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Russia's Policy toward Ukraine, Belarus, Moldova, and the Baltic States

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Vladimir Putin's first year and a half as president of Russia, since his election in March 2000, has revealed trends and directions that will likely determine the Kremlin's foreign policy for the coming years. The continuing crisis of the system is borne out mainly by the government's controversial and often inadequate world outlook, which results from the fall of the Soviet empire. The crisis also makes Russia a very uncomfortable partner for its western neighbors.

What are Russia's goals in its own geographic area? Is Russia capable of significantly influencing the political and economic situation in neighboring countries? Answering these questions is crucial for understanding the possible scenarios that could influence the future of the entire region from the Baltic Sea to the Black Sea.

The terrorist attacks against the United States on September 11, 2001, have already changed—and probably will change even more—the configuration of international affairs. Russia will probably play a more substantial role than during the 1990s, after the disintegration of Soviet Union. It is in the West's interest to engage Russia as much as possible, since Moscow's support in the fight against terrorism is vital for the worldwide campaign led by the United States. At the same time, President Putin has made clear that it is in Russia's interest to create a new agenda for relations with the West. Yet he is also trying to use the current international situation in his own favor.

Russia's deeply rooted isolationism (the saying "righteous loneliness in a hostile world" is not unfamiliar even today) and the fundamentally different interpretation of the principles of international relations and the international system[1] are real challenges for a new Russian-Western alliance. The ongoing ideological battle between Westernizers and slavophiles (or Eurasianists) perennially keeps Russia at some distance from the Western world, even if Moscow has declared Europeanization to be a priority.

One of the most influential foreign policy scholars in Russia, Aleksandr Dugin (also known as one of the ideologues of the Russian General Staff), describes Russia's goals for its western neighbors in his book, *Osnovy geopolitiki* (Basis of geopolitics). New borders are unavoidable and some regions should be divided up again, he writes. In every case, the most important goal is to create friendly, neutral units with maximum freedom in cultural, economic, and social spheres, but strategically dependent upon Moscow. The ultimate goal is the "Finlandization" of the whole of Europe, but first the territories most closely linked to Russia should be reorganized.[2] However, even scholars who are known as Westernizers, such as Vyatcheslav Nikonov, have set forth a very demanding position vis-à-vis the West. For example, Nikonov has declared openly that the North Atlantic Treaty Organization (NATO) should either cooperate with Russia and leave the Baltic states out of the next round of enlargement or face the Taliban without Russia's help.[3] Both Dugin and Nikonov know that almost one-third, or 31 percent, of Russians believe that the goal of Russia's foreign policy over the next 10 to 15 years should be to recapture its status as a superpower, similar to that of the former Soviet Union.[4]

THE SLAVIC TRIANGLE PLUS MOLDOVA

Relations with Belarus and Ukraine, as well as with Moldova, have been the main priorities in Russia's foreign policy, especially within the context of the Commonwealth of Independent States (CIS). This has been confirmed by the emphasis placed on Russia's Foreign Policy Concept approved by the Kremlin in 2000, and by the fact that the first foreign visit of Vladimir Putin as president was to Minsk on April 16, 2000.[5]

Russia has not been secretive about its belief that the territories of the former Soviet Union belong to the sphere of Russia's "vital" interests. This has been emphasized in the "near abroad policy" and repeatedly on different political levels. By 1994, the Russian Foreign Intelligence Service (SVR), in its public report "Russia-CIS: Does the Position of Western Countries Need to Be Changed?" had already declared that Russia must play an active and dominant role in the area that was once the Soviet Union.[6]

In September 1995 President Boris Yeltsin issued an official document on Russian policy toward the CIS that codified Russian goals. It stated that

Russia's policy toward the CIS was to create an economically and politically integrated association of states capable of claiming its proper place in the world community … to consolidate Russia as the leading force in the formation of a new system of interstate political and economic relations in the territory of post–[Soviet] Union space.[7]

Later, in the spring of 1996, the influential Council of Foreign and Defense Policy, announced that the main objective of Russian foreign policy is to "prevent the military and political dominance of other countries in the territory of the former Soviet Union." It was also emphasized that in order to achieve this objective two principal formulas must be followed: 1) leading as opposed to controlling; and 2) economic domination instead of political responsibility.[8]

Various politicians and experts have repeatedly declared Russia's strong interests in the territories of the former Soviet Union. The leader of the Russian communists, Gennadi Zyuganov, in his book *Geography of Victory: Principles of Russian Geopolitics,* published in 1997, wrote very vividly:

> Russia is again facing the need to solve the same three geopolitical tasks that it faced four hundred years ago: access to the Baltic Sea and to the Black Sea, gathering Russian territories, and determining the exact borders in the south and southeast. But now we do not have in reserve the three hundred years to solve these tasks.[9]

Yuri Luzhkov, the mayor of Moscow and one of the leaders in unifying Yedinstvo-Otetshestvo, said on July 29, 2001, in Simferopol, Ukraine: "I think that Crimea is Russian territory. It always has been Russian and never belonged to Ukraine. It should be marked in history."[10]

These statements and declarations have remained slogans. Russia has tried actively throughout the 1990s to use its power of influence and leadership in the territories of the former empire. It has been more successful in some countries (for example, Belarus), less successful in others (for example, Turkmenistan), and has experienced almost no success in a third group of countries (the Baltic states). According to this division, different approaches and political-economic mechanisms of pressure and coercion have evolved, which are analyzed below.

As stated previously, relations with Belarus, Ukraine, and Moldova have been a principal target of Russian foreign policy in recent years. During and after the collapse of the Soviet Union, the leadership of these countries emphasized national independence. At present, however, all three have declared Russia to be their strategic partner.[11]

In fact, Belarus has concluded negotiations for a Russian-Belarusian union. Moscow still keeps Minsk at some distance, because at present Russia does not need the additional economic problems and political responsibility that could result from deeper integration with Belarus. But at the same time Russia keeps Belarus facing firmly to the East. Nobody in

the West seems interested in dealing with Belarusian President Aleksandr Lukashenko, which makes it easy for Russia to control this territory.

Without a doubt the cornerstone of Russia's foreign policy toward its immediate neighbors to the west is Ukraine. It is well known that Ukraine always played a critically important geopolitical role in Russian history. Indeed, losing Ukraine in 1991 was probably the most painful wound sustained by Russia in the course of the Soviet Union's disintegration. On the one hand, Russia definitely wants to reintegrate Ukraine at least within the CIS. On the other hand, Moscow has realized that achieving this goal would be very time-consuming or even close to impossible.

Moldova is still far behind Belarus and Ukraine in the hierarchy of Russia's interests, and it does not play an influential role in the region. Moldova's political and economic dependence on Russia makes this area a much easier candidate for Moscow to control or reintegrate.

The Kremlin's tactics and strategy are obviously part of Russia's move to dominate its western neighbors. First, Russia is using the political immaturity and economic weakness of Ukraine, Belarus, and Moldova to its advantage. This allows the Kremlin to integrate those countries into Russia's sphere of influence. It also means keeping or supporting military bases and activities within these countries and playing heavily on feelings of Slavic kinship. All those aspects are discussed below.

Russia has skillfully exploited the vulnerability of the political systems in Belarus, Ukraine, and Moldova. The processes of transition in those countries have been difficult to the point of being negative, especially when considered vis-à-vis the norms of civil society. Even more, we cannot be sure that all three countries will be viable as independent and functionally effective entities.

Belarus. The drift of Belarus into Russia's sphere of influence started as early as 1994, when Aleksandr Lukashenko was elected president. The former director of a state-owned collective farm (sovkhoz) was quickly, and without difficulties, able to suppress the political opposition. The opposition politicians were either forced to leave the country (as in the case of Zenon Pozdnyak) or were eliminated by the secret service (as were Yuri Zakharenko, Viktor Gontchar, and others).[12]

On February 21, 1995, Moscow and Minsk concluded a treaty of friendship and cooperation, and two years later, on April 2, 1997, the Russia-Belarus Union Treaty was signed. These documents have been followed by many other agreements that establish the attributes of the union, including the agreement to introduce a joint currency—the ruble—in 2008.

President Lukashenko's personality and ambitions have unquestionably determined the foreign policy orientation of Belarus. By 1995, Lukashenko had told his aides that his dream was to become the president of the union

and live in the Kremlin.[13] On September 9, 2001, Lukashenko easily won a second term.

Ukraine. Absorbing Belarus has been an easy task for Moscow; however, winning back Ukraine will require much more effort. For example, in June 2001, while visiting Slovakia, Ukrainian President Leonid Kuchma announced that Ukraine would remain an independent state forever and not join the Belarus-Russia Union under any circumstances. Yet Kyiv's recent policy has shown signs of a growing orientation toward Moscow.

The increasing orientation toward Moscow has coincided with deep crises in domestic politics that were generated and directed by local secret services. It started with the disappearance and murder of independent journalist Georgi Gongadze in September 2000, along with the release of tapes to the public that incriminated President Kuchma. The ensuing scandal—which lasted for months—has tarnished Ukraine's reputation to a considerable degree. In addition, Ukraine has acquired an international reputation as an extremely corrupt state, perhaps second only to Nigeria and war-torn Yugoslavia. In the eyes of the European Union, Ukraine has reached the critical point where every step can bring about a new split on the continent.[14]

Kyiv's foreign policy rhetoric began to change markedly in autumn 2000, when President Kuchma replaced the Western-oriented foreign minister Boris Tarasyuk with Anatoli Zlenko. The latter made his first foreign visit to Moscow, thus declaring the inevitability of relations between the two neighboring nations. Also, President Kuchma has not concealed his sympathies. In February 2001, during a meeting with President Vladimir Putin of Russia in Dnepropetrovsk, he heralded the beginning of a new era in relations between the two states.

The growing number of political consultations between Kyiv and Moscow clearly shows Ukraine's drift toward closer ties with Russia. For example, last year presidents Kuchma and Putin met eight times. In July 2001, they met four times, and during the same period Putin held talks in Moscow with a head of Kuchma's administration and with Ukraine's secretary of national security. Russian Foreign Minister Igor Ivanov also visited Kyiv in July.

Undoubtedly, Russia's most significant step in moving closer to Ukraine was the naming of former Prime Minister Viktor Chernomyrdin as ambassador. Chernomyrdin is also the full economic representative of the Russian president in Kyiv, which is an unusual position for a regular ambassador. When he sent Chernomyrdin to Kyiv, President Putin said, "the time has arrived when we have to seriously consider the development of relations with one of our partners—Ukraine."[15] Ukrainian opposition politician Yulia Timoshenko characterized Putin's move as naming Chernomyrdin the new prime minister for Ukraine.[16]

In interviews, Chernomyrdin has made clear that it is in Moscow's inter-

est to achieve a strategic alliance with Ukraine. In fact, he has compared Kyiv's desire to be a neutral country to Poland's fate in the 1930s.[17] "Ukraine is not a western country but belongs to Slavic civilization and Orthodox culture. Hundreds of years living together makes Ukraine Russia's natural partner," Chernomyrdin told *Nezavisimaya Gazeta,* adding another remark that is very typical of Russia's attitude toward the current state of world affairs: "Nobody awaits either Russia or Ukraine in the West. They'll try to be friends with us, they'll promise a lot to us, but they'll never declare us as their natural partners."[18]

Interestingly, Putin's decision to send former Prime Minister Chernomyrdin to Kyiv coincides completely with a group of 1996 recommendations from the Russian Council of Foreign and Defense Policy concerning how to force the CIS states to join Moscow. Leading analysts in Russia wrote that one method would be to appoint respected Russian politicians to those states as ambassadors.[19]

Moldova. Moldova is an excellent example of how a change of direction in domestic politics also determines foreign policy trends. The communists who achieved an overwhelming victory in the early parliamentary elections (71 seats out of 101) in February 2001 have already declared Russia to be their strategic partner, even though Moldavian foreign policy stresses "continuous neutrality."

Moldova also offers proof of how Stalin's heritage influences current international affairs. Though 90 percent of the population in Moldova is Romanian, the capital city of Chisinau has stronger political links with Moscow than with Bucharest. Moldova's president, Vladimir Voronin, is Russian by nationality and thus naturally has more connections with Russia that could hasten Moldova's drift back under Russia's strategic influence.

A very important issue with Moldova is the problem of the Transnistria Republic. This conflict gives Russia a perfect reason to be an active and decisive force in the region. Using the principle of divide and conquer, Russia is still controlling the conflict to further its own interests. (It uses the same tactics in Caucasia.) A good example of Russian tactics toward Moldova is the difference in the price of Russian natural gas. If Chisinau pays U.S.$80 per thousand cubic meters, then Tiraspol (the capital of the Transnistria Republic) pays only U.S.$45 for the same amount.

As mentioned below there are strong positive feelings in Chisinau about the possibility of Moldova joining the Belarus-Russia Union. The first step in this direction could be the Treaty of Friendship, which is about to be signed by the presidents of Moldova and Russia.

In addition to political immaturity, their economic dependence on Moscow makes Belarus, Ukraine, and Moldova easy targets. All three states clearly orient their foreign trade toward Russia. For example, Russia's share of Belarusian external trade is 58.7 percent, of Moldova 40 percent, and of Ukraine 38 per-

cent (see Table 7.1). But if one considers the energy requirements of these states, then Russia's strategic importance becomes even greater.

According to Russian Foreign Ministry data, Ukraine is able to cover, with its own resources, only 10 percent of its oil requirements and 15 percent of its natural gas requirements. Dependence on coal imports is 30 percent; in fact, 66 percent of Russia's total exports to Ukraine consist of energy-related goods, mainly natural gas.[20] Moldova is totally dependent (99 percent) on energy imports from Russia, as is Belarus. Since August 1, 2001, both Ukraine and Moldova reconnected to Russia's energy system, which makes those countries even more dependent on Russia and Russia's economy.

Also, Ukraine and Belarus are important foreign-trade partners for Russia. In 2000, Ukraine was Russia's top export purchaser and was third in imports, while Belarus was third and second, respectively.

Table 7.1. Ukraine's Main Partners in Foreign Trade According to Their Share in 2000

Export	%	Import	%
Russia	23.0	Russia	48.1
China	5.8	Germany	8.6
Turkey	5.5	United States	4.0
Germany	5.1	Poland	3.3
Italy	4.4	Italy	2.8
Belarus	4.3	Belarus	2.4

Source: The Economist, *Pocket World in Figures 2001*.

Foreign investments have not been able to balance the economies of these states. A drastic example is Belarus, where reforms have been the slowest and where the economy is still subject to very strict state regulations. This is why foreign direct investment accounts for only 0.5 percent of gross domestic product (GDP).

Russian investment activity has grown markedly in Ukraine. According to official data, Russian companies invested more than U.S.$200 million in 2000 by buying Ukraine's strategically important assets. Though the volume of Russian investments does not exceed one-tenth of all direct investments in Ukraine's economy, the trend in recent months indicates the increase of Russia's money and influence. Analyst Bogdan Gavrilishin describes this trend as carefully planned economic aggression against Ukraine.

Several large and powerful Russian companies already have very strong market positions and strategic assets in Ukraine. For instance, Russkii Alyuminii owns an aluminum factory in Nikolayev and one of the biggest banks in Ukraine—UkrSibbank. Alfa-Group owns the oil company TNK-Ukraine, which controls up to one-fourth of Ukraine's oil market. Alfa-bank in Kyiv is close to being one of the top five banks in Ukraine. Lukoil

owns an oil refinery in Odessa and a chemical factory in Kalushk. Finally, Gazprom owns the chemical factory Rivneazot; is close to buying a pipe factory in Harzysk; and owns the bank NRB-Ukraine, which is linked to the National Reserve Bank of Russia, in which Ambassador Viktor Chernomyrdin has shown interest.[21]

During Russian Prime Minister Mikhail Kasyanov's visit to Chisinau on October 5, 2001, he was handed a list of sixty Moldavian enterprises that are for sale and desperately need Russian investments. In the year 2000, Moldova was the number-one country for Russian direct investment per capita, followed by Belarus and Ukraine.[22]

Without a doubt one of Russia's objectives in keeping Belarus, Ukraine, and Moldova off the Western path is to ensure an ongoing Russian military presence in these countries. Moreover, the westward-looking activities of military structures have significantly decreased following President Putin's rise to power.

Naturally, the most intense military cooperation enjoyed by Russia is with its direct ally Belarus. Though Belarus does not currently house any Russian military bases, Moscow and Minsk are moving toward the formation of joint armed forces. At a meeting of defense ministers in Minsk in April 2001, the union's military doctrine, the integration of legislation, and the joint use of military infrastructures were discussed. At present, Minsk and Moscow are each responsible for their own military forces in case of a military threat. In the future, there are plans to set up joint bases in Belarus, in the Moscow military district, and also in the Kaliningrad *oblast*.[23] Though the military doctrine of this union has not been made public yet, it has become known that the main geopolitical threat is considered to be NATO's strong military potential and its plans to extend into the Baltic states.[24]

In January 2001, Moscow and Kyiv concluded a cooperation treaty whose fifty-two clauses make very unlikely any further active participation by Ukraine in NATO's partnership programs as ratified in November 1998. According to this treaty, Russia will have unlimited rights to organize military exercises on Ukrainian territory, to form a joint naval unit with Kyiv, and to jointly produce weapons.

On July 22, 2001, the Joint Command Desk of Russia and Ukraine was launched in Sevastopol to monitor the Black Sea area. At the same time both sides are establishing a joint naval brigade agreed upon in January 2001. The joint brigade is inevitable, given that Russia already has a naval presence in Ukrainian ports, but it will a priori put a stop to large-scale cooperation by Ukraine with NATO, for example. In addition, the treaty covering division of the Black Sea fleet was finally concluded in 1997 after years of dispute. It is evident that military cooperation between Moscow and Kyiv has significantly intensified in the last few years.

A different situation is developing in Moldova. As mentioned above, the

communists coming into power made it almost inevitable that Moldova would join the union of Belarus and Russia. Moldovan politicians also support Russia's keeping its Fourteenth Army in the Transnistria Republic. As we know, at the 1999 summit of the Organization for Security and Cooperation in Europe (OSCE), Russia agreed to remove all its military forces and equipment from Moldova by the end of 2001. Today only two military echelons have left Moldova while it would take at least 150 echelons to move out all of the equipment. At present, the arsenal of the former Fourteenth Army consists of 49,476 firearms, 805 artillery guns, 4,000 cars, and 655 units of various military equipment. This arsenal is enough to arm four rifle divisions.[25] Though Moscow has declared its readiness to withdraw the weaponry from Moldova, so far everything has been done to slow this process as much as possible. Russia has not concealed the fact that in the context of NATO enlargement, a Russian military presence in Moldova is clearly in Moscow's interests.

In spreading its dominance over Belarus, Ukraine, and Moldova, Russia has frequently brought up and emphasized their common national-religious background. An emphasis on Slavic identity and geographical proximity (see Table 7.2) was part of Moscow's politics throughout the 1990s. During the past few years, however, Moscow has become more methodical. In early June 2001, the first Conference of Russian, Belorussian, and Ukrainian nations took place in Moscow, where the leader of the Russian delegation was the chairman of the Duma, Gennadi Seleznyov. Seleznyov characterized the conference as a platform from which the extensive unification movement of these nations could begin, as could pressure on other countries neighboring Russia to voluntarily join this union.

Table 7.2. Ukraine, Belarus, and Moldova: National-Religious Composition

	Belarus	Ukraine	Moldova	Total
Territory	207,600 km^2	603,700 km^2	33,700 km^2	845,000 km^2
Inhabitants	9.99 million	49.28 million	4.3 million	63.57 million
Russian inhabitants	1.1 million or 11%	10.8 million or 21%	0.56 million or 13%	12.46 million or 19.7%
Orthodox	80%	80%	99%	86%

Source: *The World Almanac and Book of Facts 2000.*

Moscow Patriarch Aleksius II pointed out that Russia, Belarus, and Ukraine were Christianized at the same time, that they share a common history, and are soul mates that cannot live without each other. Metropolitan of Smolensk and Kaliningrad Kirill (also the Russian Orthodox Church spokesman) announced that the church considered the dissolution of the Soviet Union to be a sin. Participants declared that the "creation of the political union is the pledge of our salvation."[26]

Emphasizing the so-called Slavic card is a clear example of how the post-

imperial identity crisis influences present-day attitudes and approaches. Playing on a sense of national belonging to form a political movement, rather than basing it on political ideas, is a prime example of political immaturity. Yet, this is still one of the strongest positions from which Russia backs its aspiration to control and influence the territories of the former Soviet Union.

During the last year, we have seen a very strong drift in Ukraine and Moldova toward backing the idea of reunification with Russia. In July, the "Russian Bloc" political movement was formed in Ukraine. This group will participate in the parliamentary elections scheduled for March 2002, with the goal that the Russian people should be united again. On July 16, 2001, demonstrations were held in eighty-seven towns throughout Ukraine to support this very same idea.[27]

In the beginning of August a new political movement was established in Moldova that supports the idea of unifying Moldova with the Slavic triangle—Russia, Belarus, and Ukraine. One of the leaders of the new movement, Valery Klimenko, told news agencies that the organization plans to collect signatures for a referendum on joining the Union of Russia and Belarus.[28]

On July 25, 2001, the presidents of Ukraine, Belarus, and Russia met in Vitebsk at the Slavic festival to show their common aspiration to build closer ties on the level of national identity rather than shared values. It seems that the Slavic card and common background (Soviet mentality) of top politicians in each country makes it easier for Moscow to get Kyiv and Minsk to back its interests.

THE BALTIC STATES

Though the Baltic side of Russia's foreign policy has been unfruitful and depleted of ideas, Moscow does not seem willing (or able) to abandon its intention of keeping this region in its sphere of influence as long as possible. In fact, one could argue that during the 1990s Russia did everything possible to push the Baltic states to join the Euro-Atlantic alliances.

Russia's attitude toward the Baltic states has been influenced by several factors:

(1) The Baltic states have belonged to Soviet and Russian empires;
(2) Different outlooks and understanding of history;
(3) Sizeable Russian populations reside in the Baltics, especially in Estonia and Latvia, including a large number of Russian citizens;
(4) The Kaliningrad enclave is a critical component of Russia's security startegy; and
(5) There is a conflict of interest between Russia and its western neighbors.

Russia's Baltic policy has developed from the objective of forcing the Baltic states into international isolation, thus making them more prone to Russian influence. By playing the "Russian minority card," the Kremlin hoped in particular to make Estonia's and Latvia's paths into European groupings that honor human rights at least very difficult if not impossible.

Tables 7.3 Ethnic Composition of Latvia by January 1, 2001

Latvians	1,367,395	57.9%
Russians	693,382	29.4%
Belorussians	95,422	4%
Ukrainians	62,545	2.6%
Poles	59,003	2.5%
Lithuanians	33,021	1.4%
Others	49,563	6.2%
Total	2,360,331	100 %

Sources: Latvian Register of the Population.

Table 7.4. Ethnic Composition of Estonia by January 1, 2001

Estonians	939,310	65.3%
Russians	403,925	28.1%
Ukrainians	36,467	2.5%
Belarussians	21,125	1.5%
Finns	12 762	0.8%
Tatars	3,232	0.2%
Others	22,376	1.6%
Total	1,439,197	100 %

Sources: *Statistical Yearbook of Estonia 2001*.

As shown by Tables 7.3 and 7.4, a remarkably high percentage of the Russian population in Estonia and Latvia is rooted in Soviet colonization (in Ukraine, by comparison, Russians make up 22 percent of the population). This has caused problems at the outset for the governments of Estonia and Latvia, as the integration process between different cultural groups is always a long-term proposition, especially in the Baltics.

In the 1990s, Estonia was able to rethink its eastern policy by exchanging reactive rhetoric for a pragmatic approach and taking active steps in the integration process. (From 1992 to 2000, for example, the number of noncitizens was reduced by nearly 60 percent—from 494,000 down to 175,000.) However, Russia has stubbornly stayed with its demands. Here we have to take into account that Russia's Baltic policy has always been closely related to the background system of domestic policy. This has decreased the flexibility and room to maneuver in its foreign policy. By making the humanitarian issue a prerequisite for solving all other questions, Russia has steered itself into a dead end. Thus, Russia has delayed the conclusion of many treaties (border treaty, economic treaties) with the Baltic states, hoping for better conditions in foreign policy. At the same

time, Moscow is applying for membership in the World Trade Organization (WTO) and therefore must sooner or later, for example, remove the double customs duties imposed unconditionally on Estonia.

In all honesty, we can say that after Russia's armed forces departed from the region in August 1994, Moscow's relations—especially with Tallinn and Riga—have been in a deep shadow. Russian foreign policy toward Latvia and Estonia has primarily been centered on defending the rights of the Russian minorities. In Lithuania, where this card is useless, Moscow has implemented more balanced tactics.

Moscow has continuously used Lithuania as an example for the other Baltic states of how to behave with Russia. However, this example is useless, because Lithuania's problems are much different than those of its northern neighbors. The future of the Kaliningrad *oblast* is largely dependent on Lithuania and in this case Moscow must show more patience. At the same time Russia continues to use all available means to influence Lithuania. The Lithuanian-Russian Border Treaty still has not been ratified though the relations between the countries certainly support it. The strategically important Mazhieikai oil refinery has come under partial Russian control (28 percent belongs to Yukos), which provides Russia with the opportunity to present its demands to Vilnius concerning the Kaliningrad transit corridor.

Weak Baltic cooperation is in the interest of Russia. For Moscow it is important to influence problems between the states, as well as their domestic policy conflicts. In the case of Estonia, Moscow's attempts to influence domestic policy have been unsuccessful. In the cases of Latvia and Lithuania, it has been easier to find influence factors.

In spite of everything, Russia's policies toward the Baltic states have been a failure, as seen above, and need new ideas. The rapidly developing economies of the Baltic states, especially Estonia and Latvia, are already closely connected with the European Union's common market.

According to diplomatic sources, all of the Baltic states have made significant advances in negotiations with the North Atlantic alliance. It is evident that integration of the Baltic states into the Euro-Atlantic security and economic alliances forces Russia to reassess its policy in the region. To what extent and how this policy will change depends on the enlargement of the European Union and NATO.

At present, we can already see some changes in Russia's official rhetoric. However, after the terrorist attacks against the United States in September 2001, Russia has expressed a reasonable and more flexible attitude toward NATO enlargement. "If NATO takes on a different shade and is becoming a political organization, of course we would reconsider our position with regard to such expansion, if we are to feel involved in such processes," President Putin told the international press corps in Brussels on October 3, 2001, after meeting with NATO Secretary General Lord Robertson.[29]

Putin's words might mean that Russia will accept the enlargement of NATO only after the alliance changes its basic nature. At present, that seems to be a hopeless diplomatic dream. On the other hand, it might also mean that Russia is trying to find a less painful way to formally accept Baltic membership.

Another positive development is that Russia itself is starting to understand that there is no substitute for NATO in the Euro-Atlantic security field. After September 11, 2001, several top Russian Western-oriented analysts have suggested that Russia should become a member of NATO. As Sergei Karaganov, the chairman of the Council of Russian Foreign and Defense Policy, said in an interview with UPI on October 5, 2001:

> Unfortunately, the European Union's security dimension is going nowhere, or almost nowhere, and is no substitute for NATO membership.… Many educated Russians who are shaping the opinion of the country believe that Russia should belong to the West. Being in NATO will give us a future.[30]

The West's second attempt at engaging Russia since 1991 (the first attempt ended in 1992–93 due to strong influence on the Kremlin by Russian orthodox military officers) might yield an absolutely new configuration of power lines in the world. But it might end with nothing as well. We do not know yet what will be the result of the war against terrorism.

In the context of the Baltic states, NATO, and Russia, it is absolutely vital for everybody involved to go ahead with the enlargement of NATO. We have seen again how the security status of the Baltic states was questioned by the larger nations during the recent crisis. To avoid any future divisions, it is very important to strengthen the alliance with new members and with a more sophisticated partnership treaty with Russia at the same time.

Though Russia has reproached both Estonia and Latvia for the problems of the Russian-speaking minorities, Latvia became the main target of Russia's attacks as of March 1998. These developments offer a vivid example of how the Russian propaganda machinery is able, when necessary, to use the local Russian populations for its own interests.

The coincidence of several circumstances—Latvia was not invited in summer 1997 to the first round of European Union enlargement negotiations; confusion in Latvian domestic policy and an uncompromising position on the questions of integration; arrival in Riga of the new Russian ambassador, Aleksandr Udaltsov, who is very much at home with Baltic questions—in early spring of 1998 made Latvia a very attractive object for the attack by Russia.

On March 3, 1998, hundreds of Russian pensioners organized an unapproved demonstration in the center of Riga. To prevent the blockage of traffic, Latvian police used force against the picketers. The carefully and provocatively planned demonstration was broadcast the evening of the

same day on all Russian TV channels to show how violent the attitude in Latvia was toward the Russian pensioners. Hardly two weeks later in Riga, on March 16, the traditional parade of World War II veterans who fought in Waffen-SS was held. Russia was able to turn this event against Latvia by creating significant international reaction. It must be admitted that the Latvian authorities themselves facilitated this (for example, the commander of the Latvian armed forces was present at the parade).

Since then diplomatic relations between Latvia and Russia have been frozen. Moscow has agreed to further talks only if Latvia fulfills Russia's demands in solving the so-called humanitarian questions. Nor has anything changed in the meetings at the highest levels, though President Vaira Vike-Freiberga of Latvia hoped to achieve a breakthrough in relations in a surprise meeting with President Putin in spring 2001. The meeting did not produce any tangible results, and Russia's demands persisted.

Putin brought up the Latvian theme again very vividly on June 16, 2001, in Slovenia during the joint press conference with U.S. President George W. Bush. Putin turned around the question concerning the Balkans to address the human rights situation in Latvia and how Russia is patiently solving the situation there.

The permanent and sometimes quite emotional official statements made by the Foreign Ministry of Russia on humanitarian issues toward Latvia and Estonia show that Russia's interest is to have as many troubles as possible for the local Russians rather than to seriously help improve the post-colonial situation, which was left after the Soviet Union broke up. The very latest, and by content very remarkable, Russian statement against Estonia came on August 1, 2001. It happened right after an incident in Paldiski, Estonia, where in a local bar, members of the Estonian peacekeepers training group were provoked and beat up a few Russians. An official from Moscow reacted to the incident using very tough language, even using the word "racism" in his statement.[31]

Presently, about 110,000 Russian citizens live in Estonia, while in Latvia there are up to 50,000 Russian citizens (8 and 2 percent of the population, respectively). The governments in both Tallinn and Riga will face serious problems for years, because by having such a large number of Russian citizens in the region, Moscow will always be able to use those citizens for its own interests. Up to now, Russia has not shown any change in its policy toward fellow compatriots in the Baltic states.

The political elite of Russia tend to believe that the economic success of the Baltic states is mainly based on reselling Russia's resources. Thus, the Baltic economies could be pushed over the edge simply by closing down or limiting these sources of income.

Indeed, Russia already has tried vigorously to close off the sources of profit (for example, imposing double customs on Estonia or the periodic ban on imports of food products from Latvia). However, all three Baltic

states, especially Estonia and Latvia, have reacted by seeking out markets in the West.

During the first part of the 1990s, Estonia's economy was very sensitive to the curve of the Russian economy (i.e., comparison of GDP and stock exchange index). Since the late 1990s—especially after the 1998 ruble crash—there has been a significant change. Estonia's economy turned clearly toward the European Union market.

In fact, all three Baltic states appear to exhibit a clear tendency to shift foreign trade away from Russia and toward the European Union. In the first three months of 2001, for example, Estonian exports to the European Union totaled 73 percent, Latvian exports 65 percent, and Lithuanian exports 49 percent. Russia's share was 2.1 percent, 4.2 percent, and 8 percent, respectively.

Table 7.5. Russia's Share in the Foreign Trade of the Baltic States and Finland, January 2001

	Export			Import		
	Million USD	Percentage	Rank	Million USD	Percentage	Rank
Estonia	5.33	1.9	10	30.53	8.3	4
Latvia	5.87	3.9	7	25.54	11.1	2
Lithuania	19.96	5.8	4	131.21	30.8	1
Finland	129.51	3.8	7	279.44	11.4	2

Source: Statistics Offices of Estonia, Latvia, and Lithuania.

Unlike exports, the share of imports from Russia is somewhat bigger in Russian–Baltic states trade. The first place is clearly taken by the transit of goods. During the year 2000, Russia sent 56.5 million tons of goods through Baltic ports. A staggering 73.4 percent of Russia's northwest-directed liquid bulk trade cargo was transshipped via Baltic ports.[32]

Russia's growing attention toward a single transit policy, and through this toward the use of domestic resources, will undoubtedly influence the Baltic states in the near future.[33] It is no secret that businesses directly or indirectly related to transit produce up to one-fourth of Latvia's GDP and one-fifth of Estonia's GDP. Though the partial launch of port projects around St. Petersburg has already put the brakes on the flow of goods through the Baltic ports, it does not necessarily mean they have completely dried up. For example, the international consulting firm KPMG has said that in a worst case scenario, the flow of goods to and from Russia through the ports of Tallinn could decrease up to 38 percent.

At the same time it is clear that the use of its own transit corridors and the increase of competitiveness also improves Russia's potential for playing political games. The most vulnerable country is Latvia, because its transit volumes might decrease significantly when the Baltic Pipeline System is

completed in several years. For example, if the port of Ventspils in Latvia can transship 14 million tons of oil per year, then the Baltic Pipeline System, once completed will be able to transship up to 30 million tons. However, the Baltic Pipeline System is already booked for 25 million tons, which pushes oil companies to find additional routes of transport whether they like it or not.[34] Throughout the 1990s Russia has had a very low image of the Baltic states. This has been facilitated both by official policy and also by the emotional background of what are known as the "Baltic problems."

Largely due to the Russian mass media, which has vigorously reflected official Russian policy, the Baltic states have been portrayed as troublesome midgets who despise Russia and Russians. In addition, the high emotions brought about by the dissolution of the Soviet Union have played a considerable role. Even today, 75 percent of Russians consider the fall of the Soviet Union to have been a great disaster. It is no surprise that many Russians continue to view one of the main agents of destruction—the Baltic states—as a political villain.

Thus, it is relatively easy to understand why so many Russians have an aggressive attitude toward the Baltic states. According to a poll conducted by the All-Russian Center for the Study of Public Opinion (VTsIOM) in May 2001, the Baltic states were ranked second after Afghanistan as potential enemies of Russia. Every fifth Russian sees the biggest threat to Russia as coming from Estonia, Latvia, and Lithuania. According to this indicator, the Baltic states draw more animosity than the United States of America.[35]

Moreover, analysts of Russian foreign and security policy believe the admission of the Baltic states into NATO to be one of the biggest threats to Russia's national security. A poll supported by the Moscow Ebert Fund showed that the possible entry of the Baltic states into the North Atlantic alliance was almost as threatening to Russia as the spread of international terrorism, the low competitiveness of the state economy, and the increasing scientific-technological backwardness compared to Western countries.[36]

The negative background of public opinion is undoubtedly very disturbing and dangerous. Russia knows it can rouse public support for taking "adequate steps." Another question is whether or not Russia will use it.

CONCLUSIONS AND RECOMMENDATIONS

Russia's main foreign policy goal toward its closest neighbors is characterized by the attempts to keep the Euro-Atlantic security field away from its direct borders. Here we see Russia's activities in Ukraine, Belarus, and also Moldova as designed to keep those countries firmly in its sphere of influence.

In the short term, Moscow is probably not interested in uniting these territories under its direct political control. In 1996, influential experts and

politicians from Russia's Council of Foreign and Defense Policy emphasized that the "restoration of the Soviet Union in its previous form is a utopian dream." At the same time it was believed that partial reunification of the former union at the beginning of the new century as a confederacy or even as a federation is quite realistic.

In 1996, the most probable candidates for the new union were considered to be Russia, Belarus, Kazakhstan, Kyrgyzstan, Tajikistan, and Armenia. These countries were followed by states with a lesser probability—Ukraine, Uzbekistan, Georgia, and Moldova. The inclusion of Azerbaijan and Turkmenistan was even less probable. The admission of Latvia was not probable, but neither was it considered to be zero. Inclusion of Estonia and Lithuania was considered to be almost impossible.[37] Five years later, this prediction may still come true. Since 1996, only the Baltic states have firmly distanced themselves from Russia.

Russia's growing activity in Ukraine, Belarus, and Moldova show that Moscow has been able to achieve a strategic advantage over its western neighbors—at least during the past few years—by using mainly economic, cultural, and political means of influence. The process could be modified if these countries enact major changes in domestic policy, but that looks to be almost impossible in the near future. Moldova is a communist country with an ongoing territorial dispute; Ukraine's high level of corruption makes it extremely vulnerable; and Belarus just cannot form any substantial opposition movement to Lukashenko. All of this makes the three countries easy prey for Russian diplomats and the secret services.

However, any union of the Baltic states with Russia without using force is utterly unlikely at present. At the same time it is evident that during the next year or two, since the Baltic states have not yet joined the European Union or NATO, Russia will use all available means of influence to slow down the process. This especially applies to NATO enlargement, toward which Russia's rhetoric has been totally negative. At the same time, the experiences of Poland, the Czech Republic, and Hungary have shown that Russia's rhetoric is not backed up with tangible steps. Thus, the Baltic states are unlikely to face a different scenario.

To alleviate Russia's fears, the best course of action would be for NATO to invite all three Baltic states together to be new members during the 2002 summit in Prague. This would significantly decrease Russia's room to maneuver, and it would create a more stable foreign policy situation in the Baltic region. Otherwise, Russia will continue in its attempts to make the Baltic states a sort of buffer zone like the one it has very nearly created in Ukraine, Belarus, and Moldova.

NOTES

1. The different interpretation of many principles underlying international relations is why negotiations with Russia have always been very difficult, as well as why the agreements concluded have frequently turned out to be null and void. Consider, for example, what the well-known theoretician Walter Lippman had to say about national security: "A nation has ensured its security if it does not have to sacrifice its legal interests to prevent war or if it is able in case of need to defend these interests by the means of war." Lippman's thesis is reasonable and understandable if proceeding from the common logic of Western civil society. But if proceeding from the nostalgia for great power that is rooted deeply in Russian society, then the term "legal interests" will have a very different meaning. In other words, Russia and the West define the "legal interests" of a state in very different ways. For Russia, legal interests are not limited to its own territory and national security, but also encompass the "historic territory" that is mainly the territory of the former Soviet Union.

2. Aleksandr Dugin, *Osnovy geopolitiki: Geopolititsheskaya budushtsheye Rossii* (Moscow: Arktogeya, 1997), p. 369.

3. NTV, October 2, 2001.

4. VTsIOM poll, June 2001, in Interfax, July 19, 2001.

5. Excerpt from Russia's Concept of Foreign Policy, approved by President Vladimir Putin on June 28, 2000: "The priority of Russian foreign policy is to ensure the bilateral and multilateral cooperation with the CIS states according to the objectives of national security of the state," available at: www.mid.ru.

6. Rossiya-SNG, "Nuzhdaetsa li v korrektirovke pozitsiya Zapada?" (Moscow: 1994).

7. Zbigniew Brzezinski, *The Grand Chessboard: American Primacy and Its Geostrategic Imperatives* (New York: Basic Books, 1997), p. 107.

8. *Vozroditsa li Soyuz? Budushtshee postsovetskogo prostranstva. Tezisy po vneshnei i oboronnoi politike* (1996), pp. 18, 24.

9. G. Zyuganov, *Geografiya pobedy. Osnovy rossiiskoi geopolitiki.* (Moscow: 1997), pp. 134–35.

10. Interfax, July 29, 2001. Vassili Shandybin, a well-known Russian Communist Party member in the Duma, said in an interview with the Estonian daily *Eesti Päevaleht* that Russia should expand back into its old territories. "The process with Belarus and Ukraine has already started. After them follows Armenia, and finally the time will come for the Baltics," he said (*Eesti Päevaleht,* May 18, 2001).

11. Belarus realigned itself with Russia in 1994 with the election of Aleksandr Lukashenko as president, though Ukraine has become more submissive to Russia only since 2000. Several factors have influenced this outcome, but certainly Russian President Vladimir Putin has played a very important role. Moldova turned toward Russia after the overriding Communist victory in the early Moldavian parliament elections in February 2001, in which the Communists won 71 seats out of 101.

12. *Kommersant,* June 15, 2001.

13. Semyon Sharetski, interview by author, May 26, 1997.

14. Göran Persson (prime minister of Sweden) and Romano Prodi (president of the European Commission), article in *International Herald Tribune,* May 22, 2001.

15. *Komsomolskaya Pravda,* May 12, 2001.
16. *Vremya Novostei,* May 28, 2001.
17. *Financial Times,* July 12, 2001.
18. *Nezavisimaya Gazeta,* July 11, 2001.
19. *Vozroditsya li Sojuz?,* p. 26.
20. Country paper by Russian Foreign Ministry, available at www.mid.ru.
21. www.nuvse.com, information posted on July 19, 2001.
22. www.strana.ru, information posted on October 5, 2001.
23. *Krasnaya Zvezda,* April 19, 2001.
24. *Nezavisimaya Gazeta,* April 18, 2001.
25. *Nezavisimaya Gazeta,* May 23, 2001.
26. Based on Russian mass media (Majak, KM-News, NTV.ru).
27. *RIA Novosti,* July 16, 2001.
28. *RIA Novosti,* July 16, 2001.
29. Interfax, October 3, 2001.
30. UPI, October 5, 2001.
31. Official statement of Foreign Ministry of Russia, dated August 1, 2001, available at www.mid.ru.
32. Baltic News Service, June 8, 2001.
33. PRAIM-TASS, May 17, 2001.
34. Igor Skoks, president of Ventspils Nafta, interview with www.rusenergy.com on June 29, 2001.
35. Polit.ru, June 6, 2001.
36. Baltic News Service, May 26, 2001.
37. *Vozroditsya li Soyuz?*, pp. 21, 26.