitation or propaganda against the Government or the public institutions of Finland.

The fortresses built on the Aaland Islands are to be removed as soon as possible. As regards the permanent non- fortification of these islands as well as their further treatment in respect to military technical navigation matters, a special agreement is to be concluded between Germany, Finland, Russia, and Sweden; there exists an understanding to the effect that, upon Germany's desire, still other countries bordering upon the Baltic Sea would be consulted in this matter.

Article VII

In view of the fact that Persia and Afghanistan are free and independent States, the contracting parties obligate themselves to respect the political and economic independence and the territorial integrity of these states.

Article VIII

The prisoners of war of both parties will be released to return to their homeland. The settlement of the questions connected therewith will be effected through the special treaties provided for in Article XII.

Article IX

The contracting parties mutually renounce compensation for their war expenses, i.e., of the public expenditures for the conduct of the war, as well as compensation for war losses, i.e., such losses as were caused [by] them and their nationals within the war zones by military measures, inclusive of all requisitions effected in enemy country.

Article X

Diplomatic and consular relations between the contracting parties will be resumed immediately upon the ratification of the treaty of peace. As regards the reciprocal admission of consuls, separate agreements are reserved.

Article XI

As regards the economic relations between the Powers of the Quadruple Alliance and Russia the regulations contained in Appendices II-V are determinative.

Article XII

The reestablishment of public and private legal relations, the exchange of war prisoners and interned citizens, the question of amnesty as well as the question anent the treatment of merchant ships which have come into the power of the

opponent, will be regulated in separate treaties with Russia which form an essential part of the general treaty of peace, and, as far as possible, go into force simultaneously with the latter.

Article XIII

In the interpretation of this treaty, the German and Russian texts are authoritative for the relations between Germany and Russia; the German, the Hungarian, and Russian texts for the relations between Austria-Hungry and Russia; the Bulgarian and Russian texts for the relations between Bulgaria and Russia; and the Turkish and Russian texts for the relations between Turkey and Russia.

Article XIV

The present treaty of peace will be ratified. The documents of ratification shall, as soon as possible, be exchanged in Berlin. The Russian Government obligates itself, upon the desire of one of the powers of the Quadruple Alliance, to execute the exchange of the documents of ratification within a period of two weeks. Unless otherwise provided for in its articles, in its annexes, or in the additional treaties, the treaty of peace enters into force at the moment of its ratification.

In testimony whereof the Plenipotentiaries have signed this treaty with their own hand. Executed in quintuplicate at Brest-Litovsk, 3 March, 1918.