

# **RUSSIAN-BALTIC RELATIONS: A DECADE AFTER SEPARATION**

Dmitri Trenin

Ten years ago, in August 1989, a human chain linked the three Baltic republics of the then Soviet Union. Thousands of people were protesting on the fiftieth anniversary of the Molotov-Ribbentrop pact which "assigned" Estonia, Latvia and Lithuania to the USSR. The "singing revolution" on the eastern shores of the Baltic Sea was gathering speed. Two years later, in the wake of the failed putsch in Moscow, the three states again became de-facto and de-jure independent. Apart from bloody clashes between the pro-independence demonstrators and the Soviet army and security forces in January 1991, which left a score of people dead, liberation was achieved in a surprisingly peaceful and orderly way. What followed after that also appeared a unique success story: Moscow withdrew its military forces from Lithuania in 1993, and from the other two states in 1994; there was no ethnic tension between the Balts and the large Russian minorities; and, in economic terms, the Baltic ports continued to serve as Russia's principal gateway to the West. Will this success story hold in the next ten years, or will it succumb to new and more serious challenges? The answer is far from obvious. This article will attempt to look at the current issues in Russian-Baltic relations and assess the inherent risks, as well as the countervailing opportunities.

## **The general context**

Future historians may look at the "glorious decade" of 1989-1999 as a transition phase from a bipolar world order to an asymmetrical arrangement where there is only one truly global power wielding enormous influence in the economic, political, information, cultural and military domains. It dominates most world institutions; those which it doesn't are de-facto paralyzed or marginalized. Its system of alliances allows a high degree of international mobilization. Through various partnerships and other relationships it has engaged all major states beyond its formal alliance system. In the foreseeable future, no other power center can rival its pre-eminence at the global level. For the time being, its only limitation will be its ability, to put forth a credible set of goals and implement a coherent and realistic policy course.

This reality is fundamentally different from the naive musings, not least in Russia, about an integrated international system "from Vancouver to Vladivostok" where they would play a role commensurate with that of the United States. At the close of the decade, the Russian Federation, a "rump state" of the USSR, exhibits an utter failure in terms of domestic systemic reform. In terms of international relations, despite its still impressive though rusty arsenal of nuclear weapons, and a much-devalued veto power in the UN Security Council, Russia has become a peripheral state, unprecedentedly dependent on its foreign creditors. To paraphrase a former American secretary of state, Russia has lost an empire but has not found a new role. Basically, it faces a hard dilemma of long and painful integration at the price of ceding much of its independent role or self-isolation as a revisionist power, with a slim chance of success. All this has important implications for Europe as a whole, and Russian-Baltic relations in particular. On the one hand, the emerging Northern Europe ("the new North") appears to be one of the most promising areas of cooperation between Russia and its European neighbours. On the other, this region, not being immune to the general deterioration of Russian-American relations, could become a new hotbed of tension between the West and Russia. In very broad terms, the first option carries the label of the EU; the second one, of NATO.

NATO's intervention in Yugoslavia, started in the spring of 1999, marked a turning point in Russian-Western relations. Moscow had to conclude that, finally, the alliance had become the dominant institution in the realm of European and "Euro-Atlantic" security; that America's leading role within NATO was not seriously challenged by the European allies; and that Russia's ability to influence NATO's actions through the partnership established under the 1997 Founding Act was minimal to non-existent. As a result, Russian perceptions of NATO, and the U.S., have been much sharpened. As most members of the Russian elites and much of the general public look at NATO at 50, they see an expansionist politico-military alliance which has retained its old function of deterring - and defending against, if need be - a resurgent Russia, and which has acquired a new propensity for intervening in force and virtually at will anywhere within the ill-defined "Euro-Atlantic area". This made many senior Russians conclude that NATO was not so much a partner as a problem.

1999 also marked the first post-Cold War enlargement of NATO to include three countries of Central Europe. At its Washington summit in April 1999 the Alliance adopted a Membership Action Plan (MAP) designed to be a road map toward NATO membership for the Alliance aspirants, including the Baltic States, which were for the first time mentioned by name in the summit communiqué as future candidates. It did not escape Moscow's attention that Washington was also chosen as the venue for a summit meeting of five states of the former Soviet "southern tier", Georgia, Ukraine, Uzbekistan, Azerbaijan, and Moldova, which had formed a loose association, GUUAM, dubbed "anti-CIS" by a Russian newspaper. To the new adepts of traditional geopolitics in Moscow, this exercise represented a U.S.- inspired attempt to contain Russia in the northwest, the west and the south.

This new realization will have consequences for Russia's diplomatic relations and its defense strategy. Relations with the United States are already at the lowest point in a decade. Even when they are stabilized, partnership will not be an apt description for them. The Russia-NATO Founding Act is virtually defunct. If it is resuscitated, a skeleton of the relationship, not its soul, will be preserved. Relations with Western Europe have been less affected, but there is a suspicion that Moscow may be tempted to revert to the old Soviet practice of trying to drive a wedge between Europe and America. The Russian defense strategy is being revised on the assumption that NATO is a security threat that can and should be addressed by means of increased reliance on nuclear weapons, strategic, "pre-strategic" and tactical.

Military security, however, is only one aspect of the evolving European environment, even from a Russian perspective, and despite the crisis over Kosovo it is unlikely to become again the dominant one. Economic, ecological and humanitarian aspects will probably continue to assert themselves.

At the same time, in the financial sphere Russia today is more dependent on the West than ever before. There is also no willingness yet to embrace self-isolation. Most Russians long to see the day when foreign investments will flow to their country. The current situation breeds psychological resentment but demands moderation in policy terms. In an attempt to bridge apparent contradictions, the Russian elites have de-facto adopted a notion of "two Wests", one hegemonic and aggressive, as exemplified by the United States and NATO, and the more benevolent one of Western Europe and the EU. The first one has to be deterred, while the other one is a desirable partner.

Within this broad context, the Russian-Baltic relations revolve around a number of major specific issues which present potential threats and risks to the region and Europe as a whole. Conversely, a resolution of these issues, or even their successful management, will bolster prospects for a more stable Europe. The current status of these problems and their likely future evolution are assessed below.

## **The issues**

Throughout the 1990s, most of the issues in Russian-Baltic relations have remained virtually the same. They include: the situation of the Russian minorities in Estonia and Latvia; the borders between Russia and these two countries; the prospect of the Baltic States joining NATO; and Kaliningrad.

### **a. The situation of Russian minorities**

The issue of ethnic Russians in Estonia (30% of the population) and Latvia (34%), who have not been granted citizenship, remains a potential source of tension, both domestically and internationally. True, inter-ethnic relations have been generally cool. No violence has erupted since independence. A vast majority of Russians are loyal to their host countries. The Russian parties in Estonia are well-integrated. Irredentism has not reared its head. Ironically, instead of Estonia's heavily Russian-populated Narva opting to unite with the neighbouring Russian Federation, it is Ivangorod, Narva's Russian sister-town, where a petition was launched to join Estonia – for obvious economic reasons. Most Russians in the Baltics want to stay and become citizens.

However, the integration of these large bodies of residents into Estonian and Latvian societies has proceeded slowly. The legal changes facilitating naturalization have been rare, and limited. There is little practical encouragement for the Russians to become citizens. The existing options remain underused, despite a 1997 change in the legislation allowing the children born after independence to acquire automatic citizenship. Out of 700,000 Russians in Latvia only 4,000 adults became naturalized after 1991. In Estonia, only 150,000 Russians, or one-third of the total number, are Estonian citizens, whereas around 120,000 people, denied Estonian citizenship, have opted to become citizens of the Russian Federation. The phasing out of Russian as a language of instruction is not matched by the increase in the Russians' proficiency in the local languages.

This situation is hampering internal cohesion in Estonia and Latvia and may lead to complications with Russia. In 1998, the rough handling by the police in Riga of a demonstration of predominantly Russian pensioners, followed by a march of former SS veterans, provoked a crisis in bilateral relations which lasted six months and included the imposition of economic sanctions by Russia. This crisis has interestingly cast the Russian government in the role of a follower, with the leadership claimed by more nationalistic, or patriotic forces among the Moscow "oligarchs", regional governors, and media tycoons. Another salient feature was a broad public and elite response to the anti-Latvian campaign. Unlike Lithuania, with its 9% Russian population integrated in the citizenship corps, Latvia and Estonia could emerge as split societies with the ethnic divide remaining a major political feature even after most Russians will have become citizens. Internal political and societal integration is likely to be a principal and challenging task to the governments in Riga and Tallinn. A failure to live up to that challenge is fraught with clear consequences for long-term stability and security of the two states.

### **b. The border issues**

When the Baltic States became independent in 1991, their borders did not match those of 1940 when they were absorbed into the Soviet Union. Both Estonia and Latvia had ceded portions of their territory, 2,600 sq. km and 1,300 sq. km, respectively, to Russia. Lithuania, on the other hand, had gained the Vilnius district and Klaipeda (formerly Memel). Russia's border with Lithuania was formally fixed in the treaty signed in October 1997, which is still awaiting ratification in the Russian parliament, where a number of «patriotic» deputies want to keep leverage on Vilnius. The borders with Estonia and Latvia, on the other hand,

have remained legally disputed due to these countries' parliaments' insistence on restoring historical justice. In the Estonian case, the issue was complicated by the fact that the 1920 Tartu treaty with Soviet Russia which is regarded as the legal basis for the country's independence also fixed its borders.

Over time, Estonian and Latvian legislatures have overcome their initial romanticism which gave the green light to their governments to negotiate border treaties with Russia based on the current realities. In early March 1999, Estonia and Russia initialed a border agreement which recognizes the existing boundary. In contrast to that, the situation with Latvia has been frozen. Although Riga is willing to follow Tallinn's example, it appears to have been "punished" by Moscow for the provocations which it allowed to take place in 1998. Thus, by mid-1999, one border treaty has been signed, one initialed, and none ratified.

The lack of border agreements was considered by some in Russia as a factor denying or at least delaying the two states' accession to NATO. It is not difficult to see, however, how such tactic could become counter-productive. Moscow's reluctance to accept its own position on the border will be seen for what it's worth, namely, a crude attempt to keep its neighbours from joining Western economic and security alliances. Moreover, it can be effectively obviated. In a display of their resourcefulness, the Estonians, for example, are contemplating a substitute for the bilateral treaty in the form of a special piece of national legislation recognizing the Russian law on the borders of the Russian Federation.

Thus, the border issue, though officially unresolved, is more of an artificial bureaucratic tangle than a political dispute. Russia's only sensible option is to proceed to formalize the existing boundary lines internationally. A failure to do so would do nothing to advance its larger goals; it would, however, further detract from Russia's credibility in Europe and America.

### c. The Prospect of NATO Membership

One new feature in Russian-NATO relations since last spring is the end of Moscow's reluctant acquiescence to the Alliance's territorial enlargement. Unable to prevent NATO from inviting ever new members, it is likely to view this expansion as zero-sum game with each new accession detracting from what remains of Russia's waning influence in Europe. Even before the NATO strikes against Yugoslavia, the Russian authorities warned that enlarging the alliance beyond the borders of the former Soviet Union would be stepping over a "red line" with dire consequences for Russia's relations with the Baltic States themselves and the West. This is even more true today. Any Russian government is certain to view such a step as a hostile anti-Russian act. The difference between Poland and, say, Lithuania as NATO members could be described as the difference between a threat to a nation's security interests and a threat to the nation itself. Thus, it would be a mistake for the West to ignore the fact that by inviting the Balts in – whether collectively or individually – it would create a strong impression in Moscow that it is prepared to take on Russia. Dispelling such impression by means of even a massive public-relations exercise will be hardly possible. In contrast to previous assessments of the likelihood that Russia, by becoming more affluent and solidifying its ties with the West, could over time reconcile itself with the Baltic countries' membership in the NATO alliance, there now appears to be little reason to expect Russia's acquiescence to this in the foreseeable future.

Now that Russia has withdrawn from the Partnership for Peace program, Moscow is likely to grow more suspicious about the Baltic States' cooperation with the Alliance. Even before, it had doubts about the nature of individual exercises within the program. In the light of Kosovo, some of these doubts are likely to turn into not too cheerful conclusions. The Russian Navy is especially concerned about the increased presence of U.S. Navy ships in the Baltic Sea.

In response to the perceived U.S.-led attempts to surround Russia with pro-Western alliances and associations (NATO in Central Europe and the Balkans, GUUAM to the south and southwest of Russian borders, and the Baltic States to the northwest), Moscow has proceeded to strengthen its defense alliance with Belarus. It may also revise its earlier conclusion, made in 1997, that the northwestern borders were the safest segment of its defense perimeter, which allowed a substantial reduction in Russian military deployments in the Leningrad military district and the Kaliningrad region. Incredible as this may sound, in 1999 Russia did not have a single army division deployed in that area. If push came to shove, however, it could increase its manpower through a unified military command with Belarus, but above all by means of greater reliance on nuclear forces.

#### d. Kaliningrad

Strictly speaking, Kaliningrad, Russia's enclave wedged between Poland, Lithuania and the Baltic Sea, is not an issue in Russian-Baltic relations. Apart from a few politicians in Lithuania, no one challenges its current status. Kaliningrad, however, is a factor of no small significance for Russian-Baltic relations.

Above all, Russia intends to keep this foothold on the southern shore of the Baltic Sea under its jurisdiction, and would resist any attempt to ease it out from there. As discussed in the Russian media and policy circles, Kaliningrad has many potential role models, from Hong Kong to Port Arthur to West Berlin. The choice largely depends on the future development of Russian-Western relations, but it would heavily impact Moscow's relations with the Baltic countries.

Following Poland's entry into NATO, Kaliningrad has become an area where Russian and NATO forces are in direct contact. It is from there that the implications for Russia of Poland's NATO membership will be most closely watched and analyzed. The prospect of Lithuania's joining the Alliance raises a number of immediate issues for both Russia and the West, from Russian military transit through Lithuania to Kaliningrad's economic dependency on its neighbours to civilian transborder contacts.

Authorities in Moscow, now more security-conscious, are likely to view with greater apprehension any sign of foreign "designs" on the territory and of indigenous attempts at raising the status of the oblast which would give it more autonomy from the federal center and an ability to deal directly with foreign governments.

#### e. Other risks

"Soft security" risks in the Baltic area include illicit trafficking of arms, drugs, and money laundering, etc. Since the demise of the Soviet Union, organized crime has been using the Baltic corridor for all sorts of criminal transfers, including for trade in the so-called strategic materials, which briefly made Estonia one of the world's top exporters of non-ferrous materials. By now, organized crime is deeply entrenched in both northwestern Russia (St.Petersburg, Kaliningrad) and in the three Baltic States and will be an important negative factor undermining societies and threatening individuals. As an important gateway for narcotics from Afghanistan, Pakistan and Central Asia to the West, the eastern Baltic is a security concern for the West as well.

Mutual confidence and trust between Russia and the Baltic States are those "scarce resources" which make constructing a new relationship in the area such a slow and difficult task. When Russia in 1997 offered the Baltic States "security guarantees", her overture was immediately rebuffed, for, to many Balts, it suggested uneasy parallels to Stalin's outwardly similar offers of 1939. The Russians, for their part, were too slow to recognize that their mistake was their insensitivity to their neighbours' psychological experience. Without trust and confidence, however, no stable gains are possible.

## **The opportunities**

All the above-mentioned risks notwithstanding, the Baltic Sea area offers potentially the greatest prospects for Russian-Western cooperation - in theory at least, leading all the way to their integration within a "greater", or "wider" Europe.

The prospects for Russian-Baltic relations are largely dependent on Russia's economic developments. The crisis of 1998 and a further delay in the start of economic growth have drastically reduced expectations of expanded cooperation. In fact, as it turned out, the less the Baltic countries were exposed to the Russian market, the smaller their losses were.

In the medium and especially the long term, however, if Russia eventually resumes growth, the Baltic States and Russia (above all its northwestern regions) can become an area for active economic interaction, using Russian natural resources, science and cheap labour, the Baltic States' transit facilities, and the EU's financial and technological base. Such cooperation would be aided by the Baltic countries' joining the EU - provided that the practical issues related to this change of economic status are successfully handled with Russia. A thriving "Northern Dimension" of the EU could be instrumental in forming a lasting integrative link between Russia and the rest of Europe. Thus, Estonia's - and other states' - accession to the EU will mean the emergence of the first significant group of "Eurorussians", which may have lasting implications.

It is important to note that the enlargement of the EU, unlike that of NATO, continues to find virtually no opposition in Russia. The EU is generally seen as a powerful facilitator of political and societal integration within the Baltic States, a security alternative to NATO and a provider of economic opportunity for Russia itself. It was easy to claim that the Russians found no particular problem with EU enlargement because the EU lacked two things that Moscow feared, i.e. the United States and an integrated military structure, but this "negative attractiveness" is likely to be supplemented, and overshadowed by the more positive attractiveness of the opportunities the EU creates.

To the extent that the Russian economy recovers, the Baltic States could claim advantage due to their proximity, transit position and unique knowledge of Russia - the country, the language and the people. The Russians (LUKoil, Gazprom, and other business interests), for their part, will expand their capital exports to the neighbouring states. Thus, stabilizing cross-dependencies will be created.

This process will be anything but smooth. The Baltic States have made it their priority to drastically reduce their dependence on Russian trade, and have been reluctant to allow major takeovers of local assets by Russian companies. For a number of commercial and strategic reasons, Russia will be careful not to become overdependent on the Baltic seaports. A Baltic pipeline system is planned to channel much of Russian oil and gas away from Latvian, Estonian and Lithuanian ports in favour of those on the Russian and Finnish coasts.

Moreover, the success of cooperation around the "Baltic Rim" will help orient Russia's important regions, from Kaliningrad to Karelia to Komi, together with Russia's northern capital, St. Petersburg, toward Europe. If Russia sees itself as part of the region rather than as an outsider, the chances of success will be much enhanced.

## **The prospects**

The Kosovo crisis makes it even more urgent that Russia and the West address the problems that have accumulated in their relations in the past decade, and make an effort to prevent a slide toward a new, and unwarranted alienation. The Russian-American relationship merits particular attention, because of the potential for further estrangement and even confrontation. No effort should be spared to solidify and expand the relations between Russia and the rest of Europe, relatively unaffected by the growing anti-American trends.

Russia's relations with Europe are not limited to the EU or its major powers. More than ever before, Russia's place and role in Europe will be defined by the quality of its relations with the smaller countries, and in particular its neighbours. In this respect, the Russian-Baltic relationship needs to be closely watched. Although they will be affected by the general context of Russian-Western relations, any serious moves within the region, whether by the Baltic States themselves, the West or Russia, could in their turn influence the situation in Europe as a whole.

The way the principal issues in this relationship are resolved or allowed to aggravate is an important indicator for the trends in the European security environment. How will the naturalization - in fact, nation-building - process in Estonia and Latvia develop? Will the post-Soviet borders in the region be finalized? What will be the pace and direction of NATO enlargement and what will be the consequences? Which of the several potential role models for Kaliningrad will become a reality? All these questions are of utmost importance today, and are likely to remain so in the next several years before they are resolved.

One way of dealing with the problems constructively is to more fully exploit the potential of the existing opportunities. The enlargement of the EU, and a more intensive Russian-EU relationship, Russian-Baltic economic cooperation, including at regional level, are all capable of mitigating the political and strategic differences and creating a common ground of mutual interests.

Ph.D. Dimitri Trenin  
Deputy Director of the Carnegie Moscow Center

Erschienen in:  
Informationen zur Sicherheitspolitik Nr.23 (Oktober 1999);  
Die Beziehungen zwischen Rußland und den baltischen Staaten;