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The Baltic States on their Way Towards Security
The Motivations of their Foreign Security Policies

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Sommaire

Depuis qu'elles ont regagné leur indépendance en 1991, les républiques baltes (l'Estonie, la Lettonie et la Lituanie) ont cherché à accroître leur sécurité en adoptant des politiques étrangères déséquilibrées. Tout en normalisant leur relation avec la Russie, elles cherchent à tout prix à s'aligner avec les États occidentaux et à devenir des membres de leurs organisations.

L'étude tente de décrire et d'analyser les stratégies de sécurité dualistes qu'ont adoptées les autorités baltes depuis leur indépendance, ainsi que les motivations de ces dernières à la lumière du concept de "sécurité" de l'après-guerre froide. Il est postulé que cinq facteurs influencent les politiques dualistes baltes: leur position géopolitique délicate; leur vulnérabilité militaire; leur économie précaire; leur société hétérogène ainsi que leur système politique non consolidé.

Ayant une meilleure compréhension de leurs politiques de sécurité et de leurs motivations, le lecteur pourra enrichir sa connaissance des dynamiques de l'ère post-guerre froide, notamment du concept multidimensionnel de sécurité ainsi que des défis auxquels sont confrontés les petits États et des façons dont ils les gèrent.

Dans un premier temps, nous nous attacherons à déterminer et à analyser les différents facteurs (les cinq précédemment cités) qui rendent les républiques baltes vulnérables et qui influencent leurs politiques étrangères. Dans un deuxième temps, nous étudierons leurs politiques d'alignement avec les États occidentaux et d'intégration vis-à-vis de leurs organisations internationales (l'Union européenne et l'OTAN) ainsi que leurs politiques de bon voisinage avec la Russie et leurs motivations.

Il ressort de notre étude que de tous les facteurs ayant une influence sur les politiques de sécurité baltes, c'est leur position géopolitique qui a joué un rôle prépondérant. D'un côté, menacées par leur voisin russe qui cherche à les retenir dans sa zone d'influence, les républiques baltes se sont alignées avec les États occidentaux afin d'obtenir des garanties de sécurité contre les visées expansionnistes russes et d'accroître leurs capacités militaires et économiques. Ne pouvant se permettre d'adopter une politique de confrontation avec la Russie, par manque de ressources financières et par l'absence de soutien des capitales occidentales, les États baltes ont tous trois préféré favoriser leur sécurité en établissant des relations de bon voisinage avec Moscou. Mais l'équilibre est loin d'être parfait entre les deux politiques menées de front. Des trois États baltes, c'est la Lituanie qui a adopté la stratégie de sécurité la moins déséquilibrée car elle a de meilleures relations avec la Russie de par sa composition ethnique, sa tendance politique et sa vulnérabilité économique face à la Russie.

Même si les républiques baltes ont fait de nombreux progrès dans bon nombre de domaines, il n'en reste pas moins que leur proximité avec la Russie les empêche d'en profiter pleinement. De plus grands efforts seront requis de leur part afin de trouver un modus vivendi avec la Russie sans laquelle elles ne peuvent pas accroître leur sécurité. Il est également dans l'intérêt des États occidentaux et de la Russie d'aider les pays baltes dans leur recherche de sécurité, faute de quoi la stabilité de l'Europe risque d'être compromise.

Résumé

Depuis la fin de la guerre froide, bénéficiant d'un environnement unipolaire propice à la coopération, les États de la région de la mer baltique peuvent à nouveau déterminer leurs politiques étrangères de sécurité sans l'ingérence constante des grandes puissances. Tous les pays ne sont pourtant pas sur le même pied d'égalité. Les républiques baltes (l'Estonie, la Lettonie et la Lituanie), ayant été des parties intégrantes de l'Union soviétique pendant cinq décennies, ont dû repartir à zéro, ne possédant pas d'attributs étatiques lorsqu'elles ont regagné leur indépendance.

Depuis le début des années 1990, les États baltes ont cherché à assurer leur survie et à accroître leur sécurité. Se sentant menacés par leur voisin russe, possédant peu de ressources et ne jouissant pas de profondeur stratégique, Riga, Tallin et Vilnius ont adopté une politique étrangère de sécurité dualiste. Tout en s'alignant avec les États occidentaux (leur priorité), les capitales baltes ont tenté de normaliser leur relation avec le Kremlin.

Le but de l'étude est d'analyser les politiques étrangères de sécurité baltes dans les années 1990 et leurs fondements à la lumière du concept de 'sécurité' de l'après guerre froide. Il est postulé que cinq facteurs influencent les politiques dualistes baltes: leur position géopolitique; leur vulnérabilité militaire; leur économie précaire; leur société hétérogène ainsi que leur système politique non consolidé. De tous ces facteurs, on retiendra l'hypothèse selon laquelle leur position géopolitique a la plus grande influence.

Une meilleure compréhension de leurs politiques étrangères déséquilibrées et de leurs motivations permettra au lecteur d'enrichir sa connaissance des dynamiques de l'ère post-guerre froide, notamment du concept de sécurité de l'après guerre froide ainsi que des défis auxquels sont confrontés les petits États situés dans un endroit géopolitique délicat et les façons dont ils les gèrent.

Dans un premier temps, nous nous attacherons à déterminer et à analyser les différents facteurs (les cinq précédemment exposés) qui rendent les États baltes vulnérables et qui influencent leurs politiques étrangères de sécurité. Dans un deuxième temps, nous décrirons et analyserons leur politique d'alignement avec les pays occidentaux, notamment leurs politiques d'intégration au sein de l'Union européenne et de l'Organisation du Traité de l'Atlantique Nord et leur politique de bon voisinage avec la Russie ainsi que leurs motivations avec l'aide des variables précédemment exposées.

1. Les facteurs d'influence des politiques étrangères de sécurité baltes

Avant d'étudier les politiques étrangères de sécurité des États baltes, il est indispensable de bien cerner les différents facteurs qui les rendent vulnérables et qui influencent leurs politiques étrangères.

Situées au coeur de l'Europe, un endroit géopolitiquement délicat, les républiques baltes ont été le terrain et l'enjeu de nombreux conflits régionaux depuis le treizième siècle. Même si le niveau de menace a beaucoup diminué depuis la fin de la guerre froide, elles se sentent toujours vulnérables. Avoisinant la Russie, un puissant mais instable pays qui n'accepte qu'en apparence leur indépendance et qui tente de les retenir dans son 'étranger proche', leur sécurité nationale est menacée.

Fonctionnant comme un pont convoité entre l'Est et l'Ouest de l'Europe, les États baltes sont d'autant plus vulnérables qu'à la suite de leur indépendance, ils ont dû reconstruire une armée nationale. Ne bénéficiant pas de profondeur stratégique, ayant peu de ressources à investir dans leur secteur de la défense, et face à une puissance militaire russe menaçante, la vulnérabilité des Baltes s'en trouve renforcée.

La sécurité nationale ne repose pas seulement sur des forces militaires de taille, mais aussi sur une économie viable, une fondation sociale harmonieuse et un système politique consolidé. Même si elles représentent des modèles pour les autres anciennes républiques soviétiques, les économies baltes sont peu compétitives sur le marché international. En effet, même si elles ont diversifié leurs partenaires commerciaux, la Lettonie et la Lituanie (plus que l'Estonie) restent dépendantes de l'économie russe, une économie des plus instables et des plus imprévisibles. Possédant peu de ressources naturelles, les républiques baltes sont extrêmement dépendantes du commerce extérieur et des investissements étrangers. Leurs économies sont par conséquent extrêmement vulnérables aux sanctions que leur impose périodiquement la Russie et aux fluctuations de l'économie internationale comme l'a prouvé la crise russe de 1998.

Résultat de la politique soviétique, la composition ethnique des États baltes (sauf celle de la Lituanie) a rendu la consolidation de leur État-nation difficile. En effet, leur intégrité territoriale et leur identité nationale se voient compromises par la présence de grosses minorités qui refusent d'intégrer les valeurs de l'État dans lequel ils vivent. De plus, la présence de la minorité russe a fourni maintes fois au Kremlin de prétexte pour intervenir afin d'influencer les lois nationales parfois très controversées.

Finalement, les peuples baltes se caractérisent pas leur apathie politique comme le démontre, entre autres, leur bas niveau de participation électorale. Leur attachement à leur régime politique et à leurs institutions est trop faible pour consolider leurs systèmes politiques. De plus, les États baltes se voient affligés d'une multitude de partis politiques, de parlements fragmentés et de gouvernements instables qui rendent la conduite des affaires nationales difficile.

Les cinq facteurs précédemment exposés confirment que les trois États baltes sont vulnérables à tout égard. Même s'ils ont fait de nombreux progrès dans les domaines militaires, économiques, sociaux et politiques, leur proximité avec la Russie, situation sur laquelle ils n'ont aucun contrôle, les empêche de pleinement bénéficier du fruit de leurs efforts. A cause de leurs vulnérabilités, la sécurité

nationale des États baltes ne peut pas que reposer sur leurs réformes domestiques: elle dépend également de la qualité et du succès de leurs politiques étrangères.

2. Les politiques étrangères des États baltes en matière de sécurité dans les années 1990

Après avoir regagné leur indépendance, les républiques baltes ont tenté de conserver ce statut et d'accroître leur sécurité. Trois stratégies leur étaient offertes: la neutralité, une relation étroite avec leur voisin russe et l'alignement avec les États occidentaux. La voie de la neutralité fut rapidement abandonnée étant donné que celle-ci n'a pas empêché les pays baltes d'être annexés en 1940 et qu'ils sont incapables de se défendre seuls contre une attaque étrangère. Voulant à tout prix oublier leur passé de républiques soviétiques et appréhendant les visées expansionnistes russes, les capitales baltes ont opté pour l'alignement avec les États occidentaux, considérant cette option comme l'antidote ultime contre leur vulnérabilité. Une politique de bon voisinage avec la Russie n'a pas pour autant été écartée, mais il ne s'agit pas de leur priorité première.

Si les États baltes ont adopté une politique étrangère dualiste, c'est principalement en raison de leur position géopolitique. Les États baltes se refusent à établir une distanciation entre l'actuelle Russie et l'ancienne Union soviétique puisque Moscou tente de les retenir dans sa sphère d'influence en exploitant leur vulnérabilité économique, la carte des minorités et en les empêchant de devenir des membres de l'OTAN. Ne retenant que l'aspect militaire dans leur recherche de sécurité, les républiques baltes cherchent à adhérer à l'OTAN afin d'obtenir des garanties de sécurité 'dures' face aux visées expansionnistes russes. Toutefois, réalisant que leurs chances d'adhésion sont minces, elles intensifient de plus en plus leurs efforts pour devenir des membres de l'UE, laquelle confère à ses membres des garanties de sécurité 'douces' et des avantages économiques.

Afin d'accroître leur sécurité, les États baltes ne cherchent pas seulement à s'aligner avec les États occidentaux: ils tentent également d'établir des relations de

bon voisinage avec la Russie. Ce n'est pas chose facile compte tenu des nombreux problèmes résultant de l'héritage soviétique des États baltes. Toutefois d'importantes concessions ont été faites au Kremlin dans de nombreux domaines, par exemple en ce qui concerne leurs politiques de citoyenneté et leur reconnaissance des frontières communes. Adopter une politique antagoniste n'aurait pas été dans l'intérêt des États baltes: étant vulnérables à bien des égards et ne bénéficiant pas encore de garanties de sécurité occidentales, ils auraient accru leur insécurité. De plus, voulant absolument devenir des membres des organisations européennes et transatlantiques, ils sont obligés de faire leur possible pour trouver un modus vivendi avec la Russie, faute de quoi leurs perspectives d'adhésion risquent d'être compromises.

Il apparaît que même si les républiques baltes ont toutes adopté des politiques dualistes déséquilibrées, c'est la Lituanie qui a opté pour la stratégie la plus équilibrée. De par sa composition ethnique, ses tendances politiques et sa vulnérabilité économique face à la Russie qui reste son premier partenaire économique, elle entretient de meilleures relations avec cette dernière que ses voisins baltes. D'ailleurs son intérêt pour Kaliningrad en est la preuve.

Conclusion

Même si les républiques baltes ont fait de nombreux progrès dans bon nombre de domaines depuis leur indépendance, il n'en reste pas moins que leur position géopolitique les empêche d'en profiter pleinement. De plus grands efforts seront requis de leur part afin de trouver un modus vivendi avec la Russie sans laquelle elles ne peuvent pas accroître leur sécurité. Il est également dans l'intérêt des États occidentaux et de la Russie d'aider les pays baltes dans leur recherche de sécurité, faute de quoi la stabilité de l'Europe risque d'être compromise.

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Glossary of Terms and Acronyms

BALTBAT	Baltic Peacekeeping Battalion
BALTDEFCOL	Baltic Defense College
BALTNET	Baltic Air Surveillance Network
BALTRON	Baltic Naval Squadron
BALTSEA	Baltic Security Assistance Group
CBSS	Council of the Baltic Sea States
CFE	Conventional Forces in Europe
CFSP	Common Foreign and Security Policy
CIS	Commonwealth of Independent States
CSCE	Conference on Security and Cooperation in Europe
EBRD	European Bank for Reconstruction and Development
EU	European Union
FDI	Foreign Direct Investment
GDP	Gross Domestic Product
IPP	Individual Partnership Program
LDPL	Lithuanian Democratic Labor Party
MAP	Membership Action Plan
MD	Military District
NACC	North Atlantic Cooperation Council
NATO	North Atlantic Treaty Organization
NIPP	National NATO Integration Programme

NPAA	National Program for the Adoption of the Acquis
Oblast	Region
OECD	Organisation for Economic Co-operation and Development
OSCE	Organization for Security and Cooperation in Europe
PfP	Partnership for Peace
PHARE	Poland and Hungary: Action for the Reconstructing of the Economy
TACIS	Technical and Financial Assistance to the former Soviet Union
UN	United Nations
USSR	Union of the Soviet Socialist Republics
WEU	Western European Union

For my parents

with all my love

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Introduction

Over the last ten years, numerous changes, previously unthinkable, took place in the European security environment. Nowhere is it more obvious than in the Baltic Sea region. Examples include the following: the Soviet Union collapsed; Germany was reunited; previously neutral Scandinavian states joined the European Union (EU) and became active partners of the North Atlantic Treaty Organization (NATO); three former members of the Warsaw Treaty Organization were recently invited to join NATO; the Baltic states, deprived of their independence during the Cold War, re-emerged as sovereign actors on the international scene[1]; Russia and NATO signed the Founding Act, providing for consultation and cooperation mechanisms.

Since the superpower rivalry has lifted, important obstacles to co-operation have disappeared and the level of regional military threat has substantially decreased in the Baltic Sea region.[2] As the international environment is stable and encourages 'soft' alignment, small states are said to be "protected"[3]. Benefiting from a low-tension unipolar environment, they have once again the opportunity to formulate their policies

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[1] For the purpose of this thesis, the Baltic states are defined as consisting solely of Estonia, Latvia and Lithuania. The Baltic Sea region consists of Denmark, Estonia, Finland, Latvia, Lithuania, the Russian districts of St. Petersburg and Kaliningrad, Sweden, and the Northern regions of Poland and Germany.

[2] Birthe Hansen, "The Baltic States and Security Strategies Available," The Baltic States in World Politics, eds. Birthe Hansen and Bertel Heurlin (Surrey: Curzon Press, 1998) 91.

[3] Ibid., 92.

and chose their security strategies without the constant interference of imposing and manipulative great powers. Not all countries however enjoy this new freedom of action equally. Indeed, in 1991, Estonia, Latvia and Lithuania, previously Soviet republics, had to design their policies from scratch, a real disadvantage compared to other Central and Eastern European countries which already possessed the formal attributes of independent statehood at the time when the Soviet Union collapsed.

1. The Subject

After regaining their independence, the Baltic republics sought to ensure the irreversibility of their new status. Like all other small and vulnerable states, they had three security strategies to chose from: neutrality; bandwagoning (in this case, a close relation with their powerful yet unstable Russian neighbor) and alignment (here, the membership of the Western coalition consisting of the Western European states, Canada and the United States of America).[4] Feeling threatened by their Russian neighbor, having limited resources and lacking strategic depth, the Baltic authorities chose to adopt dual foreign policies to increase their security: while aligning with the Western states (their ultimate priority), they have sought to normalize their relations with Russia.

This thesis will attempt to study the unbalanced co-operative security strategies adopted by Estonia, Latvia and Lithuania since their independence in the light of the post-Cold War meaning of the term 'security'.[5] It will attempt to describe and analyze the various variables at play and the foreign security policies that the Baltic states have adopted towards the Western states and Russia.

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[4] Ibid., 104.

[5] Hansen, inspired by Heurlin, is the first analyst to have used the phrase "'balanced' co-operative security" to describe the Baltic security strategy. He specifically refers to their "one bridge" -between the core of Europe and Russia- strategy. Ibid., 108-109; Bertel Heurlin, Security Problems in the Baltic Region in the 1990's (Copenhagen: Danish Institute of International Affairs, 1997) 220. Here the adjective 'unbalanced' is employed in order to account for the fact that the Baltic states prioritize their relations with the Western states above their relations with the Russian federation.

2. The Significance of the Subject

Having a full understanding of the various factors which motivate the Baltic republics to integrate the Western security architecture (mainly the EU and NATO) and to establish good-neighborly relations with Russia will help us better appreciate the post-Cold War conception of 'security' together with the challenges small states located in strategically sensitive places confront and how they tackle them.

First, the analysis of the rationales of the Baltic foreign security policies will allow us to better understand the post-Cold War meaning of 'security', a term which reflects its time. Buzan, a well-known specialist in this domain, has noticed that the rising global interdependence has widened its definition and implications.[6] Carrafiello and Vertongen summarize this revolution: "The prior security concept was highly militarized, confrontational and national. The current one is multi-dimensional, co-operative and transnational."[7] A study of the Baltic states will demonstrate that national security does not only rest on military means and on a secure environment but also on a viable economy, a harmonious social foundation and on a consolidated political system.

Through the study of the Baltic states' contemporary unbalanced co-operative security strategies, one can also better comprehend the challenges small states are confronted to in the post-Cold War "turbulent world" which happens to be "more [of] an emergent pattern than a fixed arrangement."[8] Even if the Soviet menace has vanished, small Central and Eastern European states, notably new political actors situated in delicate geopolitical locations, feel less secure than others. Threatened by Russia, they realize that the antidote to their insecurity, a united post-Cold War

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[6] Barry Buzan, People, States and Fear. An Agenda for International Studies in the Post-Cold War Era, 2nd ed., (Boulder, Colorado: Lynne Rienner Publishers, 1991) 9, 12-13.

[7] Lewis J. Carrafiello, and Nico Vertongen, Pivotal States, Pivotal Region. Security in Estonia, Latvia, Lithuania and the Baltic Sea Region, Cahiers Internationale Betrekkingen en Vredesonderzoek 56.2 (Leuven: Center for Peace Research & Strategic Studies, 1998) 19.

[8] James N. Rosenau, "Security in a Turbulent World," Current History 94.592 (1995): 200.

European order, has not yet been established.[9] Meanwhile, they seek to apply an intermediate solution to increase their security. In this respect, the Baltic states constitute one of the most interesting study cases because they are the only former Soviet republics which actively seek EU and NATO memberships and which are not members of the Commonwealth of Independent States (CIS).

3. The Conceptualization

The dependent variable of this work is the foreign security policies adopted by Estonia, Latvia and Lithuania in the 1990's. It is subdivided into two:

a) the Baltic states' security policies adopted towards the Western states, more specifically towards their two major international organizations: the EU and NATO;

b) the Baltic states' security policies adopted towards the Russian federation.

The independent variables which have been retained consist of the following:

a) the Baltic states' delicate geopolitical position;

b) the Baltic states' military vulnerability;

c) the Baltic states' precarious economies;

d) the Baltic states' heterogeneous societies;

e) the Baltic states' unconsolidated political systems.

One ought to keep in mind that the three Baltic states have made considerable headway since they regained their independence in 1991. From having been integral parts of the Soviet Union, they have, in less than a decade, succeeded in establishing relatively stable political systems, internationally recognized military forces and diversified trade partnerships. They have also started, all in their own ways, to

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[9] Allens Sens, "The Security of Small States in Post-Cold War Europe," From Euphoria to Hysteria. Western European Security after the Cold War, ed. David G. Haglund (Boulder, San Francisco, Oxford: Westview Press, 1993) 244.

integrate their national minorities. Since the thesis covers the period between 1990 and 1999, it will attempt to take this evolution into account.

It should also be reminded that even if numerous analysts have considered the Baltic states as a homogeneous unit (they are all located in the same sensitive geopolitical location; they share a similar painful Soviet experience; they have common foreign policy goals...), they can not be constantly regarded as such.[10] Consequently, this thesis will treat the Baltic republics as a single entity whenever their similarities outweigh their differences and will analyze them on an individual basis when their divergent features requires it.

4. The Research Question

This thesis attempts to clarify the motivations of the unbalanced co-operative security approaches adopted by Estonia, Latvia and Lithuania since their independence in 1991.

In this perspective, one may ask the following set of questions: How have the Balts been perceiving security since the end of the Cold War? Have they perpetuated the Cold War tradition by trying foremost to ensure their military security? Or have they adopted a multi-dimensional conception of security which encompasses not only military and political considerations, but also economic and societal aspects and which is defined not only in national but also in international terms?

We will try to expose the main challenges the Baltic states have been confronted to since the early 1990's and analyze how they have tackled them. More specifically, we will ask ourselves the following questions: Which are the factors that influence their foreign security policies? Are they essentially domestic or do they

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[10] Paul A. Goble, "The Baltics: Three States, Three Fates," Current History 93.585 (1993): 332-336; Paul A. Goble, "Three Nations, Three Individualities - One Common Destiny," NATO's Nations and Partners for Peace (Getting Ready for NATO: The Baltic States) (1999): 11-12.

originate from the international environment? Which is the variable that has the most impact on their unbalanced co-operative security approaches? Do the Estonian, Latvian and Lithuanian foreign security policies differ to such an extent that one ought to consider them individually? If this is the case, which are these differences and how do they affect their individual foreign policies?

This thesis will attempt to describe and analyze the motivations of the Baltic states' foreign security policies both toward the Western states and the Russian federation since 1991. In other words, why and how do the three Baltic republics endeavor to integrate the Western security architecture (EU and NATO) and attempt to normalize their relations with their powerful yet unstable and unpredictable neighbor?

5. The Hypotheses

The aim of this thesis is to demonstrate that five factors influence the unbalanced co-operative security strategies that the Estonian, the Latvian and the Lithuanian republics have adopted since their independence. They are: a) the Baltic states' delicate geopolitical position; b) their military vulnerability; c) their precarious economies; d) their heterogeneous societies; and e) their unconsolidated political systems (the five independent variables of the study).

It is posited that the geopolitical location of the Baltic states is the factor which influences their dualistic foreign security policies the most.

6. The Methodology

This thesis will both use the descriptive and the analytical approaches.

In order to study the motivations of the Baltic states' foreign security policies, the arguments are based on three different yet complementary sources: interviews, primary and secondary sources. Due to the fact that only a handful of Baltic political analysts have published monographs, articles in scholarly journals, or theses in accessible languages on the post-Cold War situation of their countries, it has been deemed necessary to interview native specialists in their country of origin. University professors of political science, directors of political institutes, diplomats, and EU's and NATO's officials were therefore contacted. To complement their extremely useful information, interviews were also conducted with various defense attachés whose countries have an important influence on the Baltic states' policies, namely Denmark, France, Poland, Russia, and the United States.[11]

The primary and secondary sources mainly consist of articles in scholarly and professional journals, conference proceedings, information compiled by various political institutes, international organizations and national ministries, history books, and theoretical works.

This thesis comprises two sections. The aim of the first part is to identify and analyze the various factors that render the Baltic states vulnerable and influence their foreign security policies. The second part comprises an analysis of their unbalanced co-operative security approaches and their motivations by describing and analyzing on the one hand, their policies towards the Western states (namely their core organizations, (i.e., EU and NATO) and on the other, their policies towards the Russian federation.

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[11] For the complete list of the interviewees, please see annex.

Part One

The Factors Influencing the Baltic States' Foreign Security Policies

Before describing and analyzing the unbalanced co-operative security strategies of Estonia, Latvia and Lithuania, it is important to understand the various factors of influence which motivate their foreign policies. A study of the different dimensions of their security is therefore crucial.

Since their independence in 1991, the three Baltic republics have been very insecure in every sense of the word. Not only do they lack reliable military forces to defend their territorial integrity and do they suffer from precarious economies, heterogeneous societies and unconsolidated political regimes. They are also neighbors to a powerful state that has not yet entirely accepted their independent status. This section will expose all of the factors (namely the geopolitical, the military, the economic, the social and the political variables) which have rendered Estonia, Latvia and Lithuania vulnerable and which have pushed them to adopt the foreign security policies they have been pursuing since the early 1990's.

A. The Baltic States' Delicate Geopolitical Position

The security of a state largely depends on its environment. A state is necessarily more vulnerable to external attacks if it is surrounded by revanchist countries than if it has neighbors in favor of the status quo. Situated in the very heart of Europe, the Baltic states occupy a strategically sensitive area.[1] Forming a gateway between Eastern and Western Europe and having valuable ice-free ports, they have been the objects of numerous regional conflicts since the thirteenth century. Even if the level of external threat has drastically decreased in the Baltic Sea region since the end of the Cold War, the Baltic republics still feel vulnerable. Located next to Russia, a powerful and unstable state which has not yet fully accepted their independence, their national security is threatened.

1. The Geographic Assets of the Baltic States

The territory occupied by the Balts has always represented a convenient gateway between Eastern and Western Europe. On the one hand, in the eyes of the West, it represents an important transit center for trade between Europe and Russia. On the other hand, since the rule of Peter the Great (1672-1725), Russia has considered the Baltic territory as an ideal "window on Europe" to transit its merchandises and to wage counterattacks against the West. From Russia's point of view, the strategic importance of the Baltic states has further increased since they regained their independence. As a matter of fact since the early 1990's, in order to access the Baltic Sea, Russia has been dependent on the goodwill of Estonia, Finland

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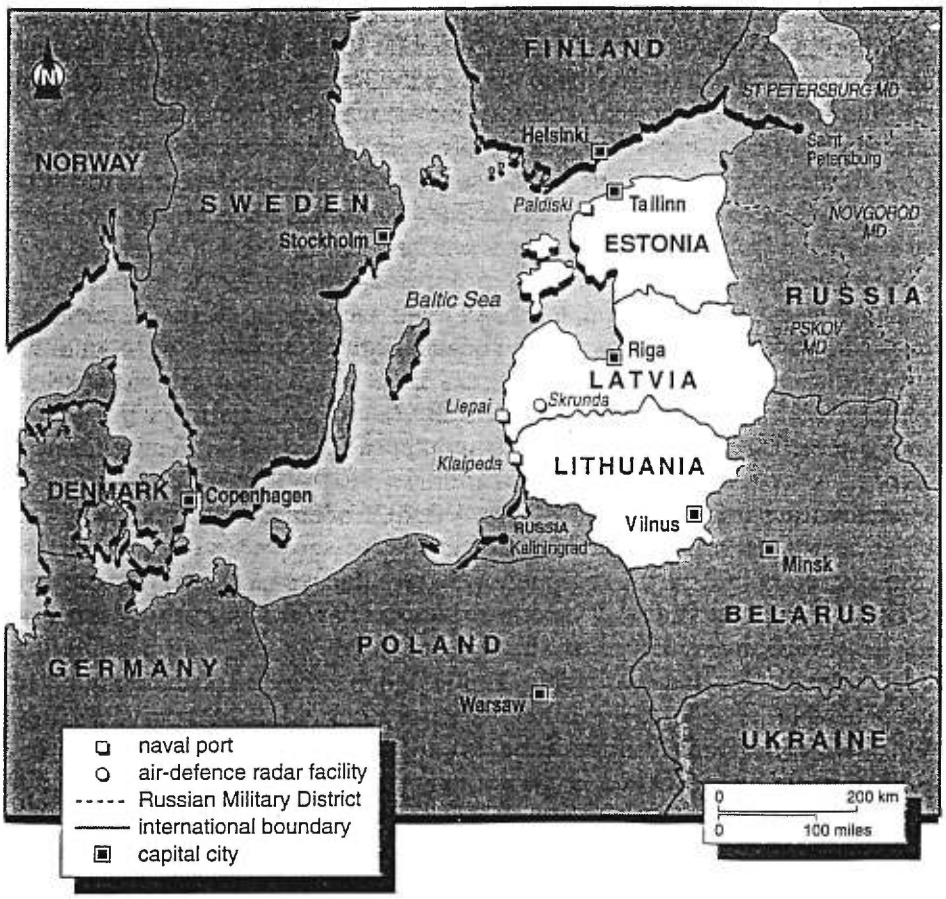
[1] The French National Geographical Institute declared in 1989 that the geographical center of Europe (from the Atlantic to the Urals) lies at 25 degrees 19' longitude and 54 degrees 54' latitude, just North of Lithuania's capital Vilnius. Lara Belonogoff, Vilnius in Your Pocket, 40 (2000): 65.

(due to its narrow access through the Gulf of Finland and the latter shallow common waters) and Lithuania (to reach its Kaliningrad exclave).[2]

Figure 1.1. The post-Cold War Baltic Sea region



Source: Ronald D. Asmus, and Robert C. Nurick, "NATO Enlargement and the Baltic States," Survival 38.2 (1996): 125.

Apart from being a valuable bridge between Eastern and Western Europe, the Baltic states possess coveted ice-free ports. Since its extremely narrow straits prevent the occurrence of tides, the Baltic Sea has a low level of salinity which renders the use

[2] Lena Jonson, "Russian Policy in Northern Europe," Russia and Europe. The Emerging Security Agenda, ed. Vladimir Baranovsky (Oxford: Oxford University Press, 1997) 311.

of ice-breakers indispensable in numerous ports during winter.[3] The Baltic ice-free ports such as Ventspils, Liepaja and Klaipeda are therefore precious assets for whoever monopolizes them. Being easily annexed due to its flat geographical topography, whoever controls the Baltic territory benefits from valuable assets which allow an easier take-over of the Baltic Sea region.

2. *A Short Historical Overview: From 1200 to 1991*

Over the centuries, the Baltic states' geographical location and ice-free ports have provoked numerous regional battles in the name of economic, ideological and strategic interests.

As early as the thirteenth century, upon the request of the Pope, the German Teutonic Knights began a crusade against the Baltic tribes. Courland and Livonia (present Latvia and southern Estonia) were quickly conquered. By purchasing northern Estonia from the Danes in 1346, the territory presently occupied by Estonia and Latvia came under German influence.

By contrast to its two Baltic neighbors, Lithuania has had a long history of independent statehood. By resisting the Teutonic attacks, the Grand Duchy of Lithuania succeeded in remaining free of German rule. Between 1250 and 1430, uniting its forces with Poland, the Duchy even managed to conquer Slav territories to the East and to defeat the German Knights in 1410. One hundred and fifty nine years later, Lithuania, fearing a revanchist Russia, merged with Poland. The Union of Lublin, quickly dominated by Poland, turned out to be a political mistake for Lithuania

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[3] Jean-Paul Robyns, "Une stratégie modifiée en mer baltique," Diss. Institut Royal Supérieur de Défense de Belgique (1998) 16.

which, during the reign of Vytautas the Great (1392-1430), had been one of the most powerful European states stretching over more than 930 000 km^2.[4]

After Russia was united, the Germans proved unable to defend the northern Baltic lands. While Estonia and Livonia came under Swedish control, Courland and eastern Latvia became parts of the Union of Lublin. A century later, after the Great Nordic War between Russia and Sweden, the Russian take over of Estonia and Livonia was formalized by the Treaty of Nystad of 1721. After the third partition of the internally divided Polish-Lithuanian state (1772, 1793 and 1795), Courland and Lithuania fell under Russia's jurisdiction. From then onwards, the entire territory presently occupied by the Baltic states was ruled by Russia until the end of the First World War. In 1918, benefiting from the breakdown of the tsarist authority and the German defeat, Estonia, Latvia (which until then had permanently been subject to foreign powers) and Lithuania proclaimed their independence.

Two years later, their independence received international recognition. By then, Poland, which sought to re-establish the Polish-Lithuanian state, annexed the Lithuanian capital and its surrounding region (largely populated by Poles and Jews). In 1939, Germany and the Soviet Union determined the fate of the Baltic peoples by signing the Molotov-Ribbentrop Pact (a pact of non-aggression which included a secret protocol) and a second secret agreement. Since the Baltic republics were placed within the Soviet sphere of influence, the Soviet authorities rapidly endeavored to integrate them into the Soviet Union.

That same year, using their incapacity to defend their territorial integrity on their own as a pretext, Moscow forced the Baltic states to sign military agreements. After sham elections, the new Baltic governments applied for admittance to the Soviet Union in August 1940. From the moment on when they became Union republics, they were subject to Sovietization. Their industries were nationalized and their agriculture

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[4] Gintaras Tamulaitis, National Security and Defence Policy of the Lithuanian State, United Nations Institute for Disarmament Research, Research Paper 26 (New York, Geneva: United Nations, 1994): 1.

collectivized. While numerous Baltic citizens were deported (generally to Siberia), an impressive number of Russian soldiers were dispatched to defend the Soviet Union from the perceived NATO threat and to assure control of the three republics whose loyalty was questioned. Successive waves of Russian immigrants also came to replace the indigenous administrative, economic and political leaders.

When Gorbachev launched the program *perestroika* (restructuring) and *glasnost* (openness) in the mid-1980's, Popular Fronts were formed in each of the three Baltic republics which mobilized the Baltic populations in support of autonomy and, later, of independence. Soviet attempts to crush the independent movements with military force backfired in January 1991. Apart from strengthening the Baltic wish for independence and raising strong international criticism, they revealed the central authorities' impotence. Half a century after their integration into the Soviet Union, Estonia, Latvia and Lithuania, taking advantage of the failed coup attempt by conservatives in Moscow, peacefully regained their places on the international scene as independent actors.

This brief historical overview confirms the following statement:

> "[The Baltic states'] geographical situation and the favorable conditions [they] offer for the development of trade, crafts and national prosperity have been of decisive importance in Lithuania's [Estonia's and Latvia's] history but not, unfortunately, always to the good."[5]

3. *The Baltic States' Post-Cold War Geopolitical Position*

Even if the level of external threat in the Baltic Sea region has drastically decreased since the end of the Cold War, Estonia, Latvia and Lithuania still feel vulnerable from a geopolitical point of view. Despite the fact that the international community recognized their independence fairly quickly, the Balts still believe that

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[5] Ibid., 3.

their role and place in Europe is uncertain.[6] This is mainly due to their proximity to the Russian federation, which, even if it recognized their independence in 1991, has not yet entirely accepted their new status.

Since the early 1990's, Russia has considered all the non-Russian former Soviet republics as part of its 'near abroad' (i.e., its sphere of influence) as opposed to its 'far abroad' and has sought to retain them within it through various means. Since it became the legal successor of the Soviet Union, Russia has affirmed that it is entitled to a leadership role within the territory previously covered by the Soviet Union and has expected the international community to accept this position. In his address to the United Nations' General Assembly in 1993, Andrei Kozyrev, the Russian Minister of Foreign Affairs, confirmed this standpoint when he declared that "the power vacuum created after the collapse of the USSR could and should only be filled by Russia and that no international organization or group of states could replace Russian peacekeeping efforts in the post-Soviet area."[7] The Key Tenets of the Concept of Foreign Policy of the Russian Federation signed into law by President Boris Yelstin in April 1993 further discloses Russia's interests in its 'near abroad'. As the document stipulates:

> "The vitally important interests of the Russian federation are connected, first of all, with the development of its relations with the states of the near abroad. The interests concern: nuclear instability in the region, the role and status of conventional forces and Russian troops in the region, safeguarding the human and civil rights of Russian citizens living in the region, and the resolution of potential territorial and border disputes."[8]

To fulfill its interests, the Russian authorities have not hesitated to evoke the possible use of military means. Concerning the defense of the rights and interests of the Russian-speaking minority, Kozyrev declared on April 18, 1995: "There may be cases

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[6] Peter van Ham, "The Baltic States: Security and Defence after Independence. Introduction," Chaillot Paper 19 (1995): 1.

[7] Ilmars Viksne, "Latvia and Europe's Security Structures," Chaillot Paper 19 (1995): 75-76.

[8] Cited in: Carrafiello and Vertongen, Pivotal States 31.

when the use of direct military force will be needed to defend our compatriots abroad."[9]

Compared to the other former Soviet republics, the three Baltic states constitute a unique case because they always have categorically refused to become CIS members and have sought to obtain EU and NATO memberships instead. Due to their historic ties with the Soviet Union and the fact that they host a significant number of its 'compatriots' (over half a million), Russia has decided to develop an approach similar in various respects to the one it has adopted towards the other former Soviet republics. Although military force has never been used against neither of them since their independence, several other measures have betrayed Russia's intention to retain them within its sphere of influence. They include Russia's objections to sign border treaties with the Baltic states, its hesitation to withdraw its troops and the threat of economic sanctions.

Since Estonia and Latvia renounced their territorial claims in the mid-1990's after having much insisted that Russia restores the 1920's borders, and since Lithuania found an arrangement concerning the military transit to Kaliningrad, the hindrances of the border agreements' settlement with Russia have been cleared away.[10] Yearning to influence their foreign security policies (namely their integration policies towards NATO which it strongly opposes), Russia has refused to sign border agreements with the three Baltic states (a sine qua non condition to become a member of NATO). In 1997, Sergey Yastrzembsky, Yelstin's spokesman, made this point very clear when he argued that the Baltic states "even from a formal point of view fail to meet very many criteria set by NATO countries themselves." Implying the signing of border agreements, he further stated: "These requirements include clear-cut relations with neighbors."[11] As stipulated by the latest available presidential office's policy guidelines

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[9] Cited in: Van Ham, "The Baltic States: Security and Defence" 7.

[10] For contested areas, please see figure 5 in annex.

[11] Cited in: Donatas Ziugzda, "Baltic States in the Perspective of Russia's Security Policy," Lithuanian Foreign Policy Review 1.4 (1999): 61-62.

with regard to the Baltic states issued in February 1997, the Kremlin has vowed not to sign any border agreements with the Baltic authorities until there were "specific measures" to improve the situation of the Russian 'compatriots' there.[12] Only in October 24, 1997, did Yeltsin finally decide to sign the first border agreement with Lithuania. The Russian parliament has however not yet ratified it and similar agreements have not yet been signed with Tallinn and Riga.

Apart from refusing to formally recognize their common borders (a formal attribute of statehood), the Kremlin has long hesitated to withdraw its military troops from the Baltic soil. Linking the withdrawal of its troops with other issues such as the rights of the Baltic states' Russian minorities, the financial compensation for Russian military property left behind and territorial disputes, Moscow postponed the troop withdrawal several times.[13] Furthermore, it has repeatedly sought to exploit its Baltic neighbors' economic vulnerability by threatening to impose economic sanctions on numerous occasions.[14] Similar rationales (mainly the rights of the Russian minorities in the Baltic states) were brought forward.

Besides directly threatening the national security of the Baltic states, Russia represents a threatening neighbor due to its significant domestic, economic, political and social difficulties. Some have even speculated that civilian unrest, triggered by economic and social hardships, could lead nationalist forces to seize power and issue threats to neighboring states.[15] Often perceived as a garrison region, the fate of the Kaliningrad exclave is a particular source of concern for the Baltic authorities as it

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[12] Ibid., 61.

[13] Alexander A. Sergounin, "In Search of a New Strategy in the Baltic/Nordic Area," Russia and Europe. The Emerging Security Agenda, ed. Vladimir Baranovsky (Oxford: Oxford University Press, 1997) 331.

[14] Numerous threats of sanctions were however not carried out and many sanctions were soon revoked since they were inefficient or backfired against the Russian-speaking minorities in the Baltic states whose salary largely depends on the transit and re-export of Russian goods. Ingmar Oldberg, "No Love is Lost - Russia's Relations with the Baltic States," Baltic Security: Looking Towards the 21st Century, eds. Gunnar Artéus and Atis Lejins (Riga: Latvian Institute of International Affairs and Försvarshögskolan, 1997) 169.

[15] Gediminas Vitkus (Institute of International Relations and Political Science of the University of Vilnius), Personal Interview, Vilnius, February 2000.

presently experiences economic and social upheavals.[16] Vygaudas Usackas, Deputy Foreign Minister of Lithuania, recently declared:

> "If the political, economic and social situation in Kaliningrad deteriorates further, and solutions for its development are not found, the area may become a "black hole" and a source of instability for the entire Baltic Sea region."[17]

For its part, Belarus has accepted the new status of the Baltic republics. Its domestic instability nevertheless indirectly threatens their security. Facing a significant economic crisis, mass unrest could lead to an armed conflict, inducing many civilians to seek refuge in more prosperous neighboring states, namely in the Baltic states.[18]

Contrary to Russia and Belarus, other neighbors of the Baltic republics have been assiduous supporters of their independence and their stable internal situations are far from threatening the Baltic states' national security.

Concerned with the well being of the three Baltic republics, the Scandinavian countries have been significantly involved in the region since the early 1990's. Brundtland summarizes their common position: "Any coercive behavior toward the Baltics would likely be viewed as an affront both to peaceful East-West cooperation in Europe and to the new Eastern policies of the Nordic states."[19] Although none of the Nordic states wishes to give them military security guarantees, they have intensively assisted them in numerous domains (e.g., custom services, defense, transportation, energy and environmental projects) due to their economic interests, their similar

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[16] Christian Wellmann, "Russia's Kaliningrad Exclave at the Crossroads. The Interrelation between Economic Development and Security Politics," Cooperation and Conflict 31.2 (1996): 163.

[17] Vygaudas Usackas, "Linking Russia with New Europe. Kaliningrad could Become Gate of Opportunity," The Washington Times 1 Dec. 1999: 8.

[18] Charles M. Perry, Michael J. Sweeney, and Andrew C. Winner, Strategic Dynamics in the Nordic-Baltic Region (Virginia: Brassey's, 2000) 48.

[19] Arne Olav Brundtland, "Nordic Security at the End of the Cold War: Old Legacies and New Challenges," Nordic-Baltic Security: An International Perspective, eds. Don M. Snider and Arne Olav Brundtland (Oslo, Washington: Center for Strategic and International Studies and the Norwegian Institute of International Affairs, 1994) 19.

security concerns and their sentimental-historical connections.[20] They also initiated various schemes to increase the Baltic states' security such as the "5+3" -Denmark, Finland, Iceland, Norway, Sweden + Estonia, Latvia and Lithuania- co-operative framework and the Plan Persson.[21] Since the early 1990's they also have actively supported their quest for EU membership, "an important pre-requisite for increased stability, security and social and economic development in the region" (Denmark is the only Nordic country to have lobbied for their NATO membership).[22]

Poland has also sought to increase the security and stability of the Baltic republics by initiating multiple co-operative programs. Poland, a front-runner for EU membership and a recent NATO member, has been a valuable partner of the Baltic states, especially of Lithuania. After disagreements over the status of Vilnius and the treatment of their respective minorities were settled, the two states became strategic partners. On September 19, 1996, the Lithuanian and Polish Presidents signed a declaration stipulating that both states would support each other in their integration policies towards the Western core organizations (i.e., EU and NATO). One year later, the Polish Foreign Minister confirmed Warsaw's support: "Lithuania can expect that when Poland becomes a member of NATO and the EU, she will become the motor pushing for Lithuania's entry."[23]

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[20] Steen Bornholdt Andersen (Danish Defense Attaché to Lithuania), personal interview, Vilnius, July 1999.

[21] Initiated by the Swedish Prime Minister in August 1996, the Plan Persson is structured around five main areas: a) bilateral relations with the Baltic states; b) regional cooperation in the EU and its enlargement; c) the upgrade of NATO's Partnership for Peace program; d) NATO's enlargement; and e) the improvement of the Baltic-Russian dialogue. Ulf Hjertonsson, "Sweden and Security in the Baltic Sea Region," 1st Annual Stockholm Conference on Baltic Sea Security and Cooperation, eds. Bo Huldt and Ulrika Johannessen (Stockholm: Swedish Institute of International Affairs, 1997) 59.

[22] Zaneta Ozolina, "Baltic-Nordic Interaction, Cooperation and Integration," eds. Atis Lejins and Zaneta Ozolina Small States in a Turbulent Environment: The Baltic Perspective (Riga: Latvian Institute of International Affairs, 1997) 140; Ronald Dietrich Asmus, "NATO Enlargement and Baltic Security," 1st Annual Stockholm Conference on Baltic Sea Security and Cooperation, eds. Bo Huldt and Ulrika Johannessen (Stockholm: Swedish Institute of International Affairs, 1997) 11.

[23] Antanas Valionis, Evaldas Ignatavicius, and Izolda Brickovskiene, "From Solidarity to Partnership: Lithuanian-Polish Relations 1988-1998," Lithuanian Foreign Policy Review 1.2 (1998): 22.

Even if the Baltic states are no longer the objects of regional conflicts, they still feel threatened by their Eastern neighbor's policies and, to a lesser extent, by the domestic instability of Belarus. Situated next to a great power which has not yet fully accepted their independence, and which seeks by various means to retain them within its sphere of influence, the security of the Baltic states is jeopardized.

B. The Baltic States' Military Vulnerability

In order to secure their territorial integrity that has been too frequently overlooked in the past, the Baltic states, lacking strategic depth, ought to have reliable military forces. This, however, is more difficult to achieve than it may appear to be. After regaining their independence in 1991, the Balts had to build their defense forces from scratch with limited financial resources. As a result, they have been unable to establish military forces capable of resisting a foreign assault on their own. Their proximity to a state which they fear and which has an armed force far superior to theirs further heightens their military vulnerability.

1. Historical Background

The contemporary military situation of the Baltic states is very different from what it had been during the Cold War. Between the 1940's and the 1980's, the Baltic Soviet republics constituted one of the most militarized regions in Northern Europe (they hosted the headquarters of the Baltic Military District, the Baltic Border District and the Baltic fleet). Explaining the Soviet military interests in the Baltic region, Zaccor argues that:

> "The strategic importance of the Baltic Military District for the Soviet Army lays in the fact that it was located at the intersection of two theatres of military operations, the Northwestern and the Western. In wartime, success in these

> two theatres as well as in the Arctic Ocean theatre would have hinged on successful operations in the Baltic Military District area of operations."[24]

The Soviet Union consequently invested a large amount of money and manpower in the Baltics, especially in Estonia and in Latvia. Due to the large deployment of troops in Kaliningrad, Lithuania's strategic importance was less considerable compared to its two Baltic neighbors.[25]

Since the three Baltic republics opted out from the Treaty on Conventional Forces in Europe (CFE) when they regained their independence, they were left without national armies and military equipment.[26] The slowly withdrawing Russian troops took all useful military hardware with them and destroyed everything else, leaving important ammunition dumps behind.[27] Not only were the Baltic states deprived from military capabilities, they were also refused financial compensation for the military equipment taken from them in the 1940's by the Russian authorities. Consequently, they were significantly more disadvantaged than the Central and Eastern European states which had retained their national armies during the Cold War, and only needed to reform them in the early 1990's. Even the other former Soviet republics were more advantaged as they divided the Soviet military resources amongst themselves within the terms of the CFE treaty.

While rebuilding their military forces from scratch, the Baltic states were confronted with the difficult issue of the Russian troop withdrawal. As the following

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[24] A.L. Zaccor, The Baltic States and Kaliningrad: A Briefing, (Sandhurst: Foreign Military Studies Officice, Fort Leavenworth Kansas Conflict Studies Research Centre, 1993) 7.

[25] Jeff Chinn and Robert Kaiser, Russians as the New Minority (Boulder, Oxford: Westview Press, 1996) 122.

[26] Would they have been parties of the CFE treaty, they would have been able to claim a share of the Soviet equipment on their territory. They preferred however to opt-out because they wanted to distance themselves from Moscow at all costs, especially after the January 1991 events when units of Soviet Internal Ministry forces attacked Vilnius' main television transmitter and the Latvian Interior Affairs Ministry, killing several civilians and injuring many others. Jane M.O. Sharp, "CFE and the Baltic Rim," The NEBI Yearbook 1998, eds. Lars Hedegaard and Bjarne Lindström (Berlin: Springer, 1998) 425.

[27] "Estonia's Search for Security and Stability," Baltic Briefing 2.1 (1993): 4; Eitvydas Bajarunas, "Lithuania's Security Dilemma," Chaillot Paper 19 (1995): 19.

table reveals, the number of Russian soldiers on the Baltic soil in the early 1990's was significantly superior to those of the Baltic states.

Table 1.1. Baltic and Russian military forces in the Baltic states (1992-1994) (personnel)

	Estonia		Latvia		Lithuania	
	Native	Russian	Native	Russian	Native	Russian
1992	2000	23000	2550	40000	4525	43000
1993	2500	7000	2550	17000	5327	2400
1994	2500	2000	2600	9000	6057	0

Sources: The International Institute for Strategic Studies, Military Balance 1992-1993 (Brassey's: London, 1992) 75, 78-79; The International Institute for Strategic Studies, Military Balance 1993-1994 (Brassey's: London, 1993) 79, 82-83; The International Institute for Strategic Studies, Military Balance 1994-1995 (Brassey's: London, 1994) 89, 94-95; The International Institute for Strategic Studies, Military Balance 1995-1996 (Brassey's: London, 1995) 265; Data provided by the Lithuanian Ministry of National Defense (August 2000).

Under the pressure of the international community and after several arrangements between Moscow and the Baltic capitals were made, Russia finally recalled its soldiers, first from Lithuania by August 1993, then from Estonia and Latvia a year later. From then on, the Baltic authorities were less constrained while rebuilding their military forces.

2. *The Baltic States' Military Forces: the "CNN Type of Defense" Option and the Regional Defense and Security Cooperation*

Since their independence, the three Baltic states have made significant headway in the military domain. The following tables show their evolution by providing quantitative figures regarding their military personnel and equipment.

Table 1.2. Military forces of Estonia (personnel)

	1992	1995	1999
Total Armed Forces (active)	2000	3500	4800
Air Force	n/a	50	140
Army	n/a	3300	4320
Navy	n/a	150	340
Paramilitary	n/a	2 000	2 800
Reserves	n/a	6 000	14 000

n/a: not available

Sources: The International Institute for Strategic Studies, Military Balance 1992-1993 (Brassey's: London, 1992) 75; The International Institute for Strategic Studies, Military Balance 1995-1996 (Oxford University Press: London, 1995) 84-85; The International Institute for Strategic Studies, Military Balance 1999-2000 (Oxford University Press: London, 1999) 87-88.

Table 1.3. Military forces of Latvia (personnel)

	1992	1995	1999
Total Armed Forces (active)	2550	2650	3600
Air Force	n/a	150	210
Army	n/a	1500	2550
Navy	n/a	1000	840
Paramilitary	12 000	4 300	3 720
Reserves	n/a	18 000	14 500

n/a: not available

Sources: The International Institute for Strategic Studies, Military Balance 1992-1993 (Brassey's: London, 1992) 78-79; The International Institute for Strategic Studies, Military Balance 1995-1996 (Oxford University Press: London, 1995) 89-90; The International Institute for Strategic Studies, Military Balance 1999-2000 (Oxford University Press: London, 1999) 91-92; Data provided by the Latvian Ministry of National Defense (August 2000).

Table 1.4. Military forces of Lithuania (personnel)

	1992	1995	1999
Total Armed Forces (active)	4525	7550	10058
Air Force	220	600	824
Army	4000	6526	8684
Navy	305	424	550
Paramilitary	n/a	4 000	3 900
Reserves	12 500	12 000	35 556

n/a not available

Sources: The International Institute for Strategic Studies, Military Balance 1992-1993 (Brassey's: London, 1992) 79; The International Institute for Strategic Studies, Military Balance 1995-1996 (Oxford University Press: London, 1995) 89-90; The International Institute for Strategic Studies, Military Balance 1999-2000 (Oxford University Press: London, 1999) 92-93; Data provided by the Lithuanian Ministry of National Defense (August 2000).

Table 1.5. Military equipment of Estonia (in units)

	1994	1997	1999
Army:			
reconnaissance	3 BRDM-2	7 BRDM-2	7 BRDM-2
armored personnel carrier	41 BTR-60/-70/-80	32 BTR-60/-70/-80	32 BTR-60/-70/-80
mortar 81 mm		41	44
120 mm		16	14
anti-tank guided weapon		5 Mapats	10 Mapats 3RB-56 Bill
rocket launcher		200 B-300	200 B-300
recoilless launcher 84 mm			109 Carl Gustav
106 mm		30 M-40A1	30 M-40A1
air wing		1 air defense battalion	
air defense guns 23 mm		100 ZU-23-2	100 ZU-23-2
helicopter		2 MI-2	
towed artillery			19 M 61-37
Navy:			
patrol craft inshore		3 (1)	3 (1)
mine counter-measures		2 Sulev (German Kondor -1)	2 Kalev (German Frauenlob)
support and miscellaneous		1 Mardus cargo ship 1 Laine cargo ship	5 (2)
Air Force:			
aircraft			2 An-2, 1 PZL-140 Wilga
helicopters			3 Mi-2

(1) 2 Grif (Zhuk); 1 Ahti (Danish Maagen) patrol craft inshore

(2) 1 Mardus cargo ship, 1 Laine cargo ship, 4 mine warfare (2 minelayers –Rymaettylae- 2 Kalev – German Fraeuenlob)

Sources: The International Institute for Strategic Studies, Military Balance 1994-1995 (Brassey's: London, 1994) 89; The International Institute for Strategic Studies, Military Balance 1997-1998 (Oxford University Press: London, 1997) 83; The International Institute for Strategic Studies, Military Balance 1999-2000 (Oxford University Press: London, 1999) 88.

Table 1.6. Military equipment of Latvia (in units)

	1994	1997	1999
Army:			
reconnaissance	2 BRDM-2	2 BRDM-2	2 BRDM-2
armored personnel carrier	13 M-42	13 Pskbil M/42	13 Pskbil m/42
towed artillery 100 mm		24 K-53	26 K-53
mortar 82 mm		4	5
120 mm		24	26
Navy:			
patrol craft	14 (1)	13 (2)	12 (3)
mine counter-measures		2 Kondor II	2 Kondor II 1 Lindou
support and miscellaneous		1 Nyrat tanker 1 Goliat tanker	1 Nyrat tanker 1 Goliat tanker 1 diving vessel
Air Force:			
aircraft	2 AN-2 2L-410	2 AN-2 1 L-410 1 AN 26	2 AN-2 1 L-410
helicopters	5 Mi-2 1 Mi-8	5 Mi-2 2 Mi-8	3 Mi-2

(1) 2 Kondor-II, 3 Osa-I, 5 Swedish coast guard patrol craft inshore, 4 converted fishing boats
(2) 1 Osa fast patrol craft (unarmed), 1 Storm patrol craft (unarmed), 1 Selga patrol craft inshore, 2 Ribnadzor, 5 KBV 236, 3 patrol craft harbor
(3) 1 Osa fast patrol craft, 1 Storm patrol craft, 2 Ribnadzor, 5 KBV 236, 3 patrol craft harbor

Sources: The International Institute for Strategic Studies, Military Balance 1994-1995 (Brassey's: London, 1994) 94; The International Institute for Strategic Studies, Military Balance 1997-1998 (Oxford University Press: London, 1997) 87-88; The International Institute for Strategic Studies, Military Balance 1999-2000 (Oxford University Press: London, 1999) 92.

Table 1.7. Military equipment of Lithuania (in units)

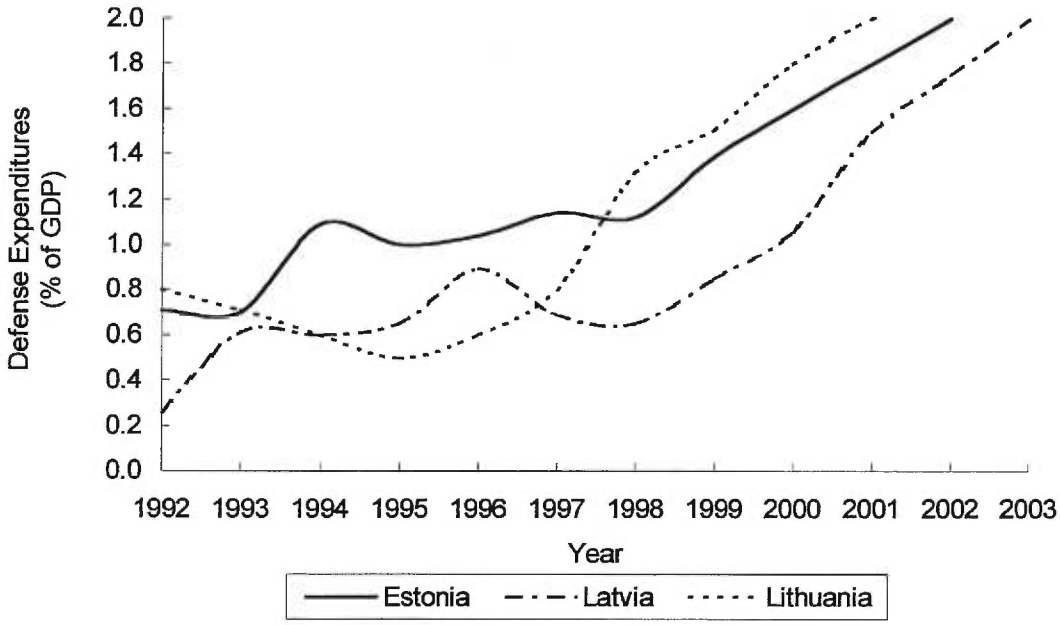
	1994	1997	1999
Army:			
reconnaissance	15 BTR-60	10 BRDM-2	11 BRDM-2
armored personnel carrier		14 BTR-60 10 Pskbil M/42	14 BTR-60 13 Pskbil m/42
mortar (120 mm)		18 M-43	36 M-43
recoilless launcher 84 mm		Carl Gustav quantity not available	170 RPG-2 119 Carl Gustav
Navy:			
frigates	2 Soviet Grisha-III	2 Soviet Grisha-III	2 Soviet Grisha-III
patrol and coastal combatants	7(1)	2 Soviet Turya hydrofoil torpedo, 1 KBV 236	4 patrol craft inshore: 1 Storm, 1 SK-21, 1 SK-23, 1 SK-24
support and miscellaneous		1 Kondor 1 Valerian Uryvayev	1 Valerian Uryvayev
Air Force:			
aircraft	4 L-39 2 L-410 24 AN-2	4 L-39 2 L-410 4 AN-26 1 AN-24	4 L-39 2 L-410 3 AN-26 1 AN-24
helicopters	3 MI-8	3 Mi-8 5 Mi-2	3 Mi-8 5 Mi-2

(1) 1 Swedish coast guard patrol craft inshore, 2 ex Soviet Turya hydrofoil torpedo, 1 ex-GDR Kondor I, 3 converted civilian craft

Sources: The International Institute for Strategic Studies, Military Balance 1994-1995 (Brassey's: London, 1994) 94; The International Institute for Strategic Studies, Military Balance 1997-1998 (Oxford University Press: London, 1997) 88; The International Institute for Strategic Studies, Military Balance 1999-2000 (Oxford University Press: London, 1999) 92.

Insofar as the military domain is concerned, Lithuania, the most fervent NATO Baltic applicant, has made the most progress. Its defense forces are both larger and better equipped than those of its smaller Baltic neighbors. Its defense budget is another proof of its military headway: by 2001, Vilnius plans to devote 2 percent of its gross domestic product (GDP) to military expenditures. Estonia and Latvia aspire to do likewise by 2002 and 2003.

Figure 1.2. Comparative defense expenditures of the Baltic states (1992-2003) (in percentage of GDP)



Sources: Lithuania, Ministry of National Defense, Overview Lithuanian National Defense System '99 (Vilnius: Ministry of National Defense, 1999) 11; Lithuania, Ministry of National Defense, White Paper '99 (Vilnius: Ministry of National Defense, 1999) 41; "The Basic Facts on the Estonian Defense Forces," NATO's Nations and Partners for Peace (1999): 41; Defense Ministry of Latvia, "Aizsardzibas ministrijas 2000.gada budpets" http://www.mod.lv/lv/default.htm, April 19, 2000.

In spite of their advances, the Baltic states' military forces (both their personnel and their equipment) and their military budgets still appear insignificant in international comparison. Even if they all have upgraded their military strength, it is very unlikely that they would be able to deter any external challenges to their sovereignty and territorial integrity, let alone defend their population, territory and national values on their own in the event of a foreign attack.

The idea of a Baltic defense union was quickly discarded by the Baltic authorities since they feared that NATO would misinterpret such a measure as being an alternative to NATO membership and thus decide not to open its doors to them. Furthermore, since there is almost no power projection capabilities in their military

forces, such a military alliance would be of a too much declaratory nature.[28] Even if the idea of a Baltic defense union has been abandoned, the three republics intensively cooperate with each other in the military domain. Since the early 1990's, apart from organizing regular trilateral meetings between the Ministers of Defense and the Commanders of Defense Forces, the Baltic republics have held various joint exercises and training activities. Numerous analysts have argued that the Baltic states have achieved the largest progress in the development of trilateral relations in the field of security and defense.[29] Notwithstanding, even if they were to unite their forces in the event of a military attack, it is highly uncertain that they would be able to counter it without the assistance of foreign powers.

Aware of this reality, the three Baltic states, hindered by their limited financial resources and their lack of strategic depth, have opted for security policies which reflect their reliance on external assistance. Since their independence, they have opted for what has often been called a "CNN type of defense".[30] In other words, they have endeavored to establish military forces capable of resisting a foreign attack until the international community comes to their rescue. Should a foreign threat be issued against them, rapid international assistance is crucial to them.

For lack of military security guarantees, the Baltic states have cooperated with Western states since the early 1990's. Realizing that they could not build a reliable military capability on their own, Germany and the Scandinavian states have initiated and lead their most advanced military projects.[31] In 1994, Denmark initiated their first multilateral project, the Baltic Peacekeeping Battalion (BALTBAT), whose main role is to assist the UN in its peacekeeping tasks. Similarly to the BALTBAT project, the

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[28] Robertas Sapronas, "Baltic Military Cooperation," The Baltic States: Cooperation and Looking for the New Approaches. Articles Presented at the Baltic Assembly Conference, 24 April 1998, Vilnius: Baltic Assembly (1998) 140.

[29] Ibid., 136.

[30] Albert M. Zaccor (U.S. Defense and Army Attaché to Lithuania), personal interview, Vilnius, February 2000.

[31] Other states have lend their financial and technical support to the Baltic states including Belgium, France, Great Britain, Netherlands, Poland, Switzerland and the United States.

Baltic Air Surveillance Network project (BALTNET) has also been developed in a multilateral framework. Led by Norway, BALTNET allows the Balts to co-ordinate their radar information. Promoting cooperation and interoperability between the Baltic navies and sweeping the Baltic Sea shores clear of mines, the recent Baltic Naval Squadron (BALTRON) initiative is led by Germany. Sweden for its part, initiated the Baltic Defense College (BALTDEFCOL) project in charge of the training of the Baltic states' General Staff officers. To co-ordinate the Western assistance, a standing conference bringing Baltic and Western experts together, the Baltic Security Assistance Group (BALTSEA), has recently been created.[32]

Thanks to Western financial and technical assistance, Estonia, Latvia and Lithuania have been able to considerably upgrade their military capabilities. They remain nonetheless significantly vulnerable due to their still limited military forces and lack of military security guarantees.

3. *The Regional Military Imbalance*

While building national defense forces, the Baltic states have been disadvantaged by their environment, namely their proximity to a state which they fear and which has an impressive military force compared to theirs. Even if the level of military threat in the Baltic Sea region has drastically decreased since the end of the Cold War, and even if the Russian armed forces is a shadow of the once mighty Soviet military forces, the Baltic states still feel significantly threatened by the quantitative strength and the long-term prospects of their neighbor's military forces.[33]

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[32] Michael H. Clemmesen, "Security and Defence Cooperation - A Step Towards a Baltic Framework," NATO's Nations and Partners for Peace (1999): 29-34; Sapronas, "Baltic Military Cooperation" 140-146.

[33] The Russian military forces only represent one third of the level of the Soviet forces in 1990 and numerous studies have pointed out its lamentable condition: the Russian military budget has shrunken; military maintenance is minimal; the training standards are inadequate and the morale of soldiers is low. C.J. Dick, Military Reform and the Russian Air Force, Conflict Studies Research Centre B-56 (1999): 3.

In the early 1990's, the Baltic fears were heightened by the presence of numerous Russian soldiers on their soil. Despite their withdrawal, even if most Balts agree that the likelihood of a military assault in the Baltics has significantly decreased, they still continue to feel threatened by Russia's military power.[34]

Since the end of the Cold War, the Balts have questioned the level of Russian military forces in the Baltic region (similar to 1989) and have witnessed several Russian military exercises near their borders, such as the recent West '99 which staged a "mock invasion" of the Baltic states.[35] The Baltic authorities are especially concerned by the large number of soldiers and equipment stationed in the neighboring regions of Kaliningrad and Leningrad, exposed in the following table, given the present peaceful regional post-Cold War strategic setting.

Table 1.8. Comparison of Russian troops deployed in the North Western military district and the Kaliningrad oblast with the Baltic states' armed forces (1995)

Type of Capabilities	North-Western MD and Kaliningrad oblast	Baltic States	Comparison
Personnel (ground)	111000	9100	12.2:1
Tanks	1820	0	-
Armored Combat Vehicles	2580	87	29.7:1
Artillery	1410	75	18.8:1
Combat Aircraft	437	0	-
Attack Helicopters	132	9	14.7:1

Source: Alexander A. Pikayev, "Russia and the Baltic States. Challenges and Opportunities," The Baltic States in World Politics, eds. Birthe Hansen and Bertel Heurlin (Surrey: Curzon Press, 1998) 138.

Apart from its nominal strength, the Baltic states dread the Russian military forces' long term prospects. Perry, Sweeney and Winner explain their concerns:

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[34] Perry, Sweeney, Winner, Strategic Dynamics 76, 89,107.

[35] Stephen J. Blank, NATO Enlargement and the Baltic States: What can the Great Powers Do? (Carlisle Barracks, PA: Strategic Studies Institute, 1997) 17; Daniel Silva, "Russian Troops Stage Mock Invasion of Baltic states," The Baltic Times 4.165 (1999): 3.

> "With Russia's transition still in a very fragile state, the possibility of rapid political deterioration can not be diminished. Were this to happen, the large force holdings in Kaliningrad and the Leningrad MD would quickly take on a much more menacing posture."[36]

Since the Baltic republics can not defend themselves on their own, and do not benefit from any Western military security guarantees, this prospect would put them in a very difficult position. Given the present strength of the Baltic armies, some Western experts believe that Russian soldiers could easily take over the three Baltic capitals in half an hour.[37] It is very unlikely that their military situation will significantly improve in the decades to come without the Western states' financial and technical assistance. Western assistance seems, therefore, to be the sole antidote to the Baltic states' feeling of military insecurity as long as Russia remains a threatening neighbor.

C. The Baltic States' Precarious Economies

National security does not only rest on reliable military forces: the access to resources, finances and markets is equally essential. Even if economic security is an unrealistic goal (an inevitable trade-off exists between efficiency and vulnerability), states may nevertheless attempt to approximate it through various strategies.[38] Despite having made headway, the Baltic states are still far from having viable economies. Disadvantaged by the burdensome legacy of the Soviet Union, their limited natural resources and their negative trade and current account balances, they are very vulnerable to embargoes and fluctuations of the world economy.

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[36] Perry, Sweeney, and Winner, Strategic Dynamics 40.

[37] Frédéric Kancir (French Defense Attaché to Lithuania), personal interview, Vilnius, July 1999.

[38] Buzan, People, States and Fear 234-241.

1. *The Legacy of the Soviet Union*

When the Baltic states regained independence, their economies were still fully integrated into the Soviet planned economy. Rather than reflecting their comparative advantages, they reflected the demands of the Soviet economy. To meet its needs, the three Baltic republics had undergone a fundamental economic transformation during the Cold War. Not only were their agricultural sectors collectivized: their economies also underwent intensive industrialization. The following table provides their GDP structures in the late 1980's:

Table 1.9. Comparative structure of the Baltic Union republics' gross domestic product (1989) (in percentage share of GDP)

	Estonia	Latvia	Lithuania
Industry	36	37	35
Agriculture	20	19	27
Construction	8	8	10
Transport and Communication	6	8	5
Trade and Housing	30	28	23

Source: OECD, "Baltic States. A Regional Economic Assessment," OECD Economic Surveys (February 2000): 27

Table 1.9 points out that by the late 1980's, the share of industry was comparable in the three Baltic republics. Lithuania nonetheless differed from Estonia and Latvia since it had a significantly larger share of agriculture and a smaller share of trade and housing. Despite their differences, as a result of the Soviet planning, all three were over-industrialized and under-supplied with services and housing by Western standards.[39]

The disintegration of the Soviet economy led the Baltic states to face an almost hopeless situation. Tied to the rouble zone, they were unable to pursue independent

[39] OECD, "Baltic States. A Regional Economic Assessment," OECD Economic Surveys (February 2000): 26.

financial and monetary policies. Furthermore, since their economic structures were entirely tailored to meet the Soviet needs, they had a very narrow production base for exports. Since Western markets were closed to them (their products did not meet the Western standards of quality), the Baltic republics were compelled to trade with other former Soviet republics; their former predominant economic partners. By then, the latter (which were now able to get their supplies from states other than the Baltic republics at a more competitive price and/or better quality) underwent serious economic difficulties.[40] In the early 1990's, Estonia, Latvia and Lithuania consequently experienced a deep fall in their GDP, an important decrease in their real wage levels, hyperinflation, and a surge in unemployment, triggering poverty and social inequality.

2. *The Limited Natural Resources of the Baltic States*

Besides being severely impeded by the legacy of the Soviet Union, the Baltic states are disadvantaged by their limited natural resources. Apart from their populations (in 1998, they amounted to approximately 7,6 million: 1 453 800 in Estonia; 2 458 400 in Latvia; and 3 704 000 in Lithuania), their forests (which account for 45 percent of the Estonian and Latvian territories and 30 percent of Lithuania's) and their agricultural lands (which cover 32 percent of Estonia; 39 percent of Latvia and 54 percent of Lithuania), the Baltic republics have relatively few natural resources.[41] The next table details the distribution of their mineral resources.

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[40] Ole Norgaard, et al., The Baltic States after Independence (Cheltenham, Brookfield: Edward Elgar, 1999) 2nd ed., 145.

[41] Hannu Arkonsuo, The Economic Interdependencies Between the Baltic States and Russia (Helsinki: Ministry of Trade and Industry, 1999) 7.

Table 1.10. Mineral resources (exploited and geological reserves) of the Baltic states (1998) (denominations as indicated)

Mineral	Estonia	Latvia	Lithuania
Oil shale (m. tons)	3 954	0	0
Clay (m. tons)	54	655	92
Sand and gravel (m. tons)	424	484	654
Limestone (m. m^3)	524	550	316
Dolomite (m. m^3)	943	740	104
Peat (m. tons)	1 529	n/a	128
Gypsum (thsd tons)	n/a	94	n/a
Crude oil (m. tons)	0	n/a	4
Granite (m. m^3)	2 950	n/a	n/a

n/a: not available

Source: Hannu Arkonsuo, The Economic Interdependencies Between the Baltic States and Russia (Helsinki: Ministry of Trade and Industry, 1999) 7.

Of the three republics, Estonia has the most mineral resources. Besides having the largest peat and granite reserves, it has an important reserve of oil shale. The Estonian Ministry of Environment recently estimated that the national oil shale's deposits in the operating quarries would last for thirty years and its reserves a century.[42] Although its use is interesting in principle, oil shale is a highly polluting fuel with a relatively low heat value and a high transportation cost.

Since they have limited natural resources, the Baltic states extensively rely on imports. Even if they are important exporters of foodstuffs and wood products, they have been importing a significant amount of foodstuffs, mineral and metal products.[43] Since the early 1990's, despite the decrease in their energy consumption following the collapse of their industries and the increase of prices, mineral products tend to rank amongst the top three import items of the Baltic states along with chemicals, machinery and equipment. Even Estonia, which used to be Latvia's, Lithuania's and St Petersburg's main electricity supplier during the Cold War, has become a net importer of mineral products. Thanks to its peat and oil shale reserves, it is nevertheless less

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[42] Ibid., 8.

[43] For the composition of trade of Estonia, Latvia and Lithuania between 1993 and 1998 please see tables 2, 5, 8 in annex.

dependent on the imports of mineral products than its two Baltic neighbors. Lithuania on the other hand has been the biggest importer of mineral products (especially crude oil) mainly because it has an oil refinery (the only Baltic oil refinery capacity).[44]

It is to be noted that contrary to imported metals and foodstuffs, most of the imported mineral products is Russian. In 1998, the percent import in Russian mineral products for Estonia, Latvia and Lithuania were 61.9 percent, 63.2 percent and 91.5 percent respectively.[45] This important dependence on Russia's mineral products represents a serious disadvantage for the Baltic economies. Due to its economic difficulties, Russia has not always been able to honor its supply agreements causing the Baltic states' industrial production to decrease on several occasions. Furthermore, since 1992, Russian exporters have demanded payment at world prices and in hard currency. As a result of the sharp increase in energy prices, the Baltic states are in debt to Gazprom, the Russian gas monopoly, which issues cut-off threats on a regular basis.[46] As the Russian 1991 temporary oil embargo highlighted, due to their limited natural resources, the Baltic states (especially Latvia and Lithuania) are extremely vulnerable to temporary interruptions of mineral products' imports.

3. *The Baltic States' Economic Performance*

Since their independence, even though the Baltic republics have made significant economic headway compared to the other former Soviet republics, they still lag by Western standards.

After having undergone significant economic difficulties in the early 1990's, recession leveled off in the three states by 1994.

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[44] Arkonsuo, The Economic Interdependencie53.

[45] Ibid., 37, 46, 54.

[46] The Economist Intelligence Unit, "Estonia, Latvia, Lithuania 1996-97," Country Profile (1997): 42, 59.

Table 1.11. Inflation in the Baltic states (1991-1999) (annual percentage change in year-end retail/consumer price level)

	1991	1992	1993	1994	1995	1996	1997	1998	1999[a]
Estonia	304	954	36.0	42.0	29.0	14.6	12.5	4.4	4.0
Latvia	262	959	35.0	26.3	23.1	13.1	7.0	2.8	3.0
Lithuania	383	1163	189	45.1	35.7	13.1	8.4	2.4	3.0

(a) estimates

Source: OECD, "Baltic States. A Regional Economic Assessment," OECD Economic Surveys (February 2000): 34.

As shown by the preceding table, due to the price liberalization, inflation in the Baltic states reached record figures in 1992. Thanks to the introduction of tight fiscal policies and new currencies, the three states succeeded in bringing the inflation level gradually down. The introduction of currency boards in Estonia (1992) and Lithuania (1994) and of a fixed exchange rate regime in Latvia (1994) have brought inflation further under control. By 1998, the inflation rate finally reached single digit numbers in all three states.

Aside from the relatively low inflation levels, the stabilization of the Baltic economies is also reflected by their real GDP growth.

Table 1.12. Real GDP growth in the Baltic states (1991-1999) (in annual percentage change)

	1991	1992	1993	1994	1995	1996	1997	1998	1999[a]
Estonia	-13.6	-14.2	-9.0	-2.0	4.3	3.9	10.6	4.0	0.0
Latvia	-10.4	-34.9	-14.9	0.6	-0.8	3.3	8.6	3.6	0.5
Lithuania	-5.7	-21.3	-16.2	-9.8	3.3	4.7	7.3	5.1	-1.0

(a) estimates

Source: OECD, "Baltic States. A Regional Economic Assessment," OECD Economic Surveys (February 2000): 34.

Table 1.13. GDP per capita in the Baltic states (1991-1998) (in US dollars)

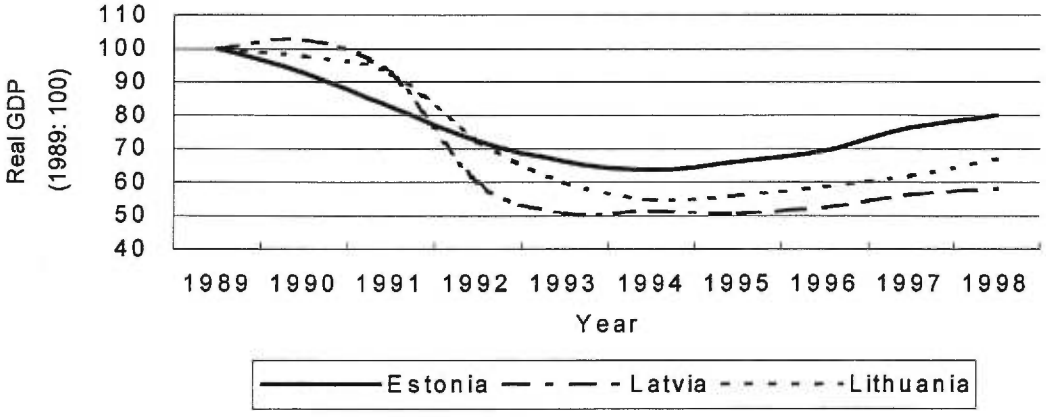
	1991	1992	1993	1994	1995	1996	1997	1998[(a)]
Estonia	n/a	707	1085	1530	2405	2981	3192	3593
Latvia	n/a	578	837	1459	1780	2071	2294	2622
Lithuania	289	514	715	1142	1624	2127	2591	2890

n/a: not available
(a) estimate

Source: European Bank for Reconstruction and Development, Transition Report 1999. Ten Years of Transition (London: EBRD, 1999): 217, 241, 245.

As table 1.12 reveals, after having experienced a large output decline, the GDP of all three states recovered by the mid-1990's. Although there are some signs that this trend is being reversed, their GDP have grown steadily since, but have not yet reached their 1989 levels as demonstrated by figure 1.3. Their GDP per capita are also significantly low if one compares them to their pre-war period levels when their living standards were higher than Finland's and if one compares them to the Western states.[47] As a figure of comparison, Portugal's GDP per capita in 1997 was US$ 10 184, France's $ 23 789 and United States' $ 29 326.[48]

Figure 1.3. Development in real GDP in the Baltic states (1989-1998)



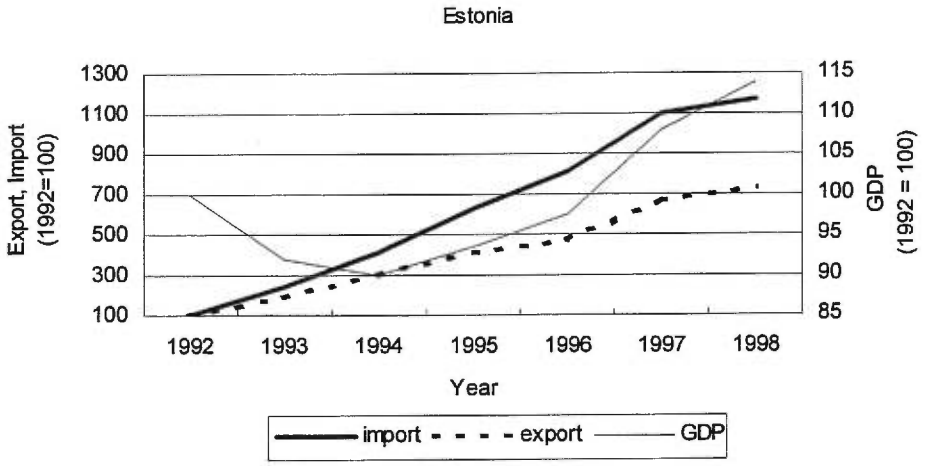
Source: OECD, "Baltic States. A Regional Economic Assessment," OECD Economic Surveys (February 2000): 41.

[47] Tauno Tiusanen, "The Baltic States in Transition," International Politics 33 (1996): 89.
[48] OECD, "Baltic States. A Regional Economic Assessment" 270.

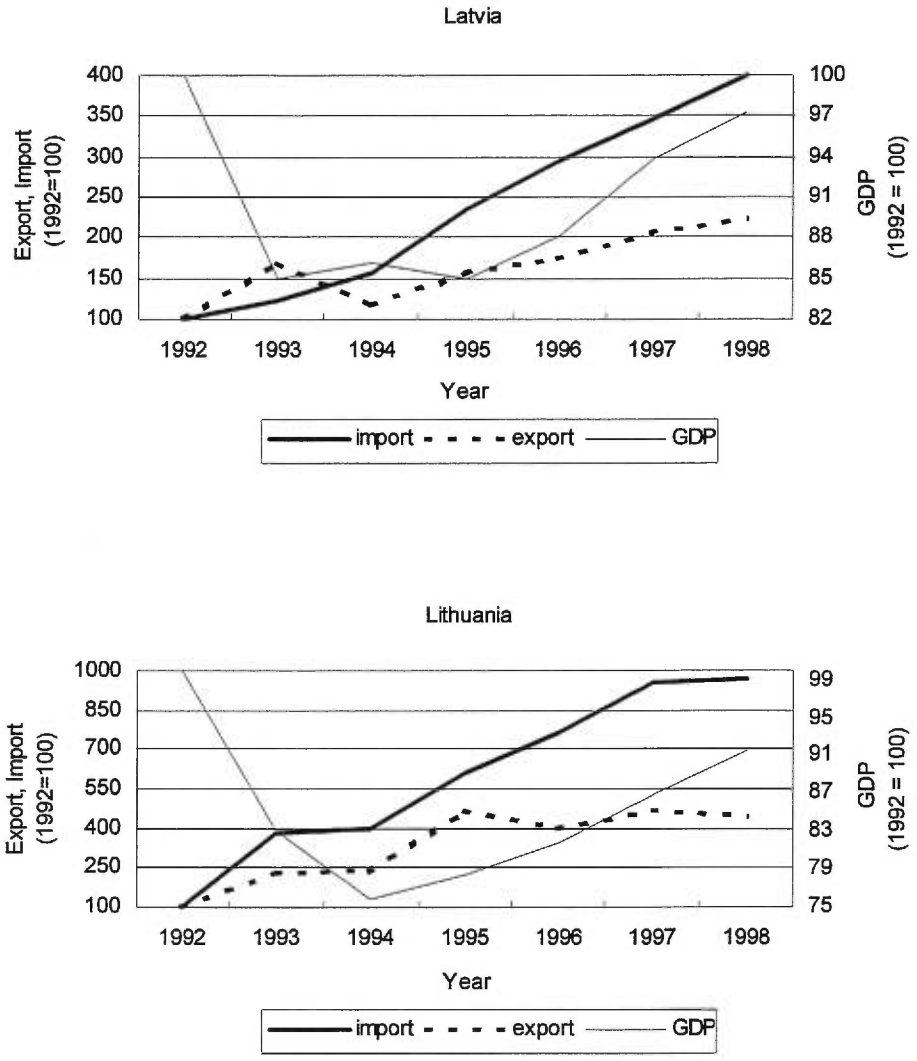
As it becomes evident by looking at the figure 1.3, Estonia experienced the smallest decrease in its GDP and resumed its growth by the end of 1994. Lithuania and Latvia have been less fortunate since they had a larger share of machine-building industries and a more important chemical sector than Estonia which for its part was dominated by low value-added sectors. Since it is more difficult for industries relying on capital and energy inputs to adjust than for those dependent on labor and resources, the Latvian and Lithuanian economies experienced a more important contraction of output and have had a slower GDP growth than Estonia.[49]

Even if the three Baltic economies have stabilized themselves, they still are fragile. Consuming more than they produce, the three Baltic states are extremely dependent on foreign trade. As a result, they have had important negative trade and current account deficits since their independence.

Figure 1.4. GDP and trade trends in Estonia, Latvia and Lithuania (1992-1998)



[49] Norgaard, The Baltic States after Independence 146.



Source: OECD, "Baltic States. A Regional Economic Assessment," OECD Economic Surveys (February 2000): 42.

As shown by the preceding series of graphs, between 1992 and 1998, the Baltic states' imports' rate of growth (which increased eleven-fold in Estonia, four-fold in Latvia and nine-fold in Lithuania) largely exceeded their exports' growth rate

(which increased seven-fold in Estonia, two-fold in Latvia and four-fold in Lithuania).[50] Structural factors are the main cause of this imbalance. Encouraged by policies of trade liberalization, consumers of transition economies have a natural preference for better quality goods and variety. Since the domestic production base is narrow and national products are of a lesser quality than those imported, national production can not keep up with domestic demand and can not compete with the imported goods.[51] Consequently, imports increase more than exports.

Table 1.14. Trade balances of the Baltic states (1992-1999) (in millions of US dollars)

	1992	1993	1994	1995	1996	1997	1998[(a)]	1999[(b)]
Estonia	-90	-145	-357	-666	-1019	-1125	-1115	-1140
Latvia	-40	3	-300	-579	-798	-848	-1130	-971
Lithuania	101	-155	-205	-698	-896	-1147	-1518	-1510

(a) estimates
(b) projections
Source: European Bank for Reconstruction and Development, Transition Report 1999. Ten Years of Transition (London: EBRD, 1999): 217, 241, 245.

As table 1.14 reveals, the three Baltic states have had an ever-increasing trade deficit since the early 1990's. If their trade deficits happen to be managed inappropriately, growth would become quickly unsustainable. Sound economic policies are therefore crucial to avoid a disastrous situation. The Baltic states' trade deficits are further reflected by their negative current account balances.

Table 1.15. Current account balances of the Baltic states (1992-1998) (in millions of US dollars)

	1992	1993	1994	1995	1996	1997	1998
Estonia	36.2	21.6	-165.2	-157.9	-399.4	-562.8	-479.7
Latvia	191.4	416.8	201.2	-16.2	-279.8	-345.0	-712.7
Lithuania	n/a	-85.7	-94.0	-614.4	-722.6	-981.4	-1298.1

n/a: not available
Source: OECD, "Baltic States. A Regional Economic Assessment," OECD Economic Surveys (February 2000): 246-248.

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[50] For an overview of the trade patterns of Estonia, Latvia and Lithuania between 1992 and 1999, please see tables 1,4,7 in annex.

[51] OECD, "Baltic States. A Regional Economic Assessment" 40, 43.

Table 1.16. Current account balances of the Baltic states (1992-1998) (share of GDP)

	1992	1993	1994	1995	1996	1997	1998
Estonia	3.3	1.3	-7.3	-4.4	-9.2	-12.1	-9.2
Latvia	13.0	19.2	5.5	-0.4	-5.4	-6.1	-11.1
Lithuania	10.6	-3.2	-2.2	-10.2	-9.2	-10.3	-12.1

Sources: OECD, "Baltic States. A Regional Economic Assessment," OECD Economic Surveys (February 2000): 246-248; European Bank for Reconstruction and Development, Transition Report 1999. Ten Years of Transition (London: EBRD, 1999): 245.

Corresponding to their GDP recovery, the Baltic states' current account deficits emerged in the mid-1990's. To cover them, the Baltic states have appealed to foreign aid, both to investors and lenders. This has consequently increased their national debt levels and reliance on foreign direct investments (FDI).

Table 1.17. External debt stock (end-year) of the Baltic states (1992-1998) (in millions of US dollars)

	1992	1993	1994	1995	1996	1997	1998[a]
Estonia	n/a	161	187	287	1499	2564	2900
Latvia	n/a	n/a	n/a	1440	2044	2775	3043
Lithuania	59	325	529	845	2340	3194	3726

n/a: not available

(a) estimates

Source: European Bank for Reconstruction and Development, Transition Report 1999. Ten Years of Transition (London: EBRD, 1999): 217, 241, 245.

Table 1.18. Debt service of the Baltic states (1992-1998) (denominations as indicated)

	1992	1993	1994	1995	1996	1997	1998[a]
Estonia [1]	n/a	1.4	0.4	0.7	2.2	3.6	5.2
Latvia [2]	0.0	1.0	4.8	4.5	3.4	5.4	14.3
Lithuania [3]	n/a	0.4	2.7	4.5	8.7	18.1	21.8

n/a: not available

(1) in percent of exports of goods and non-factor services

(2) in percent of goods and services

(3) in percent of merchandise exports

Source: European Bank for Reconstruction and Development, Transition Report 1999. Ten Years of Transition (London: EBRD, 1999): 217, 241, 245.

Interestingly enough, until 1997, the Baltic states have had a relatively low level of external debt. This is mainly attributed to the fact that the three Baltic

authorities have always refused to assume liability of any debt incurred by the Soviet Union on the grounds that their annexation was illegal and that most of the foreign loans are on concessionnary terms.[52]

Table 1.19. Foreign direct investment (net) in the Baltic states (1992-1998) (in millions of US dollars)

	1992	1993	1994	1995	1996	1997	1998
Estonia	80.4	156.0	212.2	199.0	110.6	129.9	574.6
Latvia	27.3	49.6	279.1	244.6	378.7	515.0	302.5
Lithuania	n/a	30.2	31.3	71.6	152.3	327.5	921.4

n/a: not available

Source: OECD, "Baltic States. A Regional Economic Assessment," OECD Economic Surveys (February 2000): 246-248.

Table 1.20. Foreign direct investment (net) in the Baltic states (1992-1998) (share of GDP in percentage)

	1992	1993	1994	1995	1996	1997	1998
Estonia	7.4	9.5	9.3	5.6	2.5	2.8	11.0
Latvia	1.9	2.3	7.6	5.5	7.4	9.1	4.7
Lithuania	n/a	1.1	0.7	1.2	1.9	3.4	8.6

n/a: not available

Source: OECD, "Baltic States. A Regional Economic Assessment," OECD Economic Surveys (February 2000): 246-248.

Of the three Baltic states, Estonia has gone the furthest in opening its markets to foreign investors. By 1998, the FDI stock in Estonia was estimated at US$ 1810 million, $ 1558 million in Latvia and $ 1625 million in Lithuania.[53] By then, per capita FDI stock was $ 1254 in Estonia, $ 610 in Latvia and $ 438 in Lithuania.[54] Inspired by the Scandinavian economic development, Tallinn adopted an exceptional liberal trade regime early on, allowing foreign investors to buy (rather than just lease) land and to

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[52] Economist Intelligence Unit, Estonia, Latvia, Lithuania 1997-98 (1997): 22, 57, 86.

[53] OECD, "Baltic States. A Regional Economic Assessment" 190.

[54] Arkonsuo, The Economic Interdependencies 20.

enjoy the same tax treatment as the local firms.[55] Due to its rapid macroeconomic stabilization, its intensive privatization, and strong prospects of EU entry, it has attracted the most important share of FDI. Only in 1996 did Lithuania also enable Western companies to acquire land for business use (Russian investors nevertheless continue to face restrictions).[56] Since then, and thanks to its relatively rapid privatization, Lithuania (and Latvia) has begun to attract an even more significant amount of FDI annually than Estonia. As shown by the following table, most FDI has come from Western companies:

Table 1.21. Foreign direct investment stocks in the Baltic states by country of origin (1998)

	Estonia	Latvia	Lithuania
Total Stocks (m. US $)	1810	1558	1625
Origin (% of total):			
Denmark	4	12	9
Finland	30	5	10
Germany	3	9	8
Norway	4	5	4
Sweden	37	8	18
USA	4	13	15

Source: OECD, "Baltic States. A Regional Economic Assessment," OECD Economic Surveys (February 2000): 190.

Given their dependence on export revenues and on foreign investments, the Baltic states are very vulnerable to the fluctuations of the international market. Although Estonia has tended to have the most important trade and current account deficits until recently and has attracted the most FDI, it is interesting to note that it is less vulnerable to economic crises than Latvia and Lithuania. Contrary to Estonia which depends mostly on its relatively stable Nordic economic partners, Latvia and Lithuania remain significantly dependent on one of the world's most unstable and unpredictable economies: the Russian economy.

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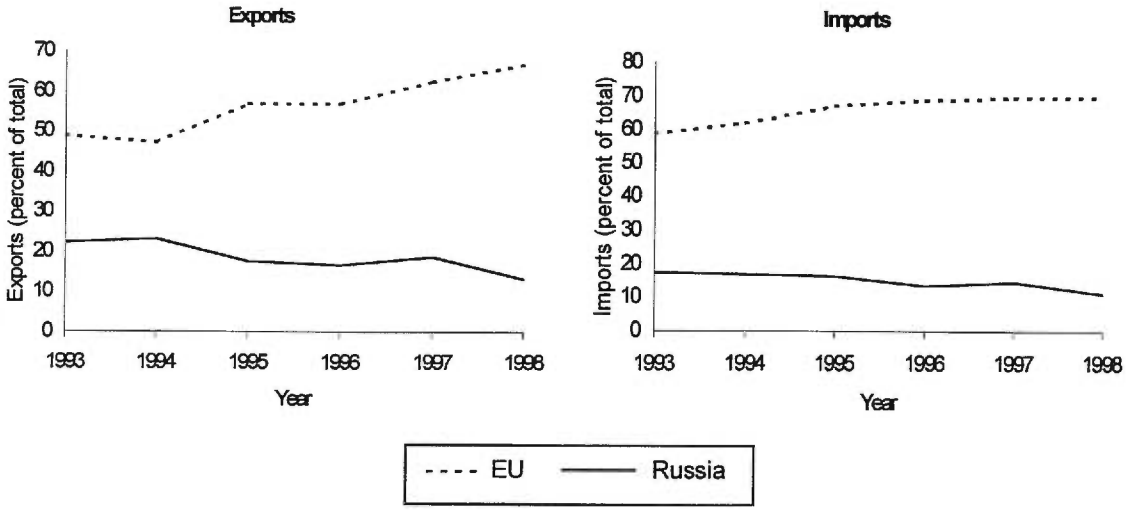
[55] The Economist Intelligence Unit, "Estonia 1999-2000," Country Profile (1999) 28.

[56] The Economist Intelligence Unit, "Lithuania 1998-99," Country Profile (1998) 25.

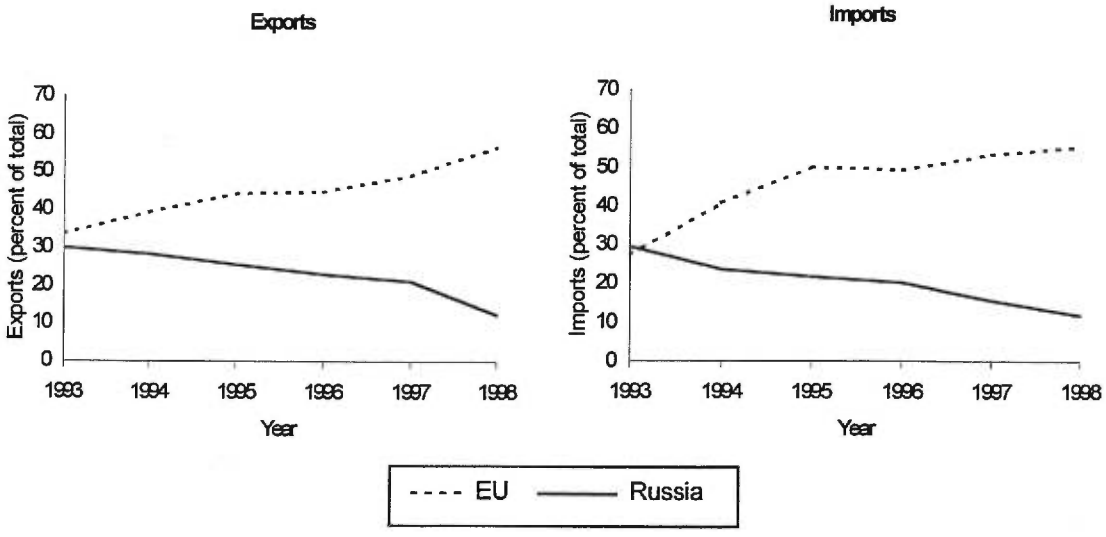
As the following series of graphs indicates, since the early 1990's, Estonia has been the most successful Baltic state in disengaging its economic ties with Russia. The double custom tariffs system that Russia has levied against Estonia may have greatly contributed to its trade partnership orientation towards the West.

Figure 1.5. Baltic states' trade distribution with the European Union and the Russian federation (1993-1998)

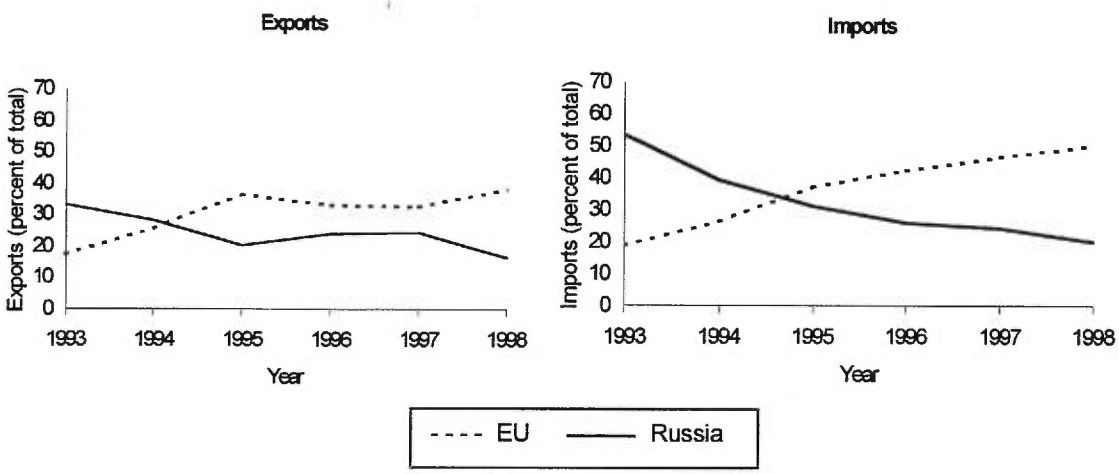
Estonia



Latvia



----------**Lithuania**----------



Sources: The Economist Intelligence Unit, "Latvia 1998-1999," Country Profile (1998) 40; The Economist Intelligence Unit, "Lithuania 1998-1999," Country Profile (1998) 35; The Economist Intelligence Unit, "Latvia 1999-2000," Country Profile (1999) 42; The Economist Intelligence Unit, "Lithuania 1999-2000," Country Profile (1999) 44; data provided by the Estonian Ministry of Economy (July 2000).

Although the EU has become the first trade partner of the three Baltic states since the mid-1990's, Russia nevertheless still accounts for an important share of their trade, namely of Latvia and Lithuania. In 1998, it accounted for 12.3 and 7.5 percent of Estonia's exports and imports, 12.1 and 11.8 percent of Latvia's and 16.5 and 20.2 percent of Lithuania's. On a country basis, Russia remains Lithuania's most important trade partner.[57] Concerning Russia's share of FDI into the Baltic states, with the exception of Latvia, it has been modest. In 1999, it accounted for 1.8 percent of Estonia's total FDI, 1.4 percent of Lithuania's and 8.7 percent of Latvia's.[58]

Relying more on their eastern neighbor's economy than Estonia, both Latvia and Lithuania suffer more from Russia's periodic embargoes and crises as was revealed in 1998. While all three Baltic states experienced an important contraction

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[57] For an overview of the main trading partners of the Baltic states between 1992 and 1998, please see tables 3, 6, 9 in annex.

[58] Arkonsuo, The Economic Interdependencies 21.

of output and a surge in unemployment, only Latvia and Lithuania faced increasing trade and current account deficits. As a result of its citizenship policies, Latvia also became a victim of Russian economic sanctions the same year (e.g., increase in transportation costs, constraints on the operations of the Latvian banks, restrictions on Russian investments in Latvia). One of the consequences consisted in an important decrease in transit volumes, on which Latvia's economy considerably relies (the transit industry accounts for approximately 15 percent of the national GDP and 80 percent of the transit volumes are sent by Russia).[59]

Although their economies have gradually stabilized and their dependence on Russia's volatile economy has decreased, their Eastern neighbor still represents an important trade partner. In order to become more economically secure, the Baltic states ought to further diversify their trade partnerships, namely in the domain of natural resources. Western FDI is also a crucial element for their economies to become viable but its inflows significantly depend on the security and stability of the recipients.

D. The Baltic States' Heterogeneous Societies

Apart from a secure environment, a reliable military force and a viable economy, the security of a state rests on an harmonious social foundation. If an important share of a country's population is not integrated within its society, a state is more likely to be threatened by internal disorder and becomes more vulnerable to foreign threats. Since their independence, the Baltic republics have had to deal with the drastic ethnodemographic changes they underwent during the Cold War. The presence of a significant number of non-ethnic Balts has rendered the consolidation of their hosts' nation-states particularly difficult, even more so since some of them have

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[59] Latvia, Ministry of Foreign Affairs, An Overview of Economic Relations with Russia, (Riga: Ministry of Foreign Affairs, 2000).

menaced their very identity and territorial integrity.

1. Historical Background

The contemporary ethnic composition of the Baltic republics reflects the drastic changes they underwent during the Soviet rule. From the moment on when they became integral parts of the Soviet Union, Moscow sought to 'denationalize' them by russifying them. Inspired by Marxist dogmas, the Soviet authorities sought to render the ethnic factor irrelevant and secondary to the class factor (total elimination of ethnic differentiation was aimed at). To reinforce its control over the Baltic Union republics, the Soviet Union proceeded with the deportation and extermination of an important number of ethnic Balts whose loyalty to Moscow was questioned (especially the intelligentsia). Many ethnic Russians were also sent to the Baltics to man their industries and to ensure control over strategic points (military sites, repressive bodies...).[60] Meanwhile, a significant number of ethnic Russians in search of better living standards settled down in the Baltic republics.[61] Due to this massive influx of Russians and the low indigenous birthrates (especially in Estonia and Latvia), the ethnic composition of the Baltic republics drastically altered in the span of half a century as shown by the following table:

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[60] Dainis Turlais, "Ethnic and Territorial Problems and Their Solutions," Baltic Security: The Long View from the Region (London: RMA Sandhurst, 1997) 7; Vladis Gaidys, "Russians in Lithuania," The New Russian Diaspora. Russian Minorities in the Former Soviet Republics, eds. Vladimir Shlapentokh, Munir Sendich and Emil Payin (Armonk, London: M.E. Sharpe, 1994) 92.

[61] Between the 1940's and the 1980's, living standards in the Baltic republics significantly exceeded the average of the Soviet Union. The OCDE reports that in 1989 national income as measured by the net material product per capita - which does not include services and administration - was 22 percent higher in Estonia, 16 percent higher in Latvia and 6 percent higher in Lithuania than the Soviet average. OECD, "Baltic States. A Regional Economic Assessment" 24.

Table 1.22. Native population in the Baltic states (1939-1989) (in percentage of total population)

	1939[(a)]	1959	1989	% point change
Estonia	92,4	74,6	61,3	-31.1
Latvia	77,0	62,0	53,7	-23.3
Lithuania	83,9	79,3	79,6	-4.3

(a) includes data from 1923, 1935 and 1939

Source: Joan Löfgren, and Helena Mannonen, "'Internal' Security in the Baltic States," The NEBI Yearbook 1998, eds. Lars Hedegaard and Bjarne Lindström (Berlin: Springer, 1998) 528.

As table 1.22 reveals, Estonia and Latvia have been significantly more affected by Russian migration trends than Lithuania. Even if the share of titular population decreased most in Estonia, Latvia provides an even more extreme demographic situation for the titular population. Having constituted over three-quarters of the total population prior to 1940, ethnic Latvians became nearly a minority in their own homeland by the end of the 1980's. By then, 34 percent of the Latvian total population was comprised by ethnic Russians (Belarusians, the second largest minority, amounted to 4.5 percent of the total population).[62] In that same year, ethnic Russians formed 30.3 percent of the total Estonian population (Ukrainians, the second largest minority, only constituted 3.1 percent of the population).[63] In fact, apart from Kazakhstan, of all the former Soviet republics, Estonia and Latvia have the highest share of ethnic Russians in their populations.[64]

In comparison with its two Baltic neighbors, Lithuania remained an ethnically homogeneous republic. In 1989, its minorities constituted approximately 20 percent of its total population (9 percent Russians and 7 percent Poles).[65] This disparity between Lithuania and the two other Baltic republics can be attributed to three factors. Apart from having more successfully resisted Moscow's policies, Lithuania had a lower level

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[62] Economist Intelligence Unit "Estonia, Latvia, Lithuania 1996-97," (1996): 33.

[63] Ibid., 11.

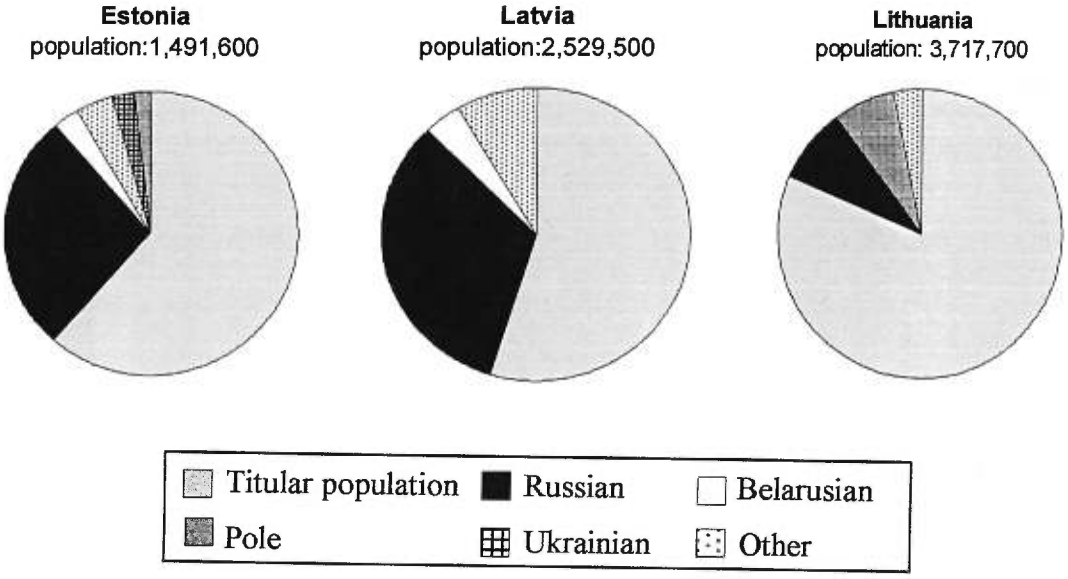
[64] In 1989, ethnic Russians constituted 38 percent of the total population of Kazakhstan. Paul Kolstoe, Russians in the Former Soviet Republics, (Bloomingston, Indianapolis: Indiana University Press, 1995) X.

[65] The Economist Intelligence Unit, "Estonia, Latvia, Lithuania 1996-97," Country Profile (1996): 53.

of industrialization during the Soviet rule and consequently was less dependent on foreign labor to man its factories. Furthermore, its large industrial centers were decentralized since the 1960's and were replaced by regional centers which attracted labor from the countryside (mostly inhabited by ethnic Lithuanians).[66]

Since the disintegration of the Soviet Union, the emigration trend has been relatively low. Most of the ethnic Russians who reside in the Baltic republics have been living there since a long time (the peak years of the Russian migration were the 1960's and the 1970's). Because numbers of them have established homes, families and found jobs, most of them have decided not to leave the Baltic states.[67] Consequently, even if some ethnic Russians returned to Russia (such was the case of an important number of soldiers), the ethnic makeup of the Baltic republics has remained largely unaltered. The following figure provides a visual picture of the ethnic composition of the Baltic states.

Figure 1.6. Population and ethnic composition of the Baltic states (1995)



Source: The Economist Intelligence Unit, "Estonia, Latvia, Lithuania 1996-97," Country Profile (1997) 11, 33, 53.

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66 Gaidys, "Russians in Lithuania" 93.

67 Chinn and Kaiser, Russians as the New Minority 97.

2. *The Minorities' Threats to the Survival of the Baltic Nations*

During the Soviet rule, not only were the Baltic republics deprived of their statehood attributes: their existence as nations with distinctive cultural identities developed over the centuries was also threatened. Since the Soviet policies privileged the Russian culture and language, Russian immigrants had little incentive to adopt their hosts' value systems (i.e., culture, language, customs ...). Rather, the ethnic Balts were assumed to adapt to the Russian culture and language. [68]

The attitude of the Russian-speaking population could only trigger resentment and mistrust on the part of the ethnic Balts who were far from sharing the same value system as the ethnic Russians.[69] Subject to the policies of social and linguistic russification, the Balts soon came to dread for their future as nations with distinctive cultures. This was particularly the case of Estonians and Latvians, since they were subject to more drastic ethnodemographic changes than Lithuanians.

The advent of independence did not dispel the fears of ethnic Estonians and Latvians. Contrary to Lithuanians, Estonians and Latvians have witnessed persistent reluctance of numerous non-ethnic Balts to integrate into their societies. A 1994 survey reported that of the ethnic Russians residing in the Baltic states, only 38 percent of them were able to conduct a conversation in the local language respectively in Estonia, 63 percent in Latvia compared to 70 percent in Lithuania.[70] Since a significant share of non-ethnic Balts have been living in neighborhoods where they form a majority, they tend to be isolated from their host's culture and language.

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[68] Ibid., 96.

[69] Due to their history, Estonians and Latvians tend to see themselves as culturally part of Western Europe while Lithuanians identify themselves with the East Central European culture. Algimantas Prazauskas, "The Influence of Ethnicity on the Foreign Policies of the Western Littoral States," National Identity and Ethnicity in Russia and the New States of Eurasia, ed. Roman Szporluk (Armonk, New York, London, England: M.E. Sharpe, 1994) 161, 163; Evaldas Nekrasas, "Is Lithuania a Northern or Central European Country?" Lithuanian Foreign Policy Review 1.1 (1998): 19-45.

[70] R. Rose, and W. Maley, "Nationalities in the Baltic States. A Survey Study," Studies in Public Policy 222 (1994): 52.

The situation has been especially worrying in Estonia where two exclusive communities coexist due to the territorial distribution of ethnic Russians. Rather than being spread all over the country like in Latvia, they have been mainly concentrated in the North Eastern region of the country where they constitute a compelling majority, and in Tallinn.[71] In 1995, Hallika and Kaplane confirmed this reality by observing that: "58 percent of Estonians say that they have no contact whatsoever with non-Estonians and do nothing to involve non-Estonians in the political or cultural environment of Estonia."[72]

Due to the territorial distribution and the significant number of non-ethnic Balts, the titular populations of Estonia and Latvia have felt discriminated (in Latvia, none of the seven biggest cities including Riga has an ethnic Latvian majority). In an interview, Atis Lejins argued: "Natives have been refused services in stores for not speaking Russian."[73] Being discriminated in their very own state on the basis of language, the Balts fear for the survival of their languages, even more so since Estonian and Latvian are only spoken in their countries and because they have been experiencing an important demographic crisis as revealed by the next figure.

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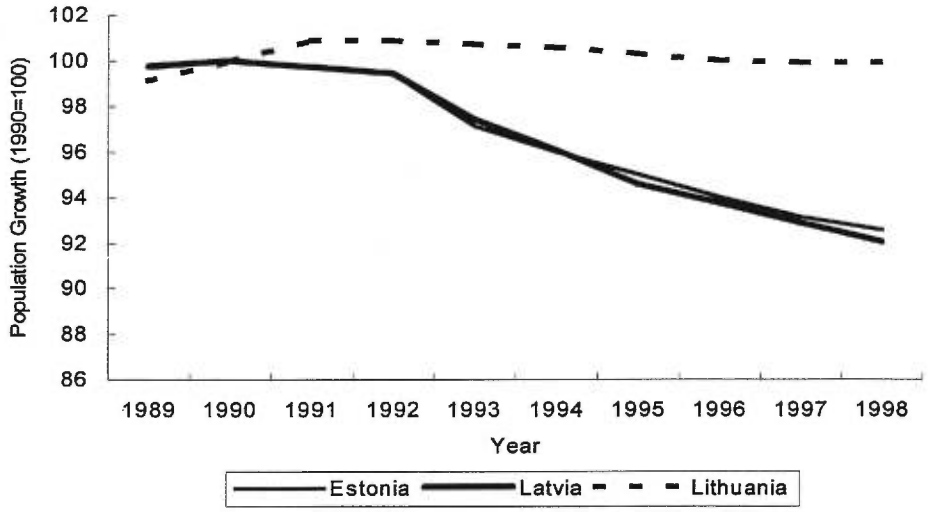
71 Sergounin, "In Search of a New Strategy in the Baltic/Nordic Area" 339; Kolstoe, Russians in the Former Soviet Republics 133.

72 Ilga Apine, "Nationality Policy in the Baltic States. Similarities and Differences Rooted in History," The Baltic States at Historical Crossroads. Political, Economic and Legal Problems in the Context of International Cooperation on the Doorstep of the 21st Century. A Collection of Scholarly Articles ed. Talavs Jundzis (Riga: Academy of Science of Latvia, 1998) 372.

73 Atis Lejins (Director of the Latvian Institute of International Affairs), personal interview, Riga, July 1999.

Figure 1.7. Population growth of the Baltic states (1989-1998)



Source: OECD, "Baltic States. A Regional Economic Assessment," OECD Economic Surveys (Feb. 2000): 158.

Of the three Baltic states, Latvia faces the most acute demographic crisis. While its population has decreased the most, since 1992 its death rate has largely outweighed its decreasing birth rate and approximately one fifth of its population has been above the retirement age.[74]

3. *The Minorities' Threats to the Baltic States' Territorial Integrity*

Although an important number of non-ethnic Balts supported their hosts' quest for independence and have begun to identify themselves with their city of residence (except for the ethnic Poles in Lithuania), a non negligent share of ethnic Russians in Estonia and ethnic Poles and Belarusians in Lithuania have threatened

74 "Latvia," The Europa World Yearbook 1999 vol. 2, 1999 ed., 2152; The Economist Intelligence Unit, "Latvia 1999-2000," Country Profile (1999): 13.

their hosts' territorial integrity.[75]

While in 1991 Poles and Belarusians unilaterally declared an autonomous status for two Lithuanian districts where they constituted a majority, in 1993, ethnic Russians in the Estonian North Eastern region of Narva held a local referendum on territorial autonomy.[76] Lithuania, contrary to Estonia, has been able to discard any threat issued by its ethnic minorities against its territorial integrity by dissolving the local councils of its two defiant districts and more importantly, by altering its administrative borders to render the Poles and the Belarusians minorities in all its electoral districts.[77]

Although the situation in Estonia came eventually under control (the referendum was deemed unconstitutional), calls for territorial autonomy can not be excluded in the future. Perry, Sweeney and Winner confirm:

> "The high concentration of Russian speakers in Estonia's northeastern corner raises the potential for secession (or annexation) if either internal or external events were to create a major rift between ethnic Estonians and the Russophone community."[78]

This eventuality largely depends on the minorities' societal integration and on their economic prospects, main reason for their identification with the city they live in rather than with Russia.[79] As previously seen and due to the controversial citizenship laws, the integration of ethnic minorities has been a laborious process in Estonia and

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[75] Even if exact data on the distribution of the non-ethnic Balts votes does not exist, since the number of positive votes was higher than the titular nation's share of the total population and since electoral turnout was high (80 percent), it can be deduced that a significant number amongst them have voted in favor of their hosts' independence during the early 1991 advisory referendum on national independence. Kolstoe, Russians in the Former Soviet Republics 118, 119, 141.

[76] Prazauskas, "The Influence of Ethnicity on the Foreign Policies" 181; Perry, Sweeney, Winner, Strategic Dynamics 78.

[77] Kolstoe, Russians in the Former Soviet Republics 140; Prazauskas, "The Influence of Ethnicity on the Foreign Policies" 181.

[78] Perry, Sweeney, Winner, Strategic Dynamics 78.

[79] Wayne C. Thompson, "Citizenship and Borders: Legacies of Soviet Empire in Estonia," Journal of Baltic Studies 29.2 (1998): 118; Chinn and Kaiser, Russians as the New Minority 120.

Latvia. In 1997, 23 and 30 percent of the total population of Estonia and Latvia were still without citizenship compared to 2 percent in Lithuania.[80]

Despite the fact that non-ethnic Balts have increasingly identified themselves with their place of residence (often the only one they have), the presence of ethnic-Russians has pushed Russia to interfere with the Baltic states' daily internal affairs. Stringent citizenship requirements and controversial language laws have put Tallinn and Riga in a vulnerable position with respect to Moscow's attempts to influence their legislation towards its Russian 'compatriots'. As previously mentioned, on the grounds that the rights and interests of the ethnic Russians have not been respected, Moscow has refused to sign border treaties, has hesitated for a long time before withdrawing its troops and has threatened the Balts with economic sanctions. Kozyrev's warning that Russia was prepared to defend the interests of the Russian-speaking minority with military means, and the success of ultra-nationalist Vladimir Zhirinovsky's party in the 1993 Russian elections did not dissipate the ethnic Balts' perception of ethnic Russians as "instruments of former Soviet oppression" and as a possible fifth column in case of Russian revanchism.[81]

Even if a certain sense of loyalty amongst non-ethnic Balts has emerged towards their hosts, their integration into the Baltic societies still represents a significant challenge for the Baltic states, namely for Estonia and Latvia. Representing a non-negligent share of their total populations, their full integration is likely to span decades, especially since the Baltic states' economic situation remains unstable.

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[80] European Commission, The Opinion of the European Commission on the Estonian Application for Membership of the European Union, Com (97) 2006 (Brussels: European Union, 1997) 17; European Commission, The Opinion of the European Commission on the Latvian Application for Membership of the European Union, Com (97) 2005 (Brussels: European Union, 1997) 19.

[81] Norgaard, The Baltic States after Independence, 2nd ed., 158.

E. The Baltic States' Unconsolidated Political Systems

Essential to a state's security is the stability and consolidation of its political system. Without it, the making and implementation of effective domestic and foreign policies is extremely strenuous, rendering the state easily vulnerable to internal upheavals and foreign manipulation. Since their independence, Estonia, Latvia and Lithuania have endeavored to establish stable unicameral parliamentary democracies.[82] In spite of having made significant headway (e.g., multi-party systems have replaced the one-party rule, regular democratic elections have taken place), their democracies are still far from being consolidated. Having inherited political apathy from the Cold War years, being afflicted by a plethora of undeveloped political parties and suffering from cabinet instability, the Baltic states' political systems remain immature.

1. The Legacy of the Soviet Union

Even if the Baltic populations favor democracy to the restoration of a dictatorial communist rule, their confidence in their regimes and political institutions is significantly low. This attitude reflects their sense of alienation from politics and their political apathy inherited from the Soviet rule.

When they were incorporated into the Soviet Union, the Baltic people had practically no say in the determination of their republics' policies (prerogative of the Kremlin), and were strongly dissuaded from expressing their political opinions, notably their dissent. As Norgaard reports, during half a century:

> "Conflicts were basically perceived as a manifestation of a false consciousness in need of political education (or repression) rather

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[82] Lithuania, contrary to its two Baltic neighbors which chose to establish parliamentary systems, opted for a semi-presidential system.

than as a defense of legitimate interests that should be mediated through the political system."[83]

Unaccustomed to express their political points of view, it is not surprising that, apart from their calls for independence, numerous Balts have remained politically apathetic in the 1990's.[84] The low participation rate in national elections is an example that points towards this reality.

Table 1.23. Turnout at parliamentary elections in the Baltic states (1992-1999) (in percentage of the voting population)

	Estonia	Latvia	Lithuania
1st election	67	89	72
2nd election	69	72	53
3rd election	57	73	(a)

Note: The first Estonian election took place in September 1992, the second in March 1995 and the third in March 1999. The first Latvian election took place in June 1993, the second in September 1995 and the third in October 1998. The first Lithuanian election took place in October 1992, the second in October 1996.

(a) The third national Lithuanian election is supposed to take place in October 2000.

Source: Norgaard, Ole, et al., The Baltic States after Independence, 2nd ed., (Cheltenham, Northampton: Edward Elgar, 1999) 100; Mel Huang, "Estonia: Savisaar Key to Low Estonian Turnout," http://www.rferl.org/nca/features/1999/03/F.RU.990318130839.html, July 2, 1999.

Although the level of participation in the republics' first elections has been similar to those in Western Europe, they subsequently decreased. The situation in Lithuania has been the most worrying of all, since almost half of the voting population did not exercise their voting rights (one of the most, if not the most, important political act as a citizen) during the second national election. Although Estonia also faced a similar situation, it took only place during its third national election in 1999.

The numbers of formal parties' and informal political groups' members further

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[83] Ole Norgaard, et al., The Baltic States after Independence, 1st ed., (Cheltenham, Brookfield: Edward Elgar, 1996) 82.

[84] Between the late 1980's and the early 1990's, thousands of Balts took part in native song festivals (later known as the 'singing revolution') and formed a human chain linking Tallinn to Vilnius condemning the Molotov-Ribbentrop Pact which had legalized the Baltic states' annexation. In Vilnius and Riga, hundreds of them defied the Soviet special forces by guarding their parliament buildings.

confirm the low participation rates in the political life of the Balts. In 1994, only 6.1 percent of the Baltic population took part in informal groups while 0.5 percent participated in a political party.[85] Despite their low electoral turnout, it should be observed that Lithuanians have surprisingly enough been more active party members than their Baltic neighbors. In 1995, for instance, the leading Lithuanian party (the Homeland Union) counted 16 000 members whereas its counterparts (the Estonian 'Coalition Party' and Latvia's Way) consisted respectively of 650 and 170 members.[86] As it will be demonstrated later on, this difference is mainly attributed to the more developed political parties of Lithuania.

The low political participation rates point to the fact that the Baltic citizens feel largely alienated from politics. Their satisfaction with the way their democratic regimes have developed over the years and their national governments have been consequently low.

As revealed by figure 1.7, less than half of the Baltic population is satisfied with the way democracy has been developing in their countries. In this respect, Norgaard argues: "The present support for democracy in the Baltic states is explained by the absence of reliable alternatives rather than by the support for democracy as a form of government."[87] In fact, during the Soviet rule, the Balts aspired to establish the opposite of the Soviet system, namely the Western model of democracy. Since democracy was often associated with welfare and because the Baltic states were subject to significant economic and social upheavals when they established a democratic regime, they ceased to be assiduous supporters of democracy.[88]

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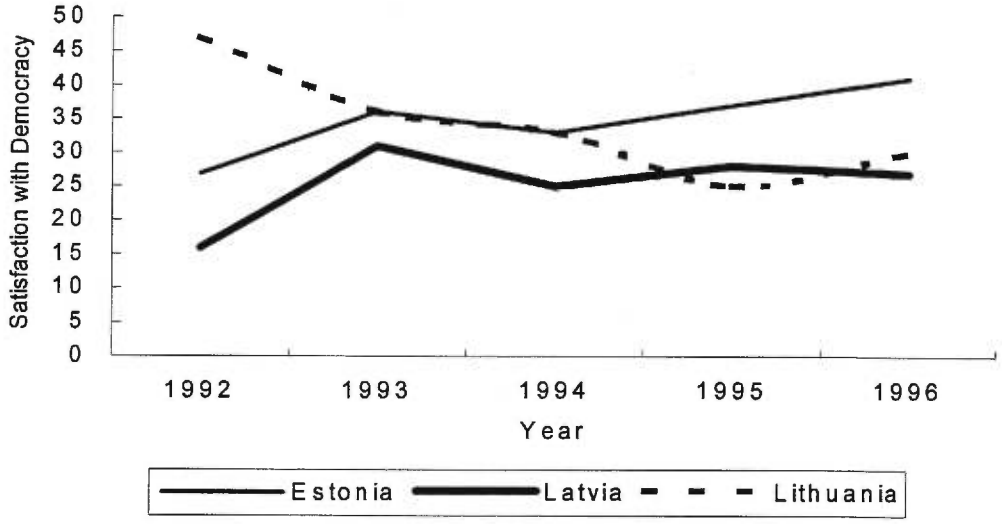
[85] Norgaard, The Baltic States after Independence, 1st ed., 112.

[86] Norgaard, The Baltic States after Independence, 2nd ed., 94-95.

[87] Norgaard, The Baltic States after Independence, 1st ed., 106.

[88] Ibid., 96.

Figure 1.8. Satisfaction with democracy in the Baltic states (1992-1996) (in percentage)



The question was: "On the whole, are you very satisfied, fairly satisfied or not very satisfied or not satisfied with the way democracy is developing in our country?" The proportion of the respondents who answered 'very satisfied' or 'fairly satisfied'.

Source: Norgaard, Ole, et al., The Baltic States after Independence, 2nd ed., (Cheltenham, Northampton: Edward Elgar, 1999) 99.

Distrust towards their political systems is further reflected by the low confidence the Balts have in their governments. A historic low figure was reached in Latvia in 1993 when only 6 percent of a survey's respondents agreed that their government acted in their interests.[89] Low satisfaction with the Baltic government has mainly been attributed to the economic upheavals that the population has experienced and to political scandals. In Estonia for instance, when a scandal involving government members was revealed in the fall of 1994, only 30 percent of

[89] Norgaard, The Baltic States after Independence, 2nd ed., 96.

the population had confidence in their parliament and government.[90] As a sidenote, the Balts have tended to be more supportive of their presidents than of their governments and parliaments. Rose and Maley's survey reveals that in 1994, 66 percent of the Baltic respondents favored an increase in the presidential powers (e.g., the authority to suspend the parliament and to rule by decree).[91] This can be explained by the few powers enjoyed by the heads of state (especially in Estonia and in Latvia).

The Baltic populations' passive political cultures, their low trust in their political institutions and the linkage of democracy with welfare are important hindrances to the consolidation of their political systems and regimes. As Norgaard explains, as a result, there is fear that power will gradually slip into the hands of a narrow elite which often comprises members of the former Soviet nomenclature who used to rule undemocratically.[92]

2. *The Plethora of Underdeveloped Political Parties of the Baltic States*

Apart from their populations' political apathy, the consolidation of the political systems of the Baltic states has been threatened by their underdeveloped political parties. Since the end of the one-party (communist) rule, the three Baltic republics have been afflicted by the presence of numerous weak and polarized parties. As revealed by the following table, by the mid-1990's, an increasing number of new parties still kept on forming annually.

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[90] It had been discovered that Edgar Savisaar, then Minister of Interior of Estonia, had recorded his conversations with leading Estonian politicians and sold the tapes to a security firm run by his supporters and former members of the KGB (Committee of State Security) agents. Some of this information was then reportedly sold to Russia. Open Media Research Institute, The OMRI Annual Survey of Eastern Europe and the Former Soviet Union 1995. Building Democracy (Armonk, New York, London: M.E. Sharpe, 1996) 72; Norgaard, The Baltic States after Independence, 2nd ed., 96

[91] Norgaard, The Baltic States after Independence, 2nd ed., 96-97.

[92] Ibid., 104.

Table 1.24. Number of political parties in the Baltic states (1995-1997)

	1995	1996	1997
Estonia	30	31	28
Latvia	33	34	37
Lithuania	25	33	47

Source: Laimonas Talat-Kelpsa, "The Political Systems of Lithuania, Latvia, and Estonia: A Comparative Institutional Analysis," The Baltic States: Cooperation and Looking for the New Approaches. Articles Presented at the Baltic Assembly Conference, 24 April 1998. Vilnius: Baltic Assembly (1998) 89.

While the number of parties seems to have stabilized in Estonia and in Latvia, it is still increasing substantially in Lithuania. By Western standards, the number of political parties in the three republics remains excessively high.

Due to their infancy, most parties, including the major ones, tend to be underdeveloped. Besides lacking well-defined constituencies, they do not yet possess developed programs and have weak organizational bases.[93] Of all the parties, the Lithuanian ones tend to be the most developed. This peculiarity is mainly due to the fact that the Lithuanian branch of the Soviet Union's communist party successfully transformed itself into the prominent Democratic Labor party (LDLP) in the early 1990's by keeping its predecessor's organization and resources. Its impressive electoral victory in 1992 induced the Homeland Union/Conservatives party (initially the Lithuanian Popular Front) and the Christian Democratic party to focus on their organizational capacity to successfully compete with the LDLP in the 1996 elections.[94]

The number of political parties is not a threat to national security unless they are too polarized to be able to make compromises with each other. The Lithuanian societal cleavages are especially pronounced compared to the Estonian and Latvian ones. Although the divide between citizens and non-citizens is important in Estonia and Latvia, economic reforms have divided the Lithuanian society even more. The conflict between the church and the state, nearly absent in Estonia and in Latvia, holds

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[93] Ibid., 94.

[94] Ibid., 94-95.

also a non-negligent place on the Lithuanian political scene.[95] Because Lithuania's party spectrum is less continuous than in Estonia and Latvia, parties have a more difficult time to make compromises with each other and to form coalitions. Should a crisis happen and no common grounds exist between the parties, national stability is likely to be compromised.

3. *The Fragmented Parliaments and the Unstable Cabinets of the Baltic States*

To protect themselves from the paralysis of their political systems, the three republics have endeavored to limit the number of parties in their parliaments. Electoral threshold requirements have therefore been introduced.[96] Whereas in Lithuania the number of parties that gained parliamentary seats increased at the 1996 elections, the electoral threshold requirements seem to have been more successful in Estonia and Latvia.

Table 1.25. Political parties represented in the parliaments of the Baltic states following the national elections (1992-1999)

	Estonia	Latvia	Lithuania
1st election	7	8	11
2nd election	7	9	15
3rd election	7	6	(a)

(a) The third national Lithuanian elections are supposed to take place in October 2000.
Sources: Norgaard, Ole, et al., The Baltic States after Independence, 2nd ed., (Cheltenham, Northampton: Edward Elgar, 1999) 76, 82, 90; The Economist Intelligence Unit, "Estonia 1999-2000," Country Profile (1999) 8.

Even if fewer parties gained parliamentary seats in Latvia and a constant number of parties remained in the Estonian parliament, electoral thresholds have

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95 Ibid., 69-71.

96 The electoral threshold requirement of Estonia has been set to 5 percent; Latvia initially set it at 4 percent but subsequently increased it to 5 percent in 1995; Lithuania threshold requirement was first set at 4 percent but subsequent revisions have raised it to 5 percent in 1996. A separate threshold exists for the coalitions which need to gain 7 percent of the votes to gain parliamentary seats.

however not been able to prevent the parties from splintering and their members from defecting them once in parliament. In 1998 for instance, 17 percent of the Estonian and 14 percent of the Latvian members of parliament were no longer affiliated with a faction.[97] In Lithuania, on the other hand, parties have been less affected by defection and fragmentation due to their stronger organizational bases and polarization.

The number of parties that gained parliamentary seats is not a clear indicator of the stability of a state's political system. More revealing is a state's party system and cabinet durability.

Table 1.26. Share of votes and parliamentary seats gained by the winning party and gap between the winning party and the second winning party (1992-1999) (in percentage)

	Estonia			Latvia			Lithuania		
	votes	seats	gap	Votes	seats	gap	votes	seats	gap
1st election	30.7	38.6	21.8	32.4	36	21	42.6	51.8	30.5
2nd election	32.2	40.6	21.7	15.2	18	1	29.8	51.1	39.4
3rd election	23.4	27.7	9.9	21.2	24	3	(a)	(a)	(a)

(a) The third national Lithuanian elections are supposed to take place in October 2000.
Sources: Norgaard, Ole, et al., The Baltic States after Independence, 2nd ed., (Cheltenham, Northampton: Edward Elgar, 1999) 76, 82, 90; The Economist Intelligence Unit, "Estonia 1999-2000," Country Profile (1999) 8.

Table 1.26 reveals that a multiparty system seems to have been established in Latvia since the second national elections, while a one-party system has emerged in Lithuania. In Estonia, although a clear winner has emerged during the first and second national elections, the representational disproportion is not as high as in Lithuania.

The different party systems have had distinct implications on the constitution and lifetime of the Governments. While the Lithuanian cabinet has consisted of only one party between 1993 and 1996 and two parties since 1996, the Estonian and Latvian cabinets have always included a minimum of three parties. The Latvian Government has tended to consist of the highest number of parties: in 1997 for instance, six parties (amongst them two coalitions) constituted it.

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[97] Ibid., 68.

Because the Estonian and Latvian cabinets rarely control half of the parliamentary seats like in Lithuania, it has been more difficult to avoid frequent cabinet changes. While the Lithuanian governments only stepped down once just prior to the 1996 elections and two times in 1999, Latvia's cabinets have rotated at least once a year. Thanks to its more effective coalition politics, Estonia has nevertheless been able to avoid frequent cabinet changes. Cabinet instability represents a real problem for Latvia because the creation and implementation of policies are not guaranteed. In Lithuania on the other hand, although legislative work is easier, policies are more likely to alter when the government rotates, even more due to the polarized party system, rendering policies unstable.

Since the early 1990's, the Baltic states have made significant headway in the political domain. Even if their institutional frameworks and democratic regimes have not been threatened, they are nevertheless still far from being consolidated. The presence of numerous weak parties, important societal cleavages, and cabinet instability significantly hinders national political security. As a result, the creation and implementation of domestic and foreign policies are rendered more difficult. The passive Baltic political culture inherited during the Soviet rule is an even more important matter of concern since the consolidation of the political systems rests on the support of the citizens.

F. Recapitulation and Partial Conclusions

When the Baltic states regained their independence in 1991, they were confronted to a challenging situation. After having been integral parts of the Soviet Union for fifty years, they had to rebuild their institutions and start their policies from scratch. Situated in a delicate geopolitical location and having inherited a burdensome legacy of the Soviet Union, they remain insecure in every sense of the word.

As has become evident, even if the three Baltic states share a common geopolitical situation and a similar Soviet past, they differ in a number of respects. Economically speaking, Estonia has become the 'shining star of the Baltics': although it has the most important trade and current account deficits of all, it attracts the most FDI and has the highest GDP per capita. Thanks to its diversified trade partnerships, it is also the least vulnerable to Russia's economic downturns and sanctions. While lagging economically and depending significantly on Russia's volatile economy, Lithuania possesses the most powerful defense force of all. As a result of Soviet policies, it did not become a multinational state to the same extent as its two Baltic neighbors. Consequently, the presence of minorities has represented a less significant threat to its national security. Although it has the most numerous and polarized political parties, it is the most politically stable Baltic state thanks to the clear preponderance of one party. Of the three states, Latvia seems to be most vulnerable. Not only does it have a small and ill-equipped military force like Estonia and does it lack a strong economy like Lithuania: it also suffers from excessive cabinet instability. Constituting a small majority of the total population, the ethnic Latvians also dread for the survival of their distinct identity.

Although the three Baltic republics have made significant headway in the military, economic, social and political domains in the last decade, their geographic location (on which they do not have any control) continues to render them significantly vulnerable. Neighboring a powerful and unstable state which has not yet fully accepted their independence, they feel threatened. Due to their weaknesses, their national security can not only depend on the success of their domestic reforms: it also largely rests on the pursuit and success of sound foreign policies.

Part Two

The Baltic States' Foreign Security Policies Towards the Western States and the Russian Federation in the 1990's

After having been integral parts of the Soviet Union for fifty years, the republics of Estonia, Latvia and Lithuania had to determine their foreign policies from scratch. Three security strategies were available to them: alignment, bandwagoning and neutrality.

Because their reliance on neutrality in 1939 did not save them from annexation and because of their incapacity to counter a foreign attack on their own, the option of neutrality was quickly discarded by the Baltic authorities. Eager to free themselves from their Soviet past and dreading Russian revanchism, a close relation with Russia was also rapidly ruled out. A policy of good neighborly relation was opted instead. Alignment, considered as the ultimate antidote to their insecurity, thus seemed to be the best choice in the eyes of the Balts.

This section will study the dualistic yet unbalanced cooperative security strategies which have been adopted by the three Baltic states since their independence. It will first analyze their foreign security policies towards the Western states by

focusing on their ultimate priorities, namely their integration policies towards the European Union and the North Atlantic Treaty Organization. Then it will study their foreign security policies towards the Russian federation.

A. The Baltic States' Foreign Security Policies Towards the Western States and their Motivations

During their incorporation into the Soviet Union, one of the Balts' dearest aspirations was to return to the Western world from which they had been taken away for half a century. Already prior to the national awakening of the Baltic republics, Baltic émigrés' associations, such as the well-known Baltic World Council, sought to raise the Western states' awareness of their compatriots' aspirations. The support of the Western states was especially important since nearly all of them never recognized their annexation by the Soviet Union (Germany and Sweden were the only exceptions). Contrary to the interwar period, their independence was rapidly recognized. By February 1991, Iceland and Denmark were the first states to do so and once the Soviet authorities recognized the re-establishment of the Baltic republics' independence on September 6 of the same year, the other Western powers quickly followed their lead.

Later in the month, the Baltic authorities began to reestablish diplomatic relations with the Western states. Rapidly members of the Organization for Security and Cooperation in Europe (OSCE), the UN, the Council of Europe and the Council of the Baltic Sea States (CBSS), they also endeavored to join the EU and NATO, which became early on their foreign security policies' ultimate priorities.

1. The Motivations of the Baltic States' Foreign Security Policies Towards the Western States

Although the rankings of the Baltic states' motivations differ somewhat, the

implications of their delicate geopolitical position have been their most important incentive in aligning with the Western states.

Even if the 1996 Joint Declaration of the Baltic Presidents on Partnership for Integration stipulates that integration into EU and NATO is motivated by the wish to "be part of a united Europe" rather than by a "fear of a third country", the Baltic authorities' endeavors to obtain Western security guarantees against possible Russian future threats are evident.[1]

From the moment when Russia became the legal successor of the Soviet Union, the three Baltic republics have been convinced that the ultimate threat to their security emanates from their geopolitical position. Animated by memories of their forceful incorporation and suspicious of their neighbor's "new" foreign policies, the Balts have rapidly identified Russia with the Soviet Union. Calling for the protection of its compatriots even through military means, scenarios involving the restoration of Great Russia are not ruled out by the Balts. Furthermore, by seeking to prevent them from joining NATO, Russia's desire to retain them within its 'sphere of influence' is obvious.[2] Fearful of being included in a 'gray zone' between the East and the West should they not gain EU and NATO memberships, the Russian attitude creates concern among the Baltic capitals.[3]

Since the Baltic authorities tend to associate national security with the notions of territorial defense and military force, Western military guarantees are considered the ultimate antidote to their insecurity. NATO membership has therefore been particularly coveted. Due to its limited budgetary and operational means, the Western

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[1] Peter van Ham, "The Baltic States and Europe. The Quest for Security," The Baltic States in World Politics, eds. Birthe Hansen and Bertel Heurlin (Surrey: Curzon Press, 1998) 30.

[2] Mare Haab, "Potentials and Vulnerabilities of the Baltic States. Mutual Competition and Cooperation," The Baltic States in World Politics, eds. Birthe Hansen and Bertel Heurlin (Surrey: Curzon Press, 1998) 5-6.

[3] Aivars Stranga, "The Baltic States in the European Security Architecture," Small States in a Turbulent Environment: The Baltic Perspective, eds. Atis Lejins and Zaneta Ozolina (Riga: Latvian Institute of International Affairs, 1997) 18; Ronald D. Asmus, and Robert C. Nurick, "NATO Enlargement and the Baltic States," Survival 38.2 (1996): 121.

European Union (WEU), which also provides its members with 'hard' security guarantees (with NATO's concurrence), has proven to be unable to meet the Baltic aspirations.[4] Consequently, although it assists them in their integration policies towards the EU and NATO, the WEU has never been a foreign policy priority for the Baltic authorities.

Although EU's 'soft' security guarantees have tended to be undervalued by the Baltic authorities, the fact that their NATO membership in the near future is uncertain has increased the appeal of the European organization.[5]

Apart from their delicate geopolitical situation and military vulnerability, the Baltic states' fragile economies are important factors that have incited the Baltic republics to align with the Western states. In this respect, EU membership has been especially coveted. By increasing their trade with the West and signing free trade agreements with the EU, the Balts believe that their economies will consolidate and attract an increasing flow of FDI. As the level of interdependence between the West and the Baltic republics increases, the reduction of transaction costs has further motivated the wish of the Baltic authorities to join the EU. By becoming members of other organizations, the Balts also assume that their states would become an increasingly secure and profitable region for Western businessmen to invest, further boosting their economy and rendering it less vulnerable to the Russian economic downturns and sanctions.[6]

Identity, in the sense of belonging to a specific group of nations, has been another important motive for them to align with the West. Due to their history, the Baltic peoples identify themselves with the Europeans, be them Northern Europeans

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[4] Haab, "Potential and Vulnerabilities" 8.

[5] Daina Bleiere, "Integration of the Baltic States in the European Union: The Latvian Perspective," Small States in a Turbulent Environment: The Baltic Perspective, eds. Atis Lejins and Zaneta Ozolina (Riga: Latvian Institute of International Affairs, 1997) 61.

[6] Viksne, "Latvia and Europe's Security Structures" 72; Norgaard, The Baltic States after Independence, 2nd ed., 166.

(in the case of Estonia and Latvia) or Central Europeans (in the case of Lithuania).[7] By aligning with the Western states and joining their organizations, the Balts endeavor to break off with their Soviet past and return to their historical roots. Arguing that they share the same values as the Western states, their attempts in becoming integral parts of the Western world is considered as "natural" and "logical" in their eyes.[8]

2. *The Baltic States' Integration Policies Towards the European Union*

Since Estonia, Latvia and Lithuania regained their independence in 1991, their relations with the EU have ranked high on their foreign policy agendas. Although a small minority of Baltic politicians has opposed EU integration, none of the major political forces in the three states has sought to prevent their state from seeking admission into the organization.[9] Aspiring to become full-fledged EU members in the near future, the three Baltic governments quickly adopted an integration policy.

2.1 From Trade and Cooperation Agreements to Europe Agreements

August 27, 1991 may be considered as the day when official relations between the Baltic states and the EU began. On that very day, the Ministers of Foreign Affairs of the EU member states jointly declared:

> "The Community and its Member States warmly welcome the restoration of the sovereignty and independence of the Baltic

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[7] Nekrasas, "Is Lithuania a Northern or Central European Country?" 19-45.

[8] Jonas Nartinavicius, and Egidijus Vareikis, "Lithuania's Pre-Accession Strategy," Revue Baltique 12 (1998): 16; Toivo Klaar, "Estonia's Security Policy Priorities," Baltic Security: Looking Towards the 21st Century, eds. Gunnar Artéus, and Atis Lejins (Riga: Latvian Institute of International Affairs and Försvarshögskolan, 1997) 16.

[9] Only in Lithuania did a small group of nationalist politicians led by R. Smetona create an anti-EU party: the National Democratic Movement for an Independent Lithuania. Evaldas Nekrasas (Professor at the Faculty of Philosophy Institute of International Relations and Political Sciences of the University of Vilnius), personal interview, Vilnius, July 1999.

> States which they lost in 1940. (...) It is now time, after more than fifty years, that these States resume their rightful place among the Nations of Europe. Therefore, the Community and its Member States confirm their decision to establish diplomatic relations with the Baltic States without delay."[10]

By this very statement, the EU resumed what had been interrupted for fifty years: the integration of the Baltic republics into Western Europe. As an acknowledgement of their independence, Agreements on Trade and Commercial and Economic Co-operation were offered to them. Although Riga, Tallinn and Vilnius showed eagerness in signing the agreements, closer relations with the EU were not given top priority by all the Baltic authorities at that time. While Latvia and Lithuania considered EU and NATO accession as priorities of equal significance, Tallinn gave precedence to its adhesion into the Council of Europe and NATO over its integration into the EU. In 1993, when it became a member of the Council of Europe and realized that its prospects to integrate NATO in the near future were slim, EU became the Estonian government number one priority.[11]

Although the Baltic states became recipients of the same financial assistance program as the Central and Eastern European states (PHARE), EU members hesitated in treating them like their peers.[12] At a time when Bulgaria, Romania and the Visegrad countries (the Czech Republic, Hungary, Poland, Slovakia) were negotiating and concluding Europe Association Agreements, EU members seemed unwilling to extend the comprehensive agreements to former Soviet republics. Two reasons may explain their reluctance. On the one hand, the economic and political reforms of the Baltic republics lagged compared to those of the other Central and Eastern European countries. On the other hand, some EU members feared to jeopardize their relation

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[10] Cited in: Rytis Martikonis, and Dainoras Ziukas, "Litouwen en de Europese Unie: Historishe en Politieke Perspectieven," (Lithuania and the European Union: Historical and Political Perspectives) De Balten. Op de Tweesprong tussen Oost en West (The Balts. At the Crossroads Between East and West) eds. L. Carrafiello, L. Spaepen, and N. Vertongen (Leuven: Garant, 1999) 211.

[11] Mare Haab, "Estonia and Europe: Security and Defence," Chaillot Paper 19 (1995): 53.

[12] The other former Soviet republics, including Russia, are recipients of the (more limited) TACIS financial and technical assistance program.

with Russia by granting former Soviet republics EU membership and thereby admission into the organization's security and defense structures, notably the WEU.[13]

Only at its June 1993 Copenhagen summit, after much lobbying by the Baltic delegations and the Scandinavian candidates (which desired to maintain their free trade regimes with the Baltic republics), did the European Council finally consider the eventuality of extending Europe Agreements to the Baltic states. The EU internal crisis connected with the ratification of the post-Maastricht treaty was also held responsible for this decision. Interested in the speedy accession of the Scandinavian candidates and in satisfying Denmark, which by that time held its second referendum on the ratification of the Maastricht treaty, EU members yielded to the Scandinavian and Baltic demands.[14]

Even if no Europe Agreements were offered at that time, the Copenhagen summit represented an important event since it marked the beginning of a new era in the enlargement process of the organization. The European Copenhagen Council had declared:

> "The associated countries in Central and Eastern Europe that so desire shall become members of the European Union. (...) Accession will take place as soon as an applicant is able to assume the obligations of membership by satisfying the economic and political conditions required."[15]

Several criteria, later referred to as the 'Copenhagen criteria', were elaborated to evaluate the candidates' eligibility for membership in the most objective way possible. They consist of the following:

a) the stability of institutions guaranteeing democracy, the rule of law, human rights and respect for and protection of minorities;

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[13] Norgaard, The Baltic States after Independence, 2nd ed., 169.

[14] Klaudijus Maniokas, "Lithuania's Association with the European Union. Political Aspects of the Lithuania's Association with the European Union," Lithuania's Integration into the EU. Summary of the Study in the Status, Perspectives and Impact, eds. Klaudijus Maniokas and Gediminas Vitkus (Vilnius: European Integration Studies Centre, 1997) 12-13.

[15] European Communities, "Accession Criteria," http:europa.eu.int/comm/enlargement/intro/criteria.htm, December 20, 1999.

b) the existence of a functioning market economy, as well as the ability to cope with competitive pressures and market forces within the Union;
c) the ability to take on the obligations of membership, including adherence to the aims of political, economic and monetary union;
d) the capacity of a country's administrative and legal systems to put into effect the principles of democracy and the market economy and to apply and enforce the acquis in practice.[16]

Were the Baltic states able to sign the Europe Agreements, their membership would be almost inevitable, provided they would do their homework (i.e., meet the membership requirements) and provided the EU could absorb new members while maintaining the momentum of European integration.

Following the Copenhagen summit, the three Baltic states intensified their lobbying to the EU members and sought to narrow the gap which lied between them and the Central and Eastern European candidates. This was the time when an important cooperation between the three Baltic states took place; later on they would opt for somewhat different strategies.[17] Their efforts, together with the persuasive Nordic lobby and the recent events in Russia finally pushed the EU to revolutionize its relation with the Baltic states on February 7, 1994.[18] On that day, the European Council endorsed the Commission's decision to open negotiations with the Baltic states on Free Trade Agreements. More importantly however, it formally recognized the Baltic states as future EU members when it declared:

> "The Council will take all necessary steps with the aim of negotiating and concluding Europe Agreements as soon as possible in recognition of the fact that Estonia, Latvia and

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16 Ibid.

17 Martikonis, and Ziukas, "Litouwen en de Europese Unie" 216.

18 Following the constitutional crisis between the Russian president and the parliament, communists and nationalists gained the upper hand in the national parliamentary elections of December 1993. Ibid., 217.

> Lithuania's ultimate objective is to become members of the European Union through Europe Agreements."[19]

Free Trade Agreements were signed on July 18 of the same year and entered into force on January 1, 1995. Before they even took effect, negotiations on the conclusion of the Europe Agreements between the Baltic states and the EU began.

Once membership was finally within the Baltic states' reach, the completion of negotiations was considered more important by the Baltic delegations, especially by the Lithuanian negociators, than the actual content of the agreements.[20] Haste and insufficient preparation led the Lithuanians into problems. Confronted to the difficult issue of the legalization of land acquisition by foreigners, Lithuania realized that EU integration could not only proceed on the basis of declarations. Integration also entails a loss of sovereignty, thereby compromising the Lithuanians' desire to increase the sovereignty of their state.[21] This very reality constituted an important test for the Baltic candidates' determination in becoming EU members, and thus in differentiating themselves from the other former Soviet republics. Finally on June 12, 1995, after Lithuania's political parties committed themselves in legalizing land acquisition by foreigners, Lithuania signed a Europe Agreement, together with Estonia and Latvia. Its parliament was however only able to ratify the agreement on June 20, 1996, almost one year after its Baltic neighbors.[22]

Although the three Europe Agreements are very similar in content, an important difference exists concerning the transition period requested by the Baltic candidates in the implementation of the Agreements' provisions. While the Latvian and Lithuanian agreements mention a transitional period that is to end no later than in December 31, 1999, the Estonian negotiators surprised the EU when they called for

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[19] Cited in: Ibid. 217.

[20] Maniokas, "Lithuania's Association with the European Union" 13.

[21] Ibid. 14; Grazina Miniotaite, "The Security Policy of Lithuania and the 'Integration Dilemma'," Diss. Lithuanian Institute of Philosophy and Sociology, 1999.

[22] The Estonian parliament ratified the Europe Agreement on August 1, 1995, and the Latvian parliament did likewise on August 31, 1995.

no transition period (even the Visegrad countries asked for long transition periods). Acknowledging Estonia's very liberal economic policies and its already extensive trade relation with the EU, the Commission decided to include almost no transition period in the agreement.[23] This marked the beginning of the Baltic states' more individualized approaches towards the EU.

2.2 From the Formal EU Membership Applications to the Accession Negotiations

Once the Europe Agreements were signed, the nature of the Baltic states' integration policies altered. Since they committed themselves to approximating their legislation to that of the EU, their integration policies, which were initially a political process, became a series of practical economic and legal measures. Guided by the provisions of their Europe Agreements and the 1995 White Paper on the EU Internal Market, and assisted by a complex network of national and joint institutions, the Baltic states have attempted to meet the Copenhagen criteria.[24] The harmonization of national legislation process with the EU laws has however not attracted much political attention: Baltic politicians seem to be more concerned with the date of their state's accession into the EU.[25]

Apart from their efforts to adjust their legislation, the Baltic states have done their utmost best to be perceived as valuable partners by the EU members. One of the most obvious means has been through their support of the organization's Common Foreign and Security Policy (CFSP). Besides acceding to an increasing number of EU

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[23] Klaar, "Estonia's Security Policy Priorities" 23.

[24] Since 1995, the Baltic states have instituted various structures to prepare, implement and supervise their integration strategies. Estonia and Latvia have established the post of Minister for European Affairs, a European Integration Bureau under the jurisdiction of the Minister, and a Prime Minister-led European Integration Council. Corresponding structures exist in Lithuania. The EU has also established various institutions to assist the candidates in their integration policies, notably, Association Councils, Association Committees, Joint Parliamentary Committees and European Commission Delegations.

[25] Norgaard, The Baltic States After Independence 171.

declarations, common positions and joint actions, the Balts have constantly stressed their desire to contribute to Europe's stability and security.[26] Since the spring of 1995, they have participated in the European Pact of Stability in which, together with Poland, they have addressed and tackled their minority and territorial issues (as part of this EU initiative, several accords with Russia and other CIS members were signed). Meanwhile, the Baltic states have also become increasingly involved in the activities of the WEU, EU's defense component. After being granted the status of associate partners in 1994, they began to actively take part in the meetings of the WEU working groups and Council. By participating in numerous WEU peacekeeping missions (e.g., in ex-Yugoslavia and in Albania), the Baltic republics have been showing their resolve in contributing to Europe's stability and security.

To increase their membership's prospects, Estonia and Lithuania altered somewhat their integration strategies by mid-1995. Convinced that they would soon be invited to start accession negotiations, both states did not wish the shortcomings of their Baltic neighbors to diminish their own membership prospects at the profit of the Visegrad group. Despite EU's recommendations that the Baltic states should cooperate to enhance their membership prospects, Tallinn and Vilnius pressed the organization to judge them on an individual rather than on a group basis.[27] To further increase their prospects, both states chose to cooperate more intensively with their respective Western strategic partner (Finland and Poland) rather than solely with their Baltic neighbors. Trilateral cooperation has nevertheless not been dismissed by them. As a result of the implementation of the Free Trade and Europe Agreements, tariffs and quotas on inter-Baltic trade were removed, consequently merging the Baltic

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[26] Justas V. Paleckis, "Aspects of Foreign Policy Orientation in the Baltic States: Experience of Lithuania," The Baltic States at Historical Crossroads. Political, Economic and Legal Problems in the Context of International Cooperation on the Doorstep of the 21st Century. A Collection of Scholarly Articles, ed. Talavs Jundzis (Riga: Academy of Science of Latvia, 1998) 109;

[27] Van Ham, "The Baltic States and Europe" 31; Norgaard, The Baltic States after Independence 171.

markets, and in 1996 the project of a joint customs union was launched.[28] Lacking a Western strategic partner, Latvia has been the most prominent Baltic state in pushing for Baltic cooperation.[29]

Proving their resolve to become EU members, the Baltic states rapidly submitted formal membership applications to EU headquarters. By December 1995, all three were formal membership candidates. Consequently, the EU members were forced to take a more concrete stand towards their eligibility.

This was done in July 1997, when the European Commission published its evaluation of the candidates' applications for accession. Even if it only advised the European Council to start accession negotiations with only one Baltic state (Estonia), its decision sent a clear signal to the other two that their status of previous Soviet republics and their geopolitical location would not diminish their membership prospects. Despite this reassurance, Latvia and especially Lithuania were significantly disappointed by the fact they had not been included among the Commission's 'fast track' category.[30] While Latvia acknowledged to some extent that Estonia better fulfilled the Copenhagen criteria, Lithuania emphasized that the good performance of its economy and the lack of problems in its naturalization process should have played in its favor.[31]

According to the Commission however, even if Estonia did not meet the political criteria to the same extent as Lithuania due to its slow naturalization process, it was the sole Baltic state which best met the economic criteria. Due to the considerable progress in its administrative reforms, Tallinn was also deemed better

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[28] Haab, "Potentials and Vulnerabilities" 18; Ramunas Vilpisauskas, "The Impact of the European Union on Intra-Baltic Economic Cooperation," Lithuanian Foreign Policy Review 3.1 (1999): 97-124.

[29] Nekrasas, personal interview, July 1999; Bleiere, "Integration of the Baltic States" 90.

[30] Darius Zeruolis, (Deputy Director, Lithuanian European Committee, Integration Strategy Department) personal interview, Vilnius, July 1999.

[31] Atis Lejins, "The Twin Enlargements and Baltic Security," Humanities and Social Sciences Latvia 3 (1998): 16; Gediminas Vitkus, "At the Cross-Road of Alternatives: Lithuanian Security Policies in 1995-1997," Baltic Security: Looking Towards the 21st Century, eds. Gunnar Artéus and Atis Lejins (Riga: Latvian Institute of International Affairs and Försvarshögskolan, 1997) 57.

prepared to adopt the acquis communautaire than its two Baltic neighbors. Although Lithuania fulfilled the political criteria, the Commission urged the country to make further progress in a number of economic domains (e.g., relative price adjustments, large-scale privatization, enterprise restructuring, agriculture modernization, banking sector development). Lithuania was also strongly recommended to enforce financial discipline for enterprises. Latvia did meet neither the political nor the economic criteria. Besides being advised to accelerate its naturalization process, it was encouraged to make further progress in the restructuring of its industries and enterprises, the modernization of its agriculture and the development of its banking sector.[32]

In fact, the European Commission's negative opinions on Latvia's and Lithuania's membership applications in 1997 clearly revealed that insufficient attention had been paid by both countries to their integration policies. Thanks to its skillful negotiators and by prioritizing its relation with the EU over NATO since 1993, Estonia had opted for the most rewarding option.[33] More preoccupied with domestic politics, the Latvian authorities, which had persisted to consider integration into the EU and NATO as goals of equal significance, was unable to mobilize the resources needed to reach its EU membership's aspirations.[34] The Lithuanian political elite for its part, although not recognizing it officially, had given precedence to its integration into NATO. Insufficient attention had consequently been devoted to the EU matters and insufficient diplomatic initiative had been shown on the high politics level.[35]

From the moment when Latvia and Lithuania realized that their prospects of early membership were compromised, they sought to rectify the situation. To influence

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[32] European Commission, Agenda 2000. 3. The Opinions of the European Commission on the Applications for Accession. Summaries and Conclusions, doc 97/6, Strasbourg, 15 July 1997.

[33] Klaar, "Estonia's Security Policy Priorities" 22.

[34] Atis Lejins, and Zaneta Ozolina, "Latvia – The Middle Baltic State," Baltic Security: Looking Towards the 21st Century, eds. Gunnar Artéus and Atis Lejins (Riga: Latvian Institute of International Affairs and Försvarshögskolan, 1997) 35.

[35] Vitkus, "At the Cross-Road of Alternatives" 57; Nekrasas, personal interview, June 1999.

the European Council which had to take the final decision by the end of the year, both states increased their diplomatic activities in EU headquarters and in EU member states' capitals, and compiled concrete action plans to overcome the shortcomings listed by the EU Commission.[36] Alas their efforts, which to be effective should have been made one or two years before, were unsuccessful: the Luxembourg European Council endorsed the Commission avis. Estonia was consequently the sole Baltic state to be invited to start accession negotiations in March 1998.

In meeting the Copenhagen criteria, the Baltic states have been facing an important dilemma. Before being able to join the EU, the candidates need to reach a certain level of economic and political development. Paradoxically, it is much more difficult for them to reach such level without membership.[37] "This dilemma basically means that for achieving the preconditions for membership, it might be important to already be inside of the EU."[38] The Baltic states therefore attempt to become EU members as quickly as possible by endeavoring to meet the criteria of Copenhagen as best as they possibly can, given their limited financial resources.

With the help of annual accession partnerships which assess the priorities candidates need to focus on and detail the manner in which the PHARE Program intends to support their efforts, and their individual National Programs for the adoption of the Acquis (NPAA), the Baltic states have sought to address the shortcomings identified by the Commission. In 1999, it became clear that Latvia had made the most headway in legislative alignment and in administrative reforms;

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[36] Vitkus, "At the Cross-Road of Alternatives" 58; Dace Krievane, "Letland en de Uitbreiding van de Europese Unie: Alle Hoop op "het Snelle Spoor" "(Latvia and the European Union Enlargement: All Hopes for the "Fast Track") De Balten. Op de Tweesprong tussen Oost en West (The Balts. At the Crossroads Between East and West), eds. L. Carrafiello, L. Spaepen, and N. Vertongen, (Leuven: Garant, 1999) 204-205.

[37] Bleiere, "Integration of the Baltic States" 63.

[38] W. Wessels, "Problems and Perspectives of the EU: Political and Institutional Options," East-Central Europe and the EU: Problems of Integration, eds. K. Kaiser and M. Bruning (Europa Union Verlag: Bonn, 1996) 73.

Estonia's progress had slowed whereas Lithuania had made good progress, although not as much as its northern neighbor.[39]

By then, concerning the political criteria, Estonia and Latvia have facilitated their naturalization process: both extended citizenship to stateless children and enhanced their respective language training for non-speakers. By adopting a new language law, however, Estonia made a step backwards in meeting the political criteria.

As for the economic criteria, all three Baltic states have further stabilized their economies and brought them to EU standards. Privatization has been undertaken and nearly completed in the domain of small and medium enterprises, but significant efforts still need to be done in the privatization of large enterprises. In Latvia and Lithuania, a medium-term economic policy has been elaborated and enterprise and banking restructuring has been under way. According to the Commission, the modernization of agriculture in Latvia and major efforts in the domains of energy and agri-food restructuring in Lithuania are still needed.

Progress has been made in the reinforcement of the Baltic states' institutional and administrative capacities. All have done some progress in the restructuring of supervisory and enforcement bodies and have developed the training of the civil service and the judiciary. Further efforts are nevertheless still recommended by the EU, especially in the case of Latvia.

It is to be noted that the Baltic states have also made progress in the domains of environment, justice and home affairs (e.g., judicial reforms; fight against organized crime and corruption; border management). By adopting a long-term energy strategy and by promising to decommission its nuclear power plant (considered as one of the

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[39] European Communities, "Regular Report from the Commission on Progress Towards Accession by Each of the Candidate Countries. Annex I. Country Overview,' http;//europa.eu.int/comm/ enlargement/report_10_99/composite/x1.htm, Oct 13, 1999.

most dangerous in the world) in 2009, Lithuania has been able to remove one of its main hindrances towards EU membership.[40]

Although the Latvian and Lithuanian efforts in meeting the Copenhagen criteria were acknowledged in the first annual progress report of the Commission, the latter had not modified its evaluation of 1997. It was only at the Helsinki summit of December 1999 that the European Council, on the Commission's recommendations, invited those that had not been included in the 'fast-track' category to start accession negotiations by February 2000. It is now up to Latvia and Lithuania to prove that they are able to do their homework as well as those which had initially been included in the 'fast-track' category. Given their different paces however, it is unlikely that all three will achieve membership simultaneously. As a matter of fact, at the time when Latvia and Lithuania were invited to start accession negotiations, Estonia and EU had already closed eight acquis chapters of a total of thirty one and twenty one were still open (the chapters "institutions" and "other business" were not yet opened).[41]

Due to its advance, Estonia hopes to be the first Baltic state to be ready to become an EU member. It has put January 1, 2003 as its target date.[42] Latvia also expects to fully assume the rights and obligations of an EU member state by the beginning of 2003.[43] Lithuania for its part hopes to conclude its accession negotiations

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[40] European Communities, "Regular Report from the Commission on Progress towards Accession Estonia - October 13, 1999," http://europa.eu.int/comm/enlargement/estonia/rep_10_99/d.thm, October 13, 1999; "Regular Report from the Commission on Progress towards Accession Latvia - October 13, 1999," http://europa.eu.int/comm/enlargement/latvia/rep_10_99/d.thm, October 13, 1999; "Regular Report from the Commission on Progress towards Accession Lithuania - October 13, 1999," http://europa.eu.int/comm/enlargement/lithuania/rep_10_99/d.thm October 13, 1999.

[41] The eight chapters which were concluded by December 1999 are the following: small and medium sized enterprises; science and research; education and training; statistics; industrial policy; telecommunications and information technology; consumer and health protection.

[42] Alar J.R. Olljum (Ambassador, Embassy of Estonia in Lithuania) personal interview, Vilnius, July 1999.

[43] Latvian Ministry of Foreign Affairs, "Latvia's Integration into the European Union," http://www.mfa.gov.lv/eframe.htm, June 12, 2000.

by 2002 and intends to join the EU by January 2004.[44] Sufficient progress in legislative alignment and in administrative reforms and EU's capacity to enlarge will determine whether the expectations of the three states will be met.

3. The Baltic States' Integration Policies Towards the North Atlantic Treaty Organization

Since their independence, NATO has ranked very high on the foreign policy agendas of Estonia, Latvia and Lithuania, often higher than the EU. Contrary to EU membership, no single political force in any of the three states has opposed accession to NATO.[45] Since they all perceive the transatlantic collective security organization as their ultimate security guarantor, they have been eager to develop closer relations and to seek admission.

NATO member states, with the sole exception of Denmark, have however not shared the enthusiasm of the Baltic politicians. Even if the United States has encouraged the Balts in their membership quest, it has not made any concrete promises with respect to their admission.[46] Despite the fact that NATO members often declare that the security and stability of the Baltic states is a vital concern to them, it has become obvious early on that they are reluctant to grant them membership. Various justifications have been advanced. They include the lack of most of NATO members' strategic interests in the region, the indefensibility of the Baltic territory and the Baltic states' unresolved minority and border problems.[47]

Most importantly, NATO members fear that by admitting former Soviet republics in the organization, they might jeopardize their relation with Russia and

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[44] Lithuanian Ministry of Foreign Affairs, "Fact Sheet: Lithuania and the European Union," http://www.urm.lt/eu/fsh.htm, June 22, 2000.

[45] Nekrasas, personal interview, June 1999.

[46] Blank, NATO Enlargement.

[47] Asmus, and Nurick, "NATO Enlargement and the Baltic States" 124.

hence the stability of the continent. The Russian politicians have always unanimously declared that although they did not oppose EU enlargement, they would not tolerate NATO enlargement, especially vis-à-vis the three Baltic states.[48] To prevent the latter from happening, Russia has declared itself ready to take countermeasures, including nuclear deployment in Kaliningrad, Belarus and the Norwegian-Russian border.[49] Different rationales have been advanced by Russia to explain its fierce disapproval. It is believed that Baltic membership in NATO would encourage the popularity of the extreme nationalists and thus weaken the reformers who favor good relations with the West, and that it would significantly threaten Russia's national interests. [50] As a Russian scholar argues: "(...) admitting any former Soviet republic into NATO would be regarded by Russia as a provocative move, just as Washington regarded the 1962 deployment of Soviet missiles in Cuba."[51] Furthermore, Moscow warned that NATO enlargement would create a new division in Europe, isolate Russia, and thereby initiate a period of "Cold Peace". [52] Due to this important external factor over which they have no control, the Baltic authorities have always had a more difficult time in attempting to plead for their membership than the Central and Eastern European candidates. Because NATO membership depends more on political decisions than on the fulfillment of specific objective criteria, the persuasiveness of the Baltic delegations plays a crucial role in enhancing their membership prospects.

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[48] Valentin V. Shabaturov and Sergey V. Volostnov (Assistants of Military, Naval and Air Attaché of the Embassy of Russia in Lithuania) personal interview, Vilnius, February 2000.

[49] Haab, "Potentials and Vulnerabilities" 6.

[50] Thomas Lane, "The Baltic States, the Enlargement of NATO and Russia," Journal of Baltic Studies 28.4 (1997): 299-300.

[51] Vladimir K. Volkov, "Expanding NATO Eastwards. View from Moscow," Problems of Post Communism 44 (1997): 66.

[52] Lane, "The Baltic States, the Enlargement of NATO and Russia" 300.

3.1 From NACC Membership to Partners in the PfP Program

When they regained their independence, the Baltic states were eager to establish close ties with NATO to obtain military security guarantees. Two options were considered: full NATO membership or some form of security guarantee for their independence, possibly linked to a 'gradual' accession to the organization.[53] As it became clear by 1992, NATO members were not ready to extend security guarantees to them. During his March 14, 1992 visit to Tallinn, NATO Secretary General Manfred Woerner confirmed that: "NATO will not give any security guarantee to a state which will not be its member."[54] Full membership was consequently the sole path through which the Baltic republics could acquire 'hard' security guarantees.

Similar to their initial approach towards the EU, the Baltic authorities first sought NATO membership as a group, convinced that such approach would enhance their prospects. In 1993, the three Baltic Ministers of Defense committed themselves to:

> "(...) strive for unanimous and co-ordinated integration into larger structures of ensuring security (...) by means of: confirming our intention to integrate our countries with European collective structures including NATO, as a transatlantic organization, the main guarantee of the European pillar of NATO, initiating talks to achieve necessary agreements which would increase stability and confidence in our region and in Europe."[55]

Later, however, more individualized approaches would be adopted by the Baltic authorities, namely by Lithuania.

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53 Andris Ozolins, "The Policies of the Baltic Countries Vis-à-vis the CSCE, NATO and WEU," The Foreign Policies of the Baltic Countries, eds. Joenniemi, Pertti and Juris Prikulis, Tampere Peace Research Institute Report 56 (Riga: Centre of Baltic-Nordic History and Political Studies, 1994) 61; Bajarunas, "Lithuania's Security Dilemma" 26.

54 Cited in: Ozolins, "The Policies of the Baltic Countries" 62.

55 'Trilateral Declaration for Co-operation in the Field of Security and Defence'. Cited in: Tamulaitis, "National Security and Defence Policy" 53-54.

Awaiting the decision of NATO members to initiate the enlargement process, the Baltic states actively participated in NATO's consultation and cooperation forum, the North Atlantic Cooperation Council (NACC), which addresses the security concerns of its members.[56] For the Baltic states, NACC (and its 1997 successor: the Euro-Atlantic Partnership Council) is particularly valuable because through this forum they can make use of NATO assistance in the building of their defense structures and in dealing with important issues (e.g., the Russian military troops withdrawal). At the same time however, the shortcomings of the forum, namely its insufficient account of the diversity of its members, have quickly become obvious.[57] As a consequence, the Baltic states along with the Central and Eastern European countries, pressed NATO to intensify their mutual relations and to take a concrete position with respect to their membership prospects.

This was done by early 1994: at the January Brussels summit, NATO members besides announcing that the organization was open to new members, launched the Partnership for Peace (PfP) initiative. Although the PfP program does not entail military security guarantees, it represents a rare opportunity for the Baltic authorities since it provides them with a unique security cooperation framework. Since the program assists the partner states in enhancing their military capabilities through joint planning, training and exercises, and allows them to consult NATO when their national security is threatened (basically all of NATO minus article 5) the Baltic authorities warmly welcomed the initiative. Confirming their interest in NATO's initiative, the Baltic presidents issued a joint statement on January 13, 1994, declaring: "The

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[56] The NACC, consisting of NATO countries, former Warsaw Pact and former Soviet republics, holds regular discussions on security matters and consultations on the implementation of arms control agreements, relations between civilian and military sectors, specific environmental issues related to the military domain and means to convert defense industries to civilian industries. Paul E. Gallis, Partnership for Peace CRS Report for Congress 94-351 F (Washington: Library of Congress, 1994) 1.

[57] Bajarunas, "Lithuania's Security Dilemma" 25.

program opens up concrete possibilities for the development of cooperation between NATO and the Baltic states by being a gradual way for becoming NATO members."[58]

Lithuania was the first Baltic state to sign the PfP Framework Document on January 27, 1994. By February 14, all three Baltic republics were formal participants of the new program. Individual Partnership Programs, developed jointly by the Partner country and NATO, were agreed between November 1994 and March 1995.

Similar to the Europe Agreements, the signature of the PfP program revolutionized the integration policies of those who joined it. From initially being a diplomatic dialogue, the policies changed into a series of adjustments that involved harmonization of their defense structure with the ones of NATO members. This entails for example the development of transparent defense budget and planning; the establishment of civilian control of the armed forces; the development of a military capability to participate in UN and OSCE operations; the establishment of co-operative military relations with NATO for the purpose of joint planning and training and the improvement of the military forces' quality for interoperability with NATO.[59] Because the Baltic states had to build their defense forces from scratch, they could immediately make them interoperable with NATO. Insufficient financial resources and poor knowledge of the English language have however rendered their endeavor particularly difficult.[60]

Considering the PfP program as a significant opportunity to prepare for NATO membership, the Baltic authorities have sought to use it at its full potential.[61] Besides rendering their defense structures compatible with those of NATO, the three Baltic states, wishing to be perceived as security 'producers', participated in the planning, training and exercising of numerous NATO and WEU activities both abroad and at

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58 Cited in: Haab, "Estonia and Europe" 52.

59 Gallis, Partnership for Peace 2-3.

60 Darius K. Mereckis, "Lithuania as a NATO Partner," Lithuanian Foreign Policy Review 1.4 (1999): 42.

61 van Ham, "The Baltic States: Security and Defence after Independence" 4.

home.[62] Their participation in NATO peace operations in Bosnia and Kosovo has been especially remarkable given their small armies, and has been acknowledged by NATO members.

3.2 Towards NATO Membership

Besides actively working within the NACC and the PfP frameworks, the Baltic authorities unremittingly lobbied NATO headquarters and the individual NATO members for their membership. Fearing that their geopolitical location and former Soviet republic status would prevent them from being granted membership, the Baltic delegations implored NATO to use objective criteria to judge of their membership eligibility. Meanwhile, the Baltic states also advocated the aspirations of the Central European candidates: if only one of them or at least one Central European state could become a NATO member in spite of Russia's objections, a useful precedent would be created.[63]

Even if the Baltic states committed themselves to call for the simultaneous beginning of their NATO accession progress and have cooperated with each other while taking part in various PfP exercises and NATO missions, Lithuania began to rapidly distance itself from its Baltic colleagues. To increase its membership prospects, the Baltic frontrunner began to rely on its Polish strategic partner. In 1995, the Lithuanian Deputy Chairman of the Foreign Commission of the Parliament Algirdas Gricius argued that: "(...) although Vilnius should cooperate with the other Baltic states, it should not seek the joint entry of the Baltic states into NATO, since it could

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[62] Peter van Ham, "The Baltic States and Europe" 34-35; Volker Heise, "The North Atlantic Treaty Organization," The Baltic Sea Region. National and International Security Perspectives, ed. Axel Krohn (Baden-Baden: Nomos Verlagsgesellshaft, 1996) 216-217.

[63] Viksne, "Latvia and Europe' Security Structures" 71.

be more beneficial if Lithuania applied for NATO membership together with Poland."[64]

Despite the intense lobbying of the American Baltic Freedom League operating within the American Congress, the Baltic dream of membership in NATO was shattered by the late 1996. In October 1996, American Secretary of Defense William Perry declared that the Baltic states were not ready to join NATO because they were not yet able to come to the defense of NATO members as stipulated in the collective security article of the Founding Treaty.[65] Realizing that their membership prospects were slim, the Baltic states altered somewhat their integration strategies. Instead of pushing for their membership, they endeavored to influence NATO's rhetoric. Mainly, they solicited NATO to adopt a language that would guarantee an 'open-door' strategy once the first post-Cold War enlargement wave would be completed at the Madrid Summit of July 1997.[66] In the event of their candidacies' refusal, they also expected NATO to make commitments, preferably explicit ones, concerning their membership or provide them with a clear timetable and an admission procedure.[67] As Lithuanian Defense Minister Linas Linkevicius declared:

> "What matters to us is continuity of the [NATO enlargement] process. We need to see clear positions, clear signals and clear and specific political decisions which would signify that this will not be the last train. We want to know that the first railway carriage will definitely not be the last one."[68]

As was expected, in July 1997, NATO only invited the Czech Republic, Hungary and Poland to join the organization. Although the Baltic states were not granted membership, the Summit was a success for them because NATO acknowledged their aspirations in a similar way to those of Romania and Slovenia:

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64 Haab, "Estonia and Europe" 49.

65 Daniel Austin, NATO Expansion and the Baltic States, Conflict Studies Research Centre G 70 (London: RMA Sandhurst, 1999) 1.

66 Klaar, "Estonia's Security Policy Priorities" 20.

67 Bajarunas, "Lithuania's Security Dilemma" 27.

68 Cited in: van Ham, "The Baltic States and Europe" 38-39.

"We recognize the progress achieved toward greater stability and cooperation by the states in the Baltic region which are also aspiring members."[69]

Having been recognized as "aspiring members", Estonia, Latvia and the especially disappointed Lithuania have been doing their utmost best to be included in the next enlargement wave. While continuing to upgrade their defense structures and to participate in various peacekeeping exercises and missions, the Baltic authorities have sought to address the various critiques of NATO members (e.g. their indefensibility, their image as security 'consumers' and Moscow's opposition).[70] With respect to their limited military capabilities, they have sought to keep the discussions in perspective by stressing their will to contribute to Europe's security and the incapability of small countries to provide for the same military contribution as large ones.[71]

To gain more support from NATO members, the Baltic states pursued their strategic relationships with several NATO members, especially the United States and in the case of Lithuania, Poland. On January 16, 1998, a US-Baltic Charter of Partnership was signed by the Baltic and American Presidents: besides increasing their economic cooperation, the charter provides for the establishment of consultative mechanisms in policy and defense. Even if no membership guarantee is included in the Charter, the Baltic states were promised assistance by Washington in their integration policies towards the EU and NATO.[72]

During the Washington summit of April 1999, NATO members reaffirmed

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[69] North Atlantic Treaty Organization, Madrid Declaration on Euro-Atlantic Security and Cooperation, article 8 (8 July 1997).

[70] Klaar, "Estonia's Security Policy Priorities" 21.

[71] Ibid., 21.

[72] "A Charter of Partnership Among the United States of America and the Republic of Estonia, Republic of Latvia, and Republic of Lithuania" (January 16, 1998). For a copy, please consult: Zbigniew Brzezinski, and F. Stephen Larrabee, U.S. Policy Toward Northeastern Europe (New York: Council of Foreign Relations, 1999) 76-84 or U.S. State Department, "A Charter of Partnership Among the United States of America and the Republic of Estonia, Republic of Latvia, and Republic of Lithuania," http://www.state.gov/www/regions/eur/ch_9801_baltic_charter.html, January 16, 1998.

their commitments to welcome new members in the future and named the three Baltic states as serious aspirants. By naming them as individual nations rather than as a region, NATO signaled that from then on it viewed the three Baltic states as single entities rather than as a group. Their progress and efforts since the Madrid Summit were also acknowledged.[73] At the summit, the Membership Action Plan (MAP) was also launched. Aimed to assist applicants in their prospective future NATO membership, the Baltic authorities warmly welcomed it. In September 1999, Lithuania was the first of the nine candidates to submit its action plan (i.e., its National NATO Integration Program) to NATO headquarters, and was shortly followed by Estonia and Latvia. In their programs, all three states committed themselves to upgrade their military capabilities, increase their defense budgets, and make their legislation compatible with NATO's standards.

The year 2002 will be a revealing year for the Baltic states since NATO members will then review each candidate's progress and consider further enlargement. All three Baltic capitals are confident that through their extensive efforts, they might very well become the next members of the Alliance.[74]

B. The Baltic States' Foreign Security Policies Towards the Russian Federation and their Motivations

To ensure the irreversibility of their independence and to increase their security, the Baltic states have not only striven for their integration into the Western community of states. They have also sought to normalize their relations with the successor of the Soviet Union.

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[73] North Atlantic Treaty Organization, Washington Summit Communiqué, article 7 (April 24, 1999).

[74] Alar J.R. Olljum, personal interview, 1999; Atis Sjanits, (Ambassador, Embassy of Latvia in Lithuania) personal interview, Vilnius, February 2000; Rytis Paulauskas (Lithuanian Ministry of Foreign Affairs, Head of NATO Integration Division) personal interview, Vilnius, January 2000.

The present relations between the Baltic states and the Russian federation are a far cry from what they were between 1987 and 1991. At a time when the Soviet authorities refused to discuss the issue of secession, the Baltic and Russian Union republics were important partners in their struggle against the central power. Both openly supported each other's struggle for independence and by July 1990, they had established horizontal relations without the Soviet Union's mediation.[75] Subsequently, between January and July 1991, agreements on the basic principles of intergovernmental relations between Russia and the Baltic republics were signed. These were important in that Russia formally recognized the independence of the Baltic republics and acknowledged that the Soviet Union had illegally annexed them in 1940. Unfortunately, an important number of issues associated with the legacy of the forced Sovietization of the Baltic republics (e.g., the status of the Russian minority, ownership, and border delineation) were not dealt with, casting a plethora of problems in their future bilateral relations.[76]

From the moment when Russia became the legal successor of the Soviet Union, the dynamics of the Baltic-Russian relations significantly altered. Besides calling for the establishment of good neighborly relations, Russia's February 1993 official foreign policy conception stipulates that the federation had to retain strategic facilities and to defend the rights of the Russian-speaking minorities in the Baltic states.[77] As soon as the Baltic capitals realized that Russia's policy towards them was very similar to that of its predecessor, they quickly distanced themselves from their

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75 Olga Zhuryari, "The Baltic Countries and Russia (1990-1993): Doomed to Good-Neighborliness?" The Foreign Policies of the Baltic Countries: Basic Issues, eds. Pertti Joenniemi and Juris Prikulis (Riga: Centre of Baltic-Nordic History and Political Studies, 1994) 77.

76 Irina Busygina, "Russia, the Baltic States and the European Union," The Baltic States at Historical Crossroads. Political, Economic and Legal Problems in the Context of International Cooperation on the Doorstep of the 21st Century. A Collection of Scholarly Articles, ed. Talavs Jundzis (Riga: Academy of Science of Latvia, 1998) 504; I.Y. Yurgens, and S.A. Karaganov, Russia and the Baltic States - II (Moscow: Council for Foreign and Defense Policy, 1999) 3.

77 Atis Lejins, "Latvia in a Post-Cold War Europe," Nordic-Baltic Security: An International Perspective, eds. Don M. Snider and Arne Olav Brundtland (Oslo, Washington: Center for Strategic and International Studies and the Norwegian Institute of International Affairs, 1994) 34.

pre-independence partner. Aspiring to escape from the Kremlin's multi-faceted control, the Baltic authorities have sought to align with the Western states and have persistently refused to become CIS members. Lithuania has even gone so far as to include an act in its 1992 constitution which prohibits it "from joining any new political, military, economic or any other state alliances or commonwealths formed on the basis of the former USSR."[78] Antagonistic policies were nevertheless ruled out by the Baltic politicians who preferred to pursue good-neighborly relations with Russia. Co-operative links have therefore been established in numerous domains and compromises have been made in various issues of contention.

Since the early 1990's, the attitudes of the Baltic states towards the Kremlin have differed: while Lithuania has opted for the most accommodating and cooperative behavior, Estonia has tended to adopt the most challenging conduct. These approaches contrast significantly with those adopted in the late 1980's when the Lithuanian advocates of independence were more radical than their more moderate and gradualist Baltic neighbors.[79] These different behaviors have led the Kremlin to adopt a differentiated approach towards the Baltic republics favoring the most accommodating amongst them.

1. The Motivations of the Baltic States' Foreign Security Policies Towards Russia

Different factors have motivated the Baltic authorities to pursue good-

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[78] Lithuania, Constitutional Act, "On the Alignment of the Republic of Lithuania with Post-Soviet Eastern Alliances," 8 June 1992.

[79] Even if the three Baltic republics pursued the same goal - the full restoration of independent statehood - they sought to attain it through various means. For Estonia and Latvia, all issues except sovereignty and independence were negotiable (e.g., border delineation, stationing of Soviet troops). They also adopted a gradual process of restoration of independence. Lithuania for its part adopted a more precipitate approach, resolved to restore its independence as soon as possible. It did therefore not opt for a transition period. John Fitzmaurice, The Baltic. A Regional Future? (Hampshire: St. Martin's Press, 1992) 135-136.

neighborly relations with Russia. The most important of them all is related to their delicate geopolitical position.

Next to a powerful state which has not yet fully accepted their independence, the Baltic states are too vulnerable to pursue an antagonistic policy. Would they not have sought to normalize their relations with Russia while aligning with the Western states, they would have significantly increased their security dilemma. Carrafiello and Vertongen define the "vicious circle of insecurity" which they would face should they chose to adopt antagonistic policies as follows:

> "The more that the Baltic states search for security in the West, at the expense of Russia, the more Russia will feel threatened. This will in turn intensify the Russian priorities in the Baltics and will increase the Baltic feeling of insecurity. (...) The only beneficiary of an antagonistic security relationship would be the hard right in Russia."[80]

Aware of their vulnerability and not yet benefiting from Western military security guarantees, the Baltic capitals have no other choice but to seek to build stable relations with Russia to prevent it from launching a fatal attack against them.

The Western organizations to which the Baltic states have applied for membership also favor such an approach, the development of good-neighborly relations and the peaceful settlement of conflicts being important admission requirements. Because their intricate relations with Russia is an important factor which prevents them from joining some of the most prestigious Western organizations (e.g., NATO), they seek to settle their conflicts with Moscow to enhance their membership's prospects. In this light, the Baltic authorities have relaxed their stringent naturalization procedures and have made significant breakthroughs in the settlement of their border issues with Russia.

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[80] Lewis J. Carrafiello, and Nico Vertongen, "Removing the Last Wall: Rethinking the Baltic Security Concept," Baltic Security: Looking Towards the 21st Century, eds. Gunnar Artéus and Atis Lejins (Riga: Latvian Institute of International Affairs and Försvarshögskolan, 1997) 215.

Apart from their geopolitical situation responsible to some extent for their lack of Western security guarantees, and military vulnerability which have affected the three Baltic states similarly, other variables account for their different attitudes towards Russia. They are: the levels of economic dependence on Russia's market, the presence of a more or less important Russian minority, and the national political tendencies.

Because the three republics are dependent to a more or less extent on the Russian economy, were they to adopt a challenging behavior towards Russia, they would be subject to important sanctions which would significantly paralyze their fragile economies. Western businesspersons interested in their role of economic bridge between Russia and the West would also be less inclined to invest in their economies. Native businesspersons together with minorities whose salaries mainly depend on Russia's trade have therefore pressed the Baltic authorities to pursue good relations with Russia.[81] Because its trade is considerably oriented Westward, Estonia has been less vulnerable to Russia's economic downturns and sanctions than its two Baltic neighbors. It has therefore been less constrained in adopting a challenging behavior towards Russia.

Because Lithuania has remained a relatively homogeneous state, its titular population has not felt as threatened by the presence of the Russian minorities as in Estonia and Latvia. Since Vilnius has opted for an inclusive approach towards the citizenship issue, Russia has tended to have a better relation with Vilnius than with the two other Baltic capitals which it often singles out as 'problem states'.[82] Feeling not only threatened by the presence of the Russian minorities but also by the intervention of the Kremlin within their citizenship and language laws, both states have been on the defensive.

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81 Aivars Stranga, "Baltic-Russian Relations: 1995 - Beginning of 1997," Small States in a Turbulent Environment: The Baltic Perspective, eds. Atis Lejins and Zaneta Ozolina (Riga: Latvian Institute of International Affairs, 1997) 215; Peeter Vares, and Olga Zhuryari, Estonia and Russia, Estonians and Russians. A Dialogue, 2nd ed. (Tallinn: Olaf Palme International Centre, Estonian Institute of International and Social Studies, 1998) 32.

82 Stranga, "Baltic-Russian Relations" 201.

Finally, the political orientation of the Baltic states has also determined their different attitudes towards Russia. Because most of the Lithuanian elite during the Soviet era remained in politics and because a communist party ruled Lithuania between 1992 and 1996, the country's relation with Russia, which had significantly deteriorated under the rule of the Popular Front, significantly improved.[83] The LDLP successor, the Homeland Union, despite the fact that it stems from the Popular Front, has pursued a similar policy towards Russia. In Estonia and Latvia where right pro-Western forces have ruled since 1991, two different outcomes have emerged. In Latvia, coalition politics has toned down the anti-Russian rhetoric. Extreme views, such as those of the People's Movement for Latvia, notorious for its anti-Russian platform, have been excluded from the government irrespective of their electoral victory.[84] The Estonian government on the other hand has adopted a firmer policy towards Russia. Politicians who advocate a moderate stance towards Russia, such as Prime Minister Tiit Vahi in 1996, have been strongly criticized by their colleagues who firmly reject any suggestion to accommodate Moscow.[85]

2. *The Baltic States and the Management of the Ethnic Issue*

Since the early 1990's, the status of the Russian-speaking population in the Baltic states has become one of the most important points of contention between the Baltic and the Russian capitals. The heart of the problem is largely attributed to the Estonian and Latvian exclusive approaches towards the citizenship issue.

The Lithuanian minority policies clearly differ from those of its two Baltic neighbors. Since it has remained a relatively homogeneous state, its titular population

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[83] The Economist Intelligence Unit, "Estonia, Latvia, Lithuania. 1995-1996," Country Profile (1996): 48.

[84] In 1995, the People's Movement for Latvia gained 14,9 percent of the national votes (the front-runner left-of-center Democratic Party, Saimnieks, won 15,1 percent of the votes). Ibid., 31.

[85] Saulius Girnius, "Relations with Russia Turn Bitter" Transition 2.11 (1996): 42.

has not felt as threatened by the presence of non-ethnic Balts as the Estonians and Latvians. Vilnius has therefore adopted very liberal citizenship laws. Dating back to November 1989, the Law on Citizenship allowed all interwar Lithuanian citizens and permanent residents together with their descendants to acquire the Lithuanian citizenship. Those not included in this category but residing in Lithuania in November 1989, irrespective of their ethnicity, were granted a two-year period to apply for citizenship (individuals who had worked for the Soviet security service were however excluded).[86] To be qualified for citizenship, they had to submit a formal request, sign a loyalty declaration and renounce other citizenship (no language test was required). The nationality law of 1989 and the articles 37 and 45 of the constitution guarantee the rights and cultural liberties of the minorities. Non citizens can not vote in national elections and can not be elected. Like in the two other Baltic states, the government supports the education and culture in minority languages. Due to its "zero option", the ethnic factor has no place within the Russian-Lithuanian relation.

By contrast to Lithuania which endeavors to establish a 'civic' state, Estonia and Latvia have been eager to establish a 'national' state based on a mono-ethnic principle.[87] Even if they also restored automatic citizenship to their interwar citizens and their descendants, Estonia and Latvia differ substantially from Lithuania in that they attempt to restrict the opportunities of other inhabitants from gaining citizenship. In February 1992, Estonia restored its interwar citizenship law of 1938 which granted Estonian citizenship to only 120 000 Russians (less than a fourth of the ethnic Russian population). Introduced in October 1991, the Latvian citizenship bill granted Latvian

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[86] Mereckis and Morkvenas, "The 1991 Treaty as a Basis for Lithuanian-Russian Relations," Lithuanian Foreign Policy Review 1.1 (1998): 10; Chinn and Kaiser, Russians as the New Minority 120.

[87] Chinn and Kaiser, Russians as the New Minority 124; Arkady Moshes, "Rusland en de Baltische Staten: Een Modus Vivendi Tegen Wil en Dank," (Russia and the Baltic States: An Inevitable Modus Vivendi) De Balten. Op de Tweesprong tussen Oost en West (The Balts. At the Crossroads Between East and West) eds. L. Carrafiello, L. Spaepen, and N. Vertongen (Leuven: Garant, 1999) 140.

citizenship to 280 000 Russians (approximately one third of the ethnic Russian population).[88]

The other persons - those who had settled down in Estonia or Latvia after 1940 - who wished to become Estonian or Latvian were expected to pass a language exam and had to reside a certain number of years in the country. Whereas in Estonia a two-year period of residence starting from March 1990 was requested (in 1995, a five-year period was requested), the situation was more complex in Latvia. In its citizenship law of 1994, Latvia required the stateless to apply for citizenship through a controversial 'window system' which differentiated persons who were born in Latvia from those who were not. Those belonging to the first category could apply for naturalization between 1996 and 2000, whereas the others could only apply by the year 2001. A quota set at 0.1 percent of the previous year's citizenry was initially included to regulate the pace of the naturalization process but was eliminated once the bill was signed into law.[89] Individuals who were jobless or who had worked for the Soviet military and security forces were barred from the naturalization procedure. In Estonia, persons who settled in the country after 1940 were considered as foreigners and were required to apply for residency permission to be renewed every five years, irrespective of their residency time.

The differences between the citizens' and non-citizens' rights are substantial. Non-citizens are not only deprived from the right to hold office but they are also unable to participate in elections (in Estonia, they can vote in local elections provided they have lived in the country for five years). Non-citizens have also been discriminated in the privatization process because they can not own property. The Estonian and Latvian language laws and their subsequent amendments have further rendered life more difficult for those who do not speak the titular population's language. While its use is mandatory in all official business in the Baltic states (an

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88 Moshes, "Rusland en de Baltische Landen" 140.

89 Chinn and Kaiser, Russians as the New Minority 114.

accepted international norm), Estonia and Latvia have sought to gradually extend its use. While the Estonian legislation mandates proficiency in Estonian for all those working in the public service sector since 1999, the Latvian parliament passed a law in 1998 requiring the compulsory use of Latvian not only in state institutions but also in private firms (Latvian President Vike-Freiberga however refused to sign the bill).

Both states' exclusive approaches towards citizenship have stirred up strong critiques from the Russian minorities and from the Kremlin which expected the three Baltic republics to opt for the 'zero option' (i.e., grant automatic citizenship to all persons with permanent residency).[90] In fact, when Estonia and Latvia signed the agreements with Russia in January 1991, they guaranteed, inter alia, that any person living on their territory by the time the agreements were signed had the right to receive or retain the Estonian/Latvian citizenship "in accordance with his free expression of will."[91] Article IV of the agreements stipulated that all the concrete aspects were to be settled in special bilateral agreements but those were never concluded. Convinced that their republics had continued to exist between 1940 and 1991 even if they were occupied, Tallinn and Riga argued that they had restored their independence. Using this argument, they declared that their citizenship policies were not exclusive because they were based on the criteria laid out in their restored inter-war citizenship laws.[92]

Since 1991, Russia has expressed its concern about the situation of its compatriots. Besides pleading for the relaxation of the Estonian and Latvian naturalization procedures (e.g., the elimination of residency requirements and language requirements), Moscow has pressed claims of abuse and prejudice against the Russian minorities.[93] In a statement to the UN in 1993, Yeltsin declared that the Latvian

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[90] Moshes "Rusland en de Baltische Landen" 142.

[91] Cited in: Kolstoe, Russians in the Former Soviet Republics 116 .

[92] Jeff Chinn, and Lise A. Truex, "The Question of Citizenship in the Baltics," Journal of Democracy 7.1 (1996): 135; Graeme P. Herd, Russia-Baltic Relations, 1991-1999: Characteristics & Evolution, Conflict Studies Research Centre F 66 (London: RMA Sandhurst, 1999) 2.

[93] Arkady Moshes, "Changing Security Environment in the Baltic Sea Region and Russia," Baltic Security: Looking Towards the 21st Century, eds. Gunnar Artéus and Atis Lejins (Riga: Latvian Institute of International Affairs and Försvarshögskolan, 1997) 144.

authorities pursued an "inhuman political policy designed to exert pressure on Russian-speaking inhabitants in order to force them out of the country" and that "the basis for ethnic cleansing is established." [94] Even though there exists almost no organized violence against ethnic Russians in the Baltic states (a fact confirmed by the OSCE missions in Estonia and Latvia), a small number of high-profile instances have given Russian politicians fodder for critiques. Many of the incidents occurred in the early 1990's and involved isolated incidences of overexuberance by local authorities in reclaiming Soviet military facilities.[95] Recently, a demonstration of mostly elderly Russian-speaking pensioners in Riga provided the basis for additional criticism by Russia because the Latvian police resorted to the use of batons to end the protest.[96]

Under the important critiques of Russia and various international organizations (e.g., the CBSS, the Council of Europe, the EU, the OSCE), Riga and Tallinn have gradually relaxed their legislation. To become a member of the Council of Europe, Latvia was forced to abandon its quota system and to guarantee non-citizens who were residents before July 1990 that they would be granted residency permits.[97] Both Estonia and Latvia also recently extended citizenship to the children of non-citizens born after 1992 in their respective states.

Despite the relaxation of their naturalization procedures, an important number of Russian-speakers remains stateless: in 1998, in Estonia, 27 000 were in this situation and in Latvia, this number totaled 440 640 persons.[98] This circumstance provides further reasons for the Kremlin to intervene in their domestic legislation,

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[94] Cited in: Lejins, "Latvia in a Post-Cold War Europe" 36, 49.

[95] Perry, Sweeney, Winner, Strategic Dynamics 28; Irina Litvinova, "Latvia and Russia Were on the Verge of an Armed Conflict," The Current Digest of the Post-Soviet Press 46.2 (1994): 26.

[96] Perry, Sweeney, Winner, Strategic Dynamics 29.

[97] Van Ham, "The Baltic States: Security and Defence after Independence" 4.

[98] Nico Vertongen, "De Baltische Landen op Zoek naar Veiligheid" (The Baltic Countries in Search of Security) De Balten. Op de Tweesprong tussen Oost en West (The Balts. At the Crossroads Between East and West) eds. L. Carrafiello, L. Spaepen, and N. Vertongen (Leuven: Garant, 1999) 116; Ari Puheloinen, Russia's Geopolitical Interests in the Baltic Area (Cambridge, MA: Center for International Affairs, 1997) 122.

hampering the establishment of beneficial good-neighborly relations.

3. *The Baltic States and the Management of the Border Issues with Russia*

Essential to the establishment of good-neighborly relations is the recognition of common borders. While Lithuania recognized the delimitation of its border with Russia shortly after it regained independence, Estonia and Latvia had border disputes with Russia. The linkage of their constitutional status to their border delineation has substantially complicated their disputes. Claiming that they had restored their independence, the 1920 Riga and Tartu peace treaties in which Russia had forever renounced all rights of sovereignty over the Estonian and Latvian territories, have been considered by the two Baltic authorities as cornerstones of their states' independence.[99] These treaties have also been the basis of their territorial claims. While Estonia claimed 2 300 km^2 of the Leningrad and Pskov regions, Latvia claimed the districts of Abrene and Palkino in the Pskov region (1 600 km^2).[100].

Once Russia withdrew its soldiers from their territory, both states gradually renounced their territorial claims, insisting that Moscow had only to recognize the legality of their 1920 peace treaties, thereby abrogating their incorporation into the Soviet Union.[101] This latter requirement was eventually also dropped out, first by the Estonian authorities in late 1995. In November 1996, a settlement with Russia was agreed upon: the border was placed where Moscow had unilaterally fixed it years earlier and the agreement did not mention the Tartu treaty.[102] After having much criticized its northern neighbor for having accommodated Russia, Riga followed its

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[99] Girnius, "Relations with Russia" 45; Mosches, "Rusland en de Baltische Staten" 143.

[100] For contested areas, please see figure 5 in annex.

[101] Oldberg, "No Love is Lost" 175.

[102] Thompson, "Citizenship and Borders" 126-127.

lead in 1997.[103] These significant concessions cleared away the most important hindrances of the border agreements' settlement with Russia: it was and still is now up to Moscow to sign the agreements.

While the Kremlin has signed a border treaty with Vilnius in 1997, it persists in relying on the 'package principle' with Riga and Tallinn; i.e., it refuses to sign border agreements with the two states as long as they do not alter their citizenship laws. This situation does not play in the advantage of Russia since it further incites the Baltic republics to align with the West, wasting an opportunity to establish cooperative relations with the Baltic states.[104]

4. *The Baltic States and the Limited Military Cooperation with Russia*

Cooperation between military forces is often singled out as one of the simplest kinds of international cooperation. Provided there are some military expertise and financial resources available, it is easy to organize an international military exercise that would benefit all parties involved.

Since the early 1990's however, the three Baltic authorities have persisted in refusing to cooperate militarily with their eastern neighbor. Already upon regaining their independence, the three capitals sought to free themselves as quickly as possible from the presence of the Russian troops. Perceived as a clear violation of their independent status, they urged the Kremlin to withdraw the Russian soldiers. International organizations such as the OSCE and the UN were also called on the rescue.[105]

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[103] Stranga, "Baltic-Russian Relations" 200.

[104] Moshes, "Changing Security Environment" 145.

[105] On July 10, 1992, the Conference on Security and Cooperation in Europe (now OSCE) adopted the declaration "On the rapid and complete withdrawal of the Russian armed forces from the Baltic states," while the UN, at its General Assembly's 47th session adopted the declaration "On the full withdrawal of foreign armed forces from the territory of the Baltic states".

It was only in August 1992 that the Kremlin declared that it would withdraw its forces from the Baltic states by 1994 provided some conditions were met. They included amongst others: the handling over of certain of their strategic installations (e.g., the intelligence-gathering installations near Ventspils, the Skrunda ABM early warning radar station, the naval harbor of Liepaja); the granting of legal status and social security to the retiring soldiers; the dropping of territorial claims on land annexed by the Soviet Union in 1940; the compensation for land and property left behind by the departing troops; and the granting of military transit rights to Kaliningrad.[106]

After extensive debate, Riga, Tallinn, and Vilnius finally decided to negotiate the withdrawal with Moscow. Even if its demands were not all met, the Baltic authorities yielded to some of its conditions, proving their good will in resolving the situation (and their determination in seeing the foreign troops leave their territory). Housing was provided to the departing troops in the light of Russia's inability to do so and legal rights were granted to the military retirees (in Lithuania, the latter could apply for citizenship while in Latvia and Estonia they could apply for permanent residency). Even more important, temporary compromises on the strategic facilities of Skrunda and Paldiski and on the military transit to Kaliningrad were made.[107]

By finding a compromise on this thorny issue which dominated the Baltic states' foreign policy agendas between 1991 and 1994, the republics succeeded in normalizing and subsequently improving their relations with the Kremlin. Military

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[106] Dzintra Bungs, "Progress on Withdrawal from the Baltic States," RFE/RL Research Report June 18, 1993: 50-59.

[107] According to the agreements reached between the Baltic states and Russia, Russia was allowed to operate the Skrunda radar station under the supervision of the OSCE until August 31, 1998 and had to dismantle it within the following eighteen months. With respect to the Paldiski base, the Russian troops were expected to leave it by September 1995. Vilnius agreed the transit to Kaliningrad to be regulated by the provisions of the Lithuanian-Russian Treaty on the withdrawal of Russian troops from Germany due to expire in December 1994. Subsequently, it proposed to prolong the "German rules" regulations on an annual basis. Atis Lejins, "Latvia" The Baltic Sea Region. National and International Security Perspectives, ed. Axel Krohn (Baden-Baden: Nomos Verlagsgesellshaft, 1996) 47; Bajarunas, "Lithuania's Security Dilemma" 15; Vitkus, "At the Cross-Road of Alternatives" 65.

cooperation nevertheless is still ruled out nowadays, except within the framework of NATO's PfP program wherein some rare joint exercises have taken place.

One of the main conflicts between the Baltic states and Russia, apart from the minority issue, is the Baltic membership in NATO. Whereas the Baltic states consider NATO membership as one of their ultimate foreign policy's priorities, Russia has always firmly opposed it. In February 1997, in a presidential document codifying Russia's long-term policy for the Baltic states, it was stipulated that their membership in NATO "would have an extremely negative impact" on relations and that the only guarantee of their security is "the preservation of their status outside blocs".[108] Following the release of the document, a series of security guarantees were offered to the three Baltic republics as a strategy of counter-engagement to NATO's expansion.[109] The October 1997 package proposal by Prime Minister Victor Chernomyrdin which was the final signal of Russia's intend to come forth with its formal diplomatic initiatives proposed the establishment of military-related confidence-building measures linked with security guarantees.[110] Preferring to align with the Western states to increase their security, the Baltic authorities unanimously rejected the Russian offers of military cooperation and security guarantees, claiming: that: "Unilateral security guarantees do not correspond to the spirit of the new Europe and [they], as well as regional security pacts, have never been on the agenda of the Baltic states."[111]

Even if they rejected the offers made by the Kremlin, the Baltic authorities have nevertheless welcomed the 'soft' security initiatives that Russia had introduced in

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[108] Donatas Ziugzda, "Baltic States in the Perspectives of Russia's Security Policy," Lithuanian Foreign Policy Review 2.4 (1999) 61.

[109] Herd, Russia-Baltic Relations 1.

[110] The military-related confidence-building measures included, a "hot line" between the military headquarters of Kaliningrad and of the Baltic capitals; joint military exercises for defensive purposes in the Kaliningrad region; joint visits to military sites; the exchange of information concerning military activities; and the establishment of specific regions in the Baltic Sea where the parties would abstain from holding military exercises. Lejins, and Ozolina, "Latvia - The Middle Baltic State" 51.

[111] Austin, NATO Expansion and the Baltic States 5.

the early 1998. Most of these projects concern the integration of transport infrastructures; a common market in communications, services and business information; the creation of the 'Baltic power circle' (a unified energy ring) and of Baltsea (an environmental initiative involving ecological monitoring and search and rescue functions).[112] Of all the Baltic states, 'soft' security cooperation with Russia has not been as extensive as with Lithuania.

Since the early 1990's, Lithuania's relation with the Russian oblast of Kaliningrad holds a particular place in its foreign policy agenda. Hosting an important number of Russian troops and experiencing strong economic decay as a result of its military based structures and its isolation from mainland Russia, the well-being of the Russian exclave has always been an important subject of concern for the Lithuanian authorities.[113] Convinced that a healthy economy would save the oblast from instability, Vilnius has endeavored to help it become an attractive partner for trade and investment. While raising the awareness of the international community and calling for its assistance, Lithuania has launched 'soft' security initiatives with the Russian region in an attempt to enhance their mutual stability and security.[114] Cooperation has notably taken place in the promotion of investment, cross-border issues, education, justice and civic security, public administration and environment protection. Infrastructure projects in the domains of energy and transport have also been launched and implemented and in 1995, a visa-free travel for the residents of Lithuania and Kaliningrad was approved.[115]

Lithuania's cooperation with Kaliningrad does not seem to have decreased over the years. On the contrary: proving its concern about the oblast's economic

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112 Herd, Russia-Baltic Relations 6.

113 Wellmann, "Russia's Kaliningrad Exclave at the Crossroads" 163.

114 Usackas, "Linking Russia with New Europe" 8.

115 Raimundas Lopata, and Vladas Sirutavicius, "Lithuania and the Kaliningrad Oblast: A Clearer Frame for Cooperation," Lithuanian Foreign Policy Review 1.3 (1999): 60-62.; Lithuanian Ministry of Foreign Affairs, "Lithuania's Cooperation with Russia's Kaliningrad Region" http://www.urm.lt/political/kaling.htm, April 26, 2000.

situation, Vilnius granted Kaliningrad $1.25 million in humanitarian aid in the aftermath of the 1998 Russian economic crisis and has pursued its various cooperative links. Later, concrete steps were taken by the Lithuanian authorities to further the oblast's involvement in the regional projects of the CBSS and the EU (e.g., EU's Northern Dimension initiative).

By initiating these numerous 'soft' security projects and by involving Kaliningrad in international organizations, Lithuania has not only enhanced its own security. It has also helped to increase, to some extent, the stability of the oblast, contributing significantly to a good-neighborly environment.

C. Recapitulation and Partial Conclusions

Since their independence in 1991, the three Baltic states have pursued dual foreign security policies that are clearly unbalanced. Prioritizing their integration policies towards the EU and NATO, they meanwhile attempt to establish good neighborly relations with Russia. Even if all three states pursue an unbalanced co-operative security strategy, due to their divergent ethnic configurations, levels of economic vulnerabilities towards Russia and political tendencies, their policies towards their eastern neighbor are far from similar. Of the three, Lithuania has clearly adopted the most accommodating and cooperative behavior while Estonia has opted for the most challenging behavior.

Despite their differences, Estonia, Latvia, and Lithuania are convinced that their proximity to Russia is the source of their insecurity. Fearing the revanchism of their neighbor, the Baltic authorities tend to associate national security with the notions of territorial defense and military force. Consequently, since their independence, they have attempted to join NATO, the sole organization which, according to them, can provide them with tangible security guarantees against the unknown. As their prospects of NATO membership in the near future declined by the mid-1990's, Latvia, Lithuania and especially Estonia have began to intensify their

efforts in obtaining EU membership which they hope will allow them to become firmly anchored in the Western community of states and will help them boost their economies.

Because they do not have any security guarantees from the West, the Baltic authorities have redoubled their efforts to find a modus vivendi with Russia. The normalization of their relations with Russia is one of their most important foreign policy challenges because numerous issues of contention, which mainly result from the Soviet legacy, have prevented them from finding common grounds.

Because Lithuania opted for the 'zero option' and immediately recognized its common border with Russia, relations with Moscow have been better than in the past as demonstrated by its genuine concern about the situation in Kaliningrad. Over the past years, Estonia and Latvia have made significant breakthroughs in their relations with Russia: they have relaxed their naturalization procedures and have withdrawn their territorial claims. It is, however, questionable whether their efforts are not solely related to their aspirations to meet the admission criteria of Western organizations.

Conclusion

Since the end of the Cold War, small states have had more freedom of action to determine their foreign security policies. With the rising global interdependence and a low-tension environment, non-military issues have increasingly tended to dominate their security agendas. Not every state, however, has adopted a 'post-modern' security agenda in which 'soft' societal politics stands out.[1]

After fifty years of Soviet rule, the re-emergence of the three Baltic republics on the international scene as independent states has implied a substantial challenge for them. Contrary to Central and Eastern European countries which retained their statehood attributes during the Cold War, the Baltic republics had to rebuild their institutions and redefine their policies from scratch in the early 1990's. Constrained by their environment and by their youth, this task has revealed itself a considerable undertaking. Preoccupied most of all by 'hard', statist security, Estonia, Latvia and Lithuania have striven to align with the Western states to gain security guarantees while attempting to normalize their relations with the Russian federation.

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[1] Pertti Joenniemi, "Introduction: Outlining Two Competing Security Agendas," The Foreign Policies of the Baltic Countries: Basic Issues, ed. Pertti Joenniemi and Juris Prikulis (Riga: Centre of Baltic-Nordic History and Political Studies, 1994) 8.

1. Final Remarks on the Hypotheses

This thesis has attempted to study the unbalanced co-operative security strategies adopted by the Baltic states during the 1990's in the light of the post-Cold War meaning of 'security'. In order to understand their motivations, an analysis of the different dimensions of their security has been done with the help of five factors. They are: a) the Baltic states' delicate geopolitical situation; b) their military vulnerability; c) their precarious economies; d) their heterogeneous societies; and e) their unconsolidated political systems. After having proceeded with the study of each of these variables, a description and an analysis of the Baltic states' dual foreign policies and their motivations have followed.

It has become clear that the five factors have different impacts on the Baltic states' feeling of insecurity. Of all the variables, it is without any doubt the republics' geopolitical position (more precisely their proximity to Russia) which renders them the most vulnerable. Even if their still powerful neighbor has not issued any military threat against them since they regained their independence, its attempts to retain them within its sphere of influence by using their economic vulnerability and the minority issue has created considerable concern among the Balts. Because they have no control over their geopolitical position and on Russia's behavior, their fears have further increased.

Largely resulting from their Soviet institutional, political and social legacy, the other variables also render the Baltic states significantly vulnerable. Contrary to their geopolitical situation however, their implications differ depending on the state one considers. From a military point of view, although Lithuania's defense forces are more powerful than those of its Baltic neighbors, the three republics would be incapable of defending themselves on their own in the event of a foreign attack. Economically speaking, Estonia, despite its important trade and current account deficits, has become the 'shining star of the Baltics' thanks to the important FDI inflows and its diversified trade partnerships mainly oriented Westward. Although Latvia and Lithuania also successfully stabilized their economies by the mid-1990's,

their dependence on Russia's economy - one of the world's most volatile economies – has rendered them vulnerable to their eastern neighbor's periodic economic downturns and sanctions. As a result of Soviet policies, Estonia and Latvia more than Lithuania have been afflicted by the presence of a significant number of non-ethnic Balts which has rendered the consolidation of their nation-states particularly difficult. Besides threatening their host's territorial integrity and identity, the presence of Russian-speaking minorities has served as a pretext for Russia to interfere with the Baltic states' daily internal affairs, stirring the Baltic mistrust. Finally, from a political point of view, as a result of their populations' political apathy, the three states suffer from unconsolidated political systems. In Estonia and especially in Latvia, the creation and implementation of domestic and foreign policies have been hindered by the existence of fragmented parliaments and unstable cabinets.

Due to their multi-faceted vulnerability, the Baltic states have had to rely on the quality and the success of their foreign policies to increase their feeling of security. The implications of their geopolitical position have been the most important motivation of their unbalanced co-operative security strategy. Feeling powerless against Russia's revanchism and instability, the Baltic authorities have tended to associate national security with the notions of territorial defense and military force, a Cold War tradition. As a result, they have endeavored to gain NATO's 'hard' security guarantees. Conscious that their prospects of being included in the first post-Cold War enlargement wave were slim, they have begun to intensify their efforts to become members of the EU, an organization coveted for the 'soft' security guarantees its membership confers.

While striving to align with the Western states, the Baltic authorities have attempted to normalize their relations with Russia. Even if they all try to pursue a policy of good-neighborly relation with the Kremlin, the different ethnic configurations, political orientations, and levels of economic vulnerability towards Russia explain their distinctive attitudes towards the latter. While Lithuania, as demonstrated by its multi-issue involvement in the Kaliningrad oblast, maintains the most co-operative relations with Russia, Estonia has adopted the most unyielding

posture towards Russia. Because of their vulnerability and their desire to not jeopardize their EU and NATO membership prospects, the three Baltic capitals have nevertheless all made important concessions to Russia. Riga and Tallinn have for instance relaxed their naturalization procedures and have renounced to their territorial claims.

2. The Baltic States: Quo Vadis?

Since the early 1990's, the three Baltic states have made significant headway. In the span of a decade, they rebuilt their military forces from scratch, stabilized their economies and begun to extensively diversify their trade partnerships. Apart from establishing sovereign political structures, they also have attempted to manage their intricate ethnic situation. Despite their significant progress, they still feel very vulnerable due to their geopolitical situation over which they have no control and whose management represents their most important challenge.

We can expect that as the Baltic states approximate the Western states' standards by fulfilling the membership criteria of the organizations they covet, they will become increasingly secure. Furthermore, by participating in numerous programs offered by the various international organizations (e.g., CBSS, EU, NATO, OSCE, WEU), they not only demonstrate that they are security 'producers' but they also gain expertise and the assistance from Western states in dealing with their daily internal affairs.

With respect to their NATO membership prospects, it seems unlikely that they will become NATO members anytime soon. Even if Lithuania seems to be the best prepared to take on the responsibility of member, Russia's fierce opposition, recently heightened by the Kosovo crisis, makes the Western states hesitant in granting them one of their dearest wishes. Nevertheless by signing the US-Baltic Charter, the hegemon has acknowledged its interest in their security and has offered its support in their integration policies towards the EU and NATO.

Even if their NATO membership seems unlikely, it is almost inevitable, provided they do their homework, that at least one of the Baltic states, namely Estonia, will become an EU member during the next enlargement. Because they have made significant headway in the span of a decade to approximate the organization's membership requirements and because Russia has not opposed their EU integration policies, their membership appears very likely in the near future. All will depend on the readiness to enlarge of the EU, which for now seems to be more concerned with its internal reforms than with enlargement procedures.

With respect to their relations with the Russian federation, we can not expect important changes to occur in the near future. We may, however, predict confidently that the thorny minority issue might very well be solved within the next two or three decades. As the Baltic states' economies become more tied to the West, the ethnic Russians will have a greater incentive to associate themselves with the country they live in and, consequently, to integrate into the Baltic societies. Already by 1994, a survey reported that 71 percent of Russians in Lithuania, 73 percent in Latvia, and 82 percent in Estonia agreed that their country of residence offered a better chance to improve living standards than did Russia.[2] The issue of their NATO membership will however remain an important point of contention, as long as Russia considers them part of its sphere of influence. Their relation with Russia will not have an important impact and an intensive dialogue between NATO members and Russia will impose itself before they will be able to join the ranks of NATO members.

It is understandable that the Baltic republics, animated by memories of their forceful incorporation and suspicious of their neighbor's "new" foreign policies, believe that the only way to increase their security and to insure the irreversibility of their independence is their integration into the Western community of states, more precisely into the EU and NATO. However, as Stranga argues: "As small countries in a complicated geopolitical situation, the Balts cannot afford to ignore realism; but, equally, they cannot chose only realism."[3] Despite their apprehension of Russia's

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[2] Rose and Maley, "Nationalities in the Baltic States" 28.

[3] Stranga, "The Baltic States in the European Security Architecture" 12.

revanchism, the Baltic states have to understand that they can not increase their security against Russia. It is not in their interest to continue to perceive Russia as their potential enemy, especially since the latter seems to be increasingly unstable and unpredictable. They therefore need to make further efforts in finding a modus vivendi with their eastern neighbor. By relaxing their naturalization laws for instance, (most of the Russian immigrants are after all also victims of Sovietization) Estonia and Latvia could prove their good will in finding a common ground with Russia.

3. Concluding Thoughts

The Baltic states' foreign security policies and their motivations not only help us better grasp the post-Cold War multidimensional conception of security and the challenges small states located in strategically sensitive locations confront and how they tackle them. The analysis of their policies and their rationales also allows us to better appreciate the post-Cold War dynamics of Russian policies, the Western security architecture and the relation between Russia and the Western states.

The way Russia deals with the three Baltic states (i.e., whether it fully accepts their independence or attempts to 'finlandize' them) permits us to infer the nature of its policies towards the Western states. As former Swedish Prime Minister Carl Bildt once declared: "More than any other part of the former Soviet empire, Russia's policies toward the Baltic countries will be the litmus test of its new direction [whether it has entered the family of nations or whether it is a threat to the international system]."[4]

Apart from providing a litmus test of Russia's policies, the study of the Baltic states provides a test for the Western states and their post-Cold War security architecture. Siebert maintains:

> "How we meet these economic and security challenges in the Baltic region will profoundly influence the future of Europe;

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[4] Carl Bildt, "The Baltic Litmus Test," Foreign Affairs 73.5 (1994): 72.

> whether Europe grows together or reverts to old economic and political divisions."[5]

If the Baltic issue happens to be poorly addressed, this could trigger an important crisis in the relation between Russia and the Western states, consequently preventing the successful integration of the Central and Eastern European states in Europe. This could redraw the European security map and the Baltic Sea region will lose its opportunity of becoming a model for other parts of Europe on ways to build a durable peace. It is in the interest of all Western states and of Russia to assist as best as they possibly can the Baltic states on their way towards their security.

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[5] Thomas L. Siebert, "The New Atlantic Community and the Baltic Sea Region," 1st Annual Stockholm Conference on Baltic Sea Security and Cooperation, eds. Bo Huldt and Ulrika Johannessen (Stockholm: Swedish Institute of International Affairs, 1997) 95.

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Annex

Table 1. Trade pattern of Estonia (1992-1999) (in millions of US dollars)

	1992	1993	1994	1995	1996	1997	1998[a]	1999[b]
Exports (merchandise)	461	812	1226	1697	1813	2294	2690	2663
Imports (merchandise)	551	957	1583	2363	2832	3419	3805	3803
Trade balance	-90	-145	-357	-666	-1019	-1125	-1115	-1140

(a) estimate
(b) projection

Source: European Bank for Reconstruction and Development, Transition Report 1999. Ten Years of Transition (London: EBRD, 1999) 217.

Table 2. Composition of the Estonian trade (1993-1998) (in percentage of total trade)

	1993	1994	1995	1996	1997	1998
Exports:						
machinery and equipment	7.7	9.3	13.0	13.4	17.1	19.8
foodstuffs	22.4	22.2	14.7	14.0	16.3	14.4
wood products	8.1	11	12.4	11.4	11.4	12.7
textiles	12.3	16.4	13.5	14.2	11.5	11.5
chemicals	4.8	8.6	7.6	8.8	7.8	7.2
transport equipment	10.7	8.6	6.9	6.3	7.7	4.8
mineral products	22.4	8.2	8.1	7.2	6.4	4.4
Imports:						
machinery and equipment	17.7	19.7	21.6	21.9	22.0	25.6
foodstuff	12.4	16.0	9.9	11.4	16.5	13.6
transport equipment	14.2	8.6	8.0	7.5	12.0	9.3
metal products	5.0	5.9	7.0	7.8	7.8	9.3
chemicals	15.5	11.5	8.0	9.2	8.2	8.1
textiles	10.5	12.7	10.4	9.4	7.5	7.5
mineral products	15.5	14.1	11.5	9.8	8.4	6.2

Sources: The Economist Intelligence Unit, "Estonia 1996," Country Report 1 (1996): 4; The Economist Intelligence Unit, "Estonia 1999," Country Report 3 (1999): 27; "Estonia," The Europa World Yearbook 1996, vol. 1 (Europa Publications Limited, 1996) 1165.

Table 3. Main trading partners of Estonia (1992-1998) (in percentage of total trade)

	1992	1993	1994	1995	1996	1997	1998
Exports to:							
Finland	21.1	20.8	17.8	23.5	20.8	18.9	22.1
Sweden	7.7	9.6	10.8	11.8	13.2	17.0	19.5
Russia	20.8	22.8	23.1	16.3	14.1	16.3	12.3
Latvia	10.6	8.7	8.2	7.5	8.2	8.3	8.3
Germany	3.9	8.1	6.8	7.3	7.3	6.5	6.1
Imports from:							
Finland	22.6	36.7	37.1	36.9	38.7	37.0	37.2
Germany	8.3	8.9	8.8	8.1	9.3	10.4	10.4
Sweden	5.9	9.1	9.5	8.9	9.0	10.6	10.1
Russia	28.4	16.2	16.2	14.2	10.9	8.5	7.5
Latvia	1.4	2.5	2.0	2.9	3.3	3.6	4.0

Sources: The Economist Intelligence Unit, "Estonia, Latvia, Lithuania 1995-96," Country Profile (1996): 22; The Economist Intelligence Unit, "Estonia 1999-2000," Country Profile (1999): 37.

Table 4. Trade pattern of Latvia (1992-1999) (in millions of US dollars)

	1992	1993	1994	1995	1996	1997	1998[a]	1999[b]
Exports (merchandise)	800	1054	1022	1368	1488	1838	2011	2079
Imports (merchandise)	840	1051	1322	1947	2286	2686	3141	3050
Trade balance	-40	3	-300	-579	-798	-848	-1130	-971

(a) estimate
(b) projection

Source: European Bank for Reconstruction and Development, Transition Report 1999. Ten Years of Transition (London: EBRD, 1999) 241.

Table 5. Composition of the Latvian trade (1993-1998) (in percentage of total trade)

	1993	1994	1995	1996	1997	1998
Exports:						
wood products	8.8	20.3	26.4	24.4	29.7	33.5
textiles	12.7	13.2	14.0	16.9	15.6	16.1
machinery and equipment	7.1	9.2	8.7	9.6	9.0	6.8
foodstuffs	6.7	8.8	11.1	11.8	10.1	6.7
chemicals	6.9	7.3	6.4	6.7	6.5	5.8
mineral products	14.3	2.2	2.2	2.6	1.5	2.2
transport equipment	12.5	10.0	6.4	4.1	2.0	1.6
Imports:						
machinery and equipment	9.9	16.1	17.3	16.7	19.3	20.5
chemicals	7.0	10.2	11.2	11.0	10.9	11.0
mineral products	45.6	29.4	21.7	22.1	14.0	10.5
transport equipment	9.3	6.7	8.0	6.0	8.3	10.4
metal products	4.4	5.0	6.4	6.4	8.0	8.4
textiles	4.6	5.9	7.8	8.0	7.8	7.8
foodstuff	3.3	5.1	5.4	6.0	7.0	7.0

Sources: The Economist Intelligence Unit, "Latvia 1998-99," Country Profile (1998): 39-40; The Economist Intelligence Unit, "Latvia 1999-2000," Country Profile (1999): 41.

Table 6. Main trading partners of Latvia (1993-1998) (in percentage of total trade)

	1993	1994	1995	1996	1997	1998
Exports to:						
Germany	6.6	10.5	13.6	13.8	13.8	15.6
UK	4.6	9.7	9.1	11.1	14.3	13.5
Russia	29.8	28.1	25.3	22.8	21.0	12.1
Sweden	6.8	6.9	9.3	6.6	8.3	10.3
Lithuania	4.3	5.6	5.5	7.4	7.5	7.4
Imports from:						
Germany	6.6	13.5	15.4	13.8	16.0	16.8
Russia	29.3	23.6	21.7	20.2	15.6	11.8
Finland	2.8	8.5	10.4	9.2	9.7	9.5
Sweden	3.7	6.4	8.0	7.9	7.7	7.2
Lithuania	9.9	6.0	5.5	6.3	6.4	n/a

n/a: not available

Sources: The Economist Intelligence Unit, "Latvia 1998-99," Country Profile (1998): 40; The Economist Intelligence Unit, "Latvia 1999-2000," Country Profile (1999): 42.

Table 7. Trade pattern of Lithuania (1992-1999) (in millions of US dollars)

	1992	1993	1994	1995	1996	1997	1998[a]	1999[b]
Exports (merchandise)	1142	2026	2029	2706	3413	4192	3962	3367
Imports (merchandise)	1041	2180	2234	3404	4309	5340	5480	4877
Trade balance	101	-155	-205	-698	-896	-1147	-1518	-1510

(a) estimate
(b) projection

Source: European Bank for Reconstruction and Development, Transition Report 1999. Ten Years of Transition (London: EBRD, 1999) 245.

Table 8. Composition of the Lithuanian trade (1993-1998) (in percentage of total trade)

	1993	1994	1995	1996	1997	1998
Exports:						
mineral products	25.6	16.7	11.9	15.2	17.8	19.2
textiles	9.6	12.3	14.7	15.4	16.3	18.6
foodstuffs	5.0	24.2	18.3	16.8	16.0	11.0
machinery and equipment	19.3	12.0	10.8	11.6	12.2	10.8
chemicals	5.9	10.6	12.2	10.8	9.2	9.6
transport	4.2	3.7	5.1	7.2	8.3	8.1
wood products	1.7	4.1	6.6	5.8	5.1	4.8
Imports:						
machinery and equipment	11.7	16.5	15.2	17.1	18.4	18.4
mineral products	43	32.8	20.6	19.3	18.2	15.6
transport equipment	7.1	6.0	8.1	9.9	11.4	12.3
chemicals	6.5	8.8	9.4	9.4	9.4	9.2
textiles	5.6	7.4	8.7	7.9	7.9	8.8
metal products	7.0	6.5	8.8	6.7	6.2	6.2
foodstuffs	4.1	4.3	5.5	5.9	5.3	4.8

Sources: The Economist Intelligence Unit, "Lithuania 1998-99," Country Profile (1998): 35; The Economist Intelligence Unit, "Lithuania 1999-2000," Country Profile (1999): 43.

Table 9. Main trading partners of Lithuania (1993-1998) (in percentage of total trade)

	1993	1994	1995	1996	1997	1998
Exports to:						
Russia	33.1	28.2	20.4	24.0	24.5	16.5
Germany	6.8	11.5	14.4	12.8	11.4	13.1
Belarus	7.4	8.4	7.1	9.2	8.6	11.1
Ukraine	11.2	6.6	10.8	10.2	10.3	8.9
Latvia	7.3	6.1	7.5	7.7	8.8	7.8
Imports from:						
Russia	53.6	39.3	31.2	25.9	24.3	20.2
Germany	9.6	13.8	14.3	15.8	18.7	20.0
Poland	2.2	4.0	4.2	5.1	5.8	6.6
Denmark	2.4	2.6	3.5	3.8	4.3	4.6
Finland	1.3	2.9	3.3	3.7	3.4	n/a

n/a: not available

Sources: The Economist Intelligence Unit, "Lithuania 1998-99," Country Profile (1998): 35; The Economist Intelligence Unit, "Lithuania 1999-2000," Country Profile (1999): 44.

Table 10. Ethnic composition of Estonia (in thousands of persons and in percentage of total population)

	1989		1995		1998	
	'000	%	'000	%	'000	%
Estonian	963.3	61.5	957.9	64.2	946.6	65.1
Russian	474.8	30.3	428.4	28.7	409.1	28.1
Ukrainian	48.3	3.1	39.6	2.7	36.9	2.5
Latvian	3.1	0.2	2.8	0.2	2.7	0.2
Lithuanian	2.6	0.2	2.3	0.2	2.2	0.2
Jew	4.1	0.3	3.5	0.2	2.4	0.2
Other	69.5	4.4	57.1	3.8	53.9	3.7
Total	1565.7	100	1491.6	100	1453.8	100

Sources: "Estonia," The Europa World Yearbook 1999, vol. 1 (Europa Publications Limited, 1999) 1323; The Economist Intelligence Unit, "Estonia, Latvia, Lithuania 1996-97," Country Profile (1996): 11.

Table 11. Ethnic composition of Latvia (in thousands of persons and in percentage of total population)

	1989		1995		1997	
	'000	%	'000	%	'000	%
Latvian	1387.8	52.0	1385.0	54.8	1372.0	55.3
Russian	905.5	34.0	829.6	32.8	806.0	32.5
Belarusian	119.7	4.5	102.5	4.0	99.0	4.0
Lithuanian	34.6	1.3	32.6	1.3	32.0	1.3
Estonian	3.3	0.1	2.9	0.1	n/a	n/a
Jew	22.9	0.9	12.2	0.5	10.0	0.4
Other	192.8	7.3	164.7	6.5	n/a	n/a
Total	2666.6	100	2529.5	100	2480.0	100

n/a: not available

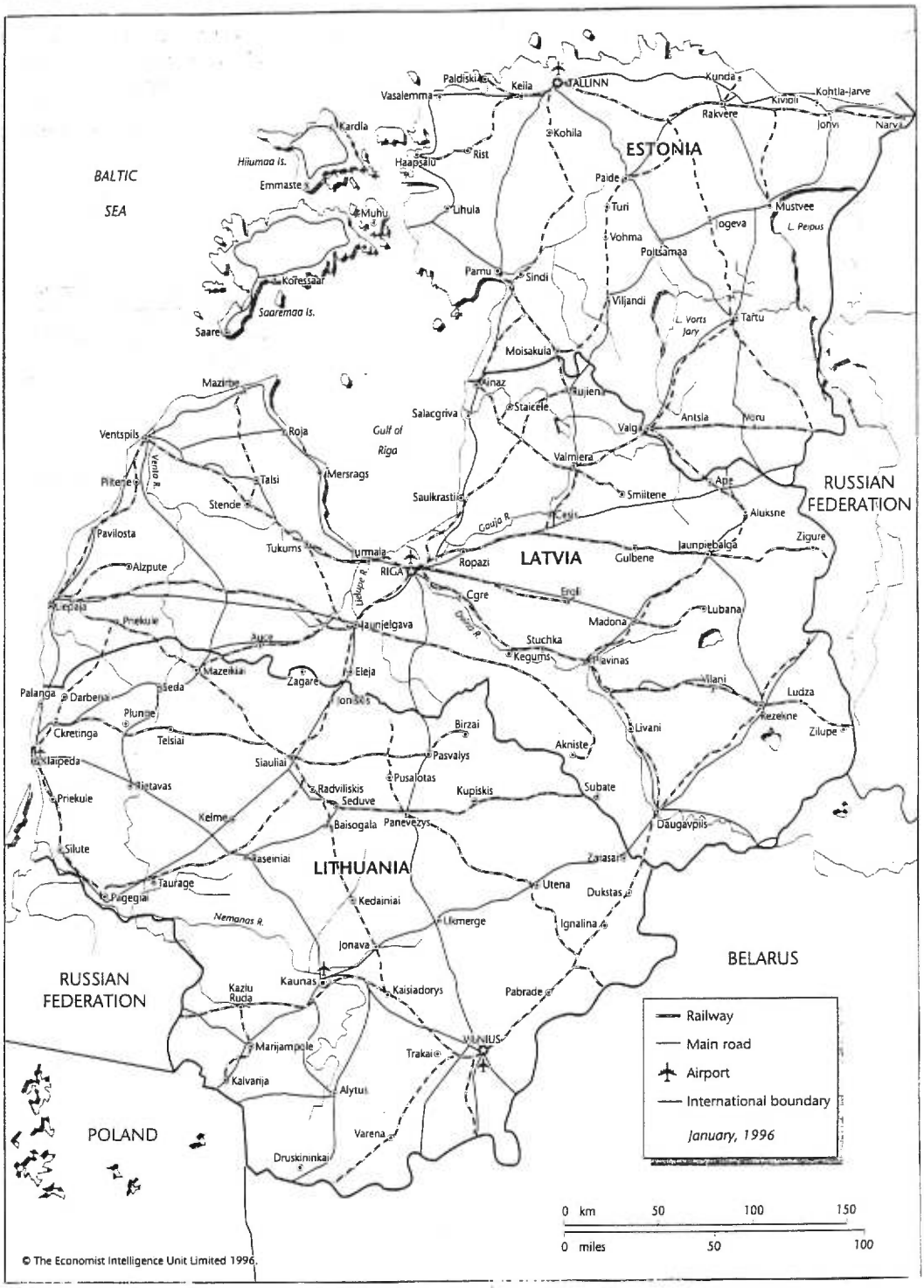
Sources: "Latvia," The Europa World Yearbook 1999, vol. 2 (Europa Publications Limited, 1999) 2152; The Economist Intelligence Unit, "Estonia, Latvia, Lithuania 1996-97," Country Profile (1996): 33.

Table 12. Ethnic composition of Lithuania (in thousands of persons and in percentage of total population)

	1989		1995	
	'000	%	'000	%
Lithuanian	2924.3	79.6	3022.4	81.3
Russian	344.5	9.4	310.9	8.4
Pole	257	7	259.2	7
Latvian	4.2	0.1	4	0.1
Estonian	0.6	0	0.6	0
Jew	12.4	0.3	5.9	0.1
Other	131.8	3.6	114.7	3.1
Total	3674.8	100	3717.7	100

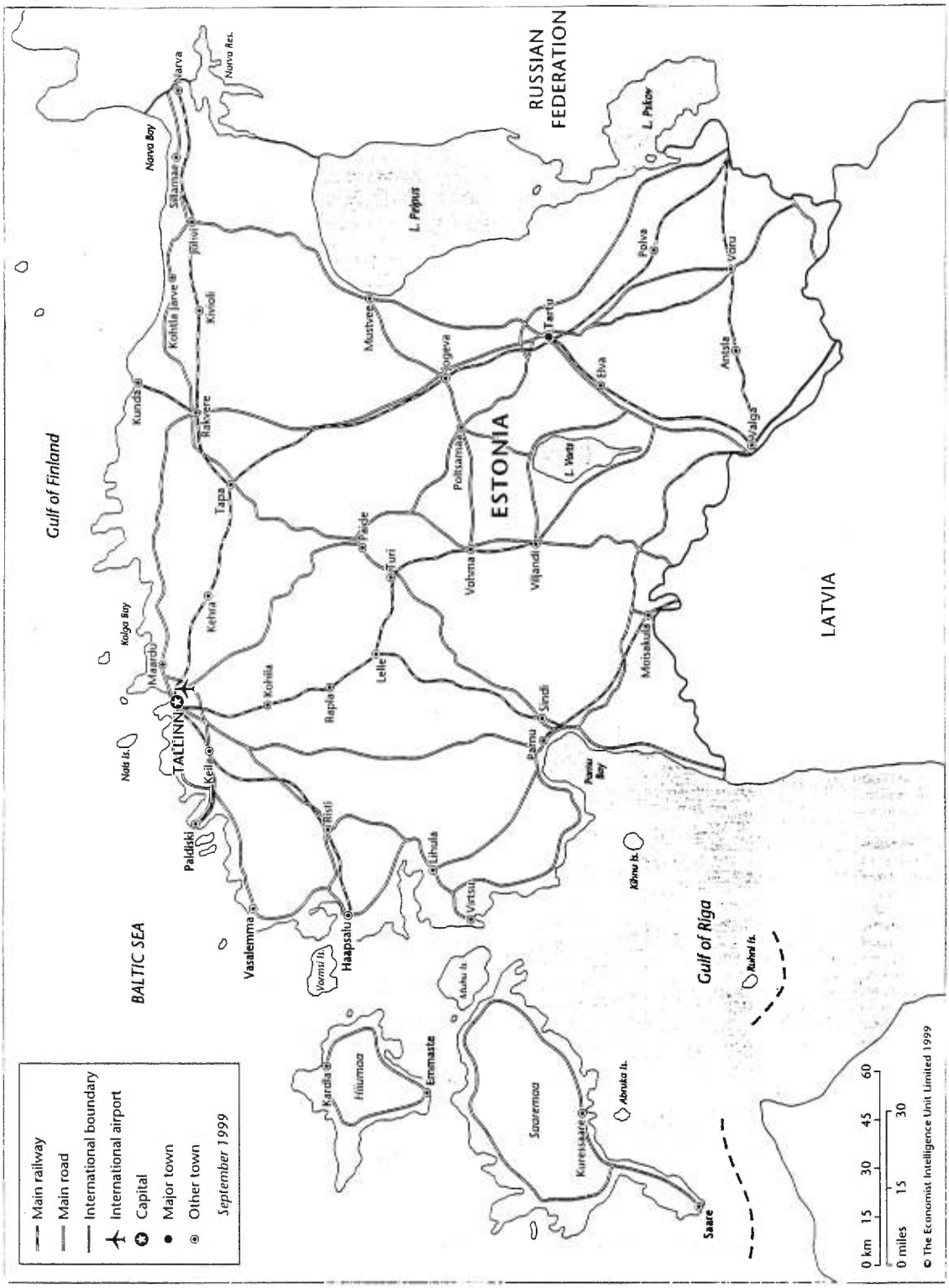
Source: The Economist Intelligence Unit, "Estonia, Latvia, Lithuania 1996-97," Country Profile (1996): 53.

Figure 1. The Baltic states



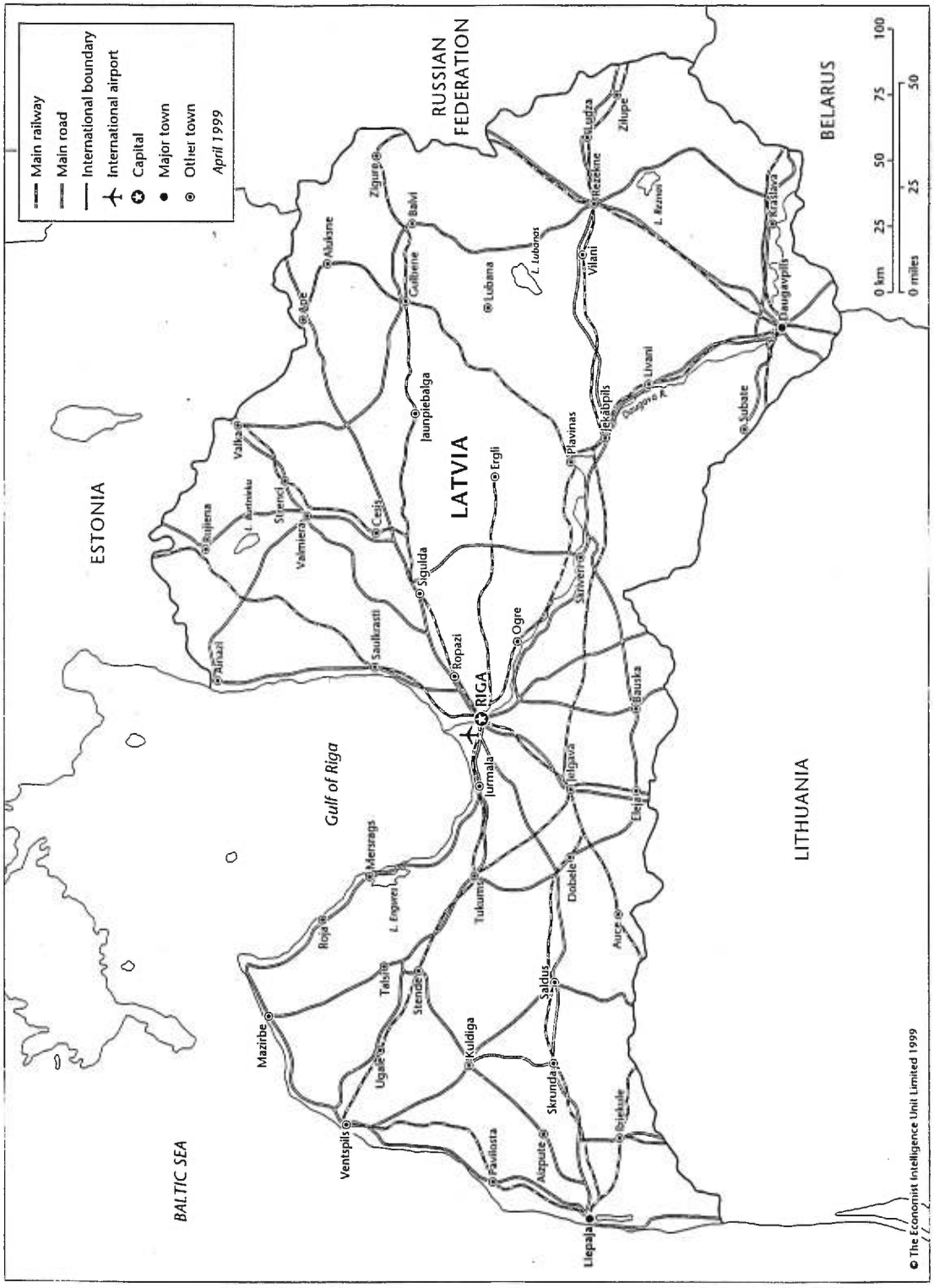
Source: The Economist Intelligence Unit, "Estonia, Latvia, Lithuania 1995-96," Country Profile (1996): 35.

Figure 2. Estonia



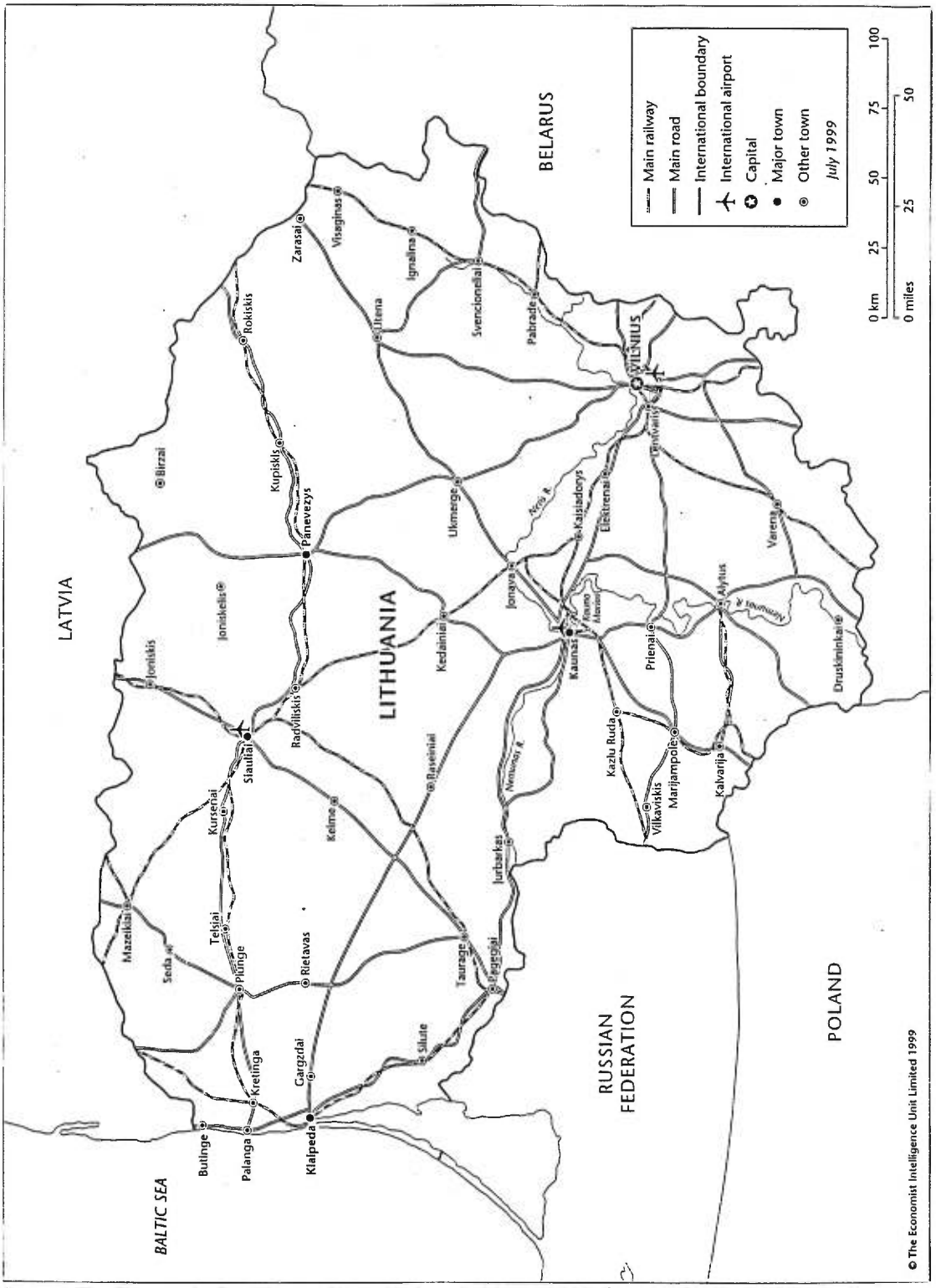
Source: The Economist Intelligence Unit, "Estonia 1999-2000," Country Profile (1999): 3.

Figure 3. Latvia



Source: The Economist Intelligence Unit, "Latvia 1999-2000," Country Profile (1999): 3.

Figure 4. Lithuania



Source: The Economist Intelligence Unit, "Lithuania 1999-2000," Country Profile (1999): 3.

Figure 5. Territories contested by Estonia and Latvia

Source: S. J. Main, Instability in the Baltic Region, Conflict Studies Research Centre S 37. (London: RMA Sandhurst, 1998) 22.

Interviews

Estonia

Alar J.R. Olljum	Embassy of Estonia in Lithuania Ambassador

Latvia

Atis Lejins	Latvian Institute of International Affairs Director
Atis Sjanits	Embassy of Latvia in Lithuania Ambassador

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Rytis Paulauskas	Ministry of Foreign Affairs Head of NATO Integration Division

Algis Prazauskas	University of Kaunas Institute of International Law and Political Science Director
Gediminas Vitkus	University of Vilnius Institute of International Relations and Political Science Professor
Darius Zeruolis	European Committee Integration Strategy Department Deputy Director

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Steen Bornhodt Andersen	Embassy of Denmark in Lithuania Defense Attaché

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Frédéric Kancir	Embassy of France in Lithuania Defense Attaché

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