Kaliningrad: Russian Enclave in the European Union

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The Russian *oblast*' (meaning 'region' in Russian) of Kaliningrad has gained significance in recent years. It is located where Russia is exposed not just to the forces of European integration but also to globalisation at large. The *oblast*' also stands out as a special case because of its geographic separation from the rest of Russia. It is cut off from the mainland by three foreign states, Belarus, Lithuania and Poland, which exacerbates Kaliningrad's political, economic, security and psychological challenges. More importantly, in the next few years when Poland and Lithuania accede to the European Union (EU), Kaliningrad will become not just a Russian *oblast*' outside Russia but also a Russian *oblast*' geographically within the EU. Its problems will become EU's problems too and EU actions will have a huge impact upon Kaliningrad.

How Russia and Kaliningrad address the issues of transit, crime, environment and trade will inevitably affect and require the involvement of EU member states. Also, how the EU deals with such matters as infrastructure development, *Schengen*¹ and the single market in the newly acceded member states will have a profound effect on Kaliningrad and hence to Russia. Kaliningrad lies at the crossroads of two very different modes of political thinking and is destined to occupy a crucial place in the encounter between the EU and Russia and in the process of the formation of a new Europe.

This paper examines Kaliningrad in the EU-Russia context. The issues discussed in the paper include: What is so special about this region? What type of EU-Russia relationship is on the cards and what kind of European configuration is likely emerge as a result? The paper also examines the impact of enlargement of the European Union towards this region. The consequences of the two possible options 'isolation' or 'integration' of the

region are also analysed.



Fig-1: Strateigc Geography of Kaliningrad

Source: www.studentholidays.com/Russia/image/rs-map.jpg



Fig-1: (b) Kaliningrad and its Neighbours www.truthindia.org/images2001/kalinin grad-map.gif

Strategic Geography

Kaliningrad is the western-most of the 89 republics, territories and regions that constitute the Russian Federation. It has an area of 15,200 square kilometres, approximately about half the size of Belgium, and has a population of under one million. It is located on the shores of the Baltic Sea, with Poland to its south and Lithuania to its north and east. Beyond Lithuania lies Belarus and Latvia, which makes Kaliningrad a long way from the rest of Russia, almost 400 kilometres from the nearest border.²

Resources

Kaliningrad has modest natural resources, including oil reserves that currently yield 650,000 tons a year. Salt, sand, clay, gravel, brown coal and

peat are found in moderate quantities, but these are low value bulk commodities and do not represent either a present or future basis for an economic miracle.³ The most important resource in Kaliningrad is amber.⁴ Over 905 of the world's known resources of prime amber are in Kaliningrad, mostly concentrated in a coastal area in the northwest of the region where it is mined in opencast fashion.⁵

Industries

Kaliningrad's major industries are paper and pulp industry, machine building, shipbuilding and service industry. Fishing and fish processing also is a very important sector. There is also a modest electronic manufacturing sector derived from the important defence-related industry that thrived in previous times.⁶ However, all these traditional industries have been in structural decline since the advent of perestroika and there have been no major developments in new industries. Large number of small and medium sized enterprises (SMEs) have sprung over the last ten years, but the total numbers are low compared to the progress made in other transition economies in CEE countries. There is a promising growth in the information technology area, which gives ground for genuine optimism concerning the future for this sector, but it is still modest in size.7 However, Kaliningrad's economy is not dissimilar to that of other parts of Russia. The Russian financial crisis of August 1998 also affected the region, which heavily depends on foreign trade and imports. There is a lack of development of new industries and very low overall economic growth.

Table-1: Kaliningrad's International Trade (as per cent)

| Year | Exports | Imports | Balance | Percentage | |
|------|---------|---------|---------|------------|--|
| 1992 | 91.4 | 54 | 37.4 | 25.7 | |
| 1995 | 459.4 | 585.1 | -125.7 | -12 | |
| 1996 | 480.8 | 1030 | -549.2 | -36.4 | |
| 1997 | 452 | 1285.6 | -833.6 | -48 | |
| 1998 | 429.3 | 1187.9 | -758.6 | -46.9 | |

Source: Kaliningrad's Regional State Committee on Statistics; Economic Situation in Kaliningrad Region, 1999.

Historical Background

The region has an ambiguous history. It was forged out of the fortunes of war.⁸ The Potsdam Conference of 1945⁹ accepted that what was previously East Prussia should be split and thus two-thirds of the territory was allocated to Poland and the northern one-third to Russia. The German population that had not fled in the final stages of the war was deported by Stalin and the land was resettled by Soviet immigrants, predominantly by Russians. In 1946, the city previously known as Königsberg was renamed as Kaliningrad after Mikhail Kalinin (President of the Presidium of the Supreme Soviet of USSR). ¹⁰

Although the region is of strategic significance to present-day Russia, it has had a weak link with Russia in the past. Unlike the rest of Russia, it has no location-specific history to fall back on in the absence of a Soviet past.¹¹ The collapse of the Soviet Union paved the way for various imagined futures for this region. Those were mainly based on a rather thin or non-existent basis in anything Soviet-related. Russia was confronted with a variety of proposals and demands, such as the establishment of an autonomous republic within the Russian Federation or the turning of Kaliningrad into a fourth Baltic State.¹² The term 'Lithuania Minor' was used to legitimise a Lithuanian claim.¹³ There were proposals for a 're-Germanisation', and there were calls to turn the region into a part of Poland partially or as a whole. However, Kaliningrad stayed within Russia, but the links to the mainland remained somewhat questionable both in terms of time and space.¹⁴ The governments in Vilnius and Warsaw¹⁵ refrained from taking part in the debate and refused to raise the issue, although suspicions lingered that questioning Kaliningrad's status was not completely without official support from these places. The German government also repeatedly disavowed any interest in trying to reclaim the territory. 16 There was practically no past for the region to return to, at least not without creating serious conflict with Russia.

During the Soviet period, Kaliningrad was a military region. The military industrial complex formed an important part of the economy. Outside military circles, little was heard about Kaliningrad once it became Soviet territory. It was the main base for the Soviet Baltic fleet and an important military zone. Therefore, it remained a closed area, forbidden to foreigners and to non-resident Soviet citizens without permits.¹⁷

But the successive *perestroika* in the late 1980s and the collapse of the Soviet Union brought major changes in Kaliningrad region. Firstly, in 1991 after the independence of the Baltic States, Kaliningrad became a Russian exclave. Secondly, the dissolution of the Warsaw Pact and the repatriation of Russian troops from Central and Eastern Europe (CEE) reduced the military significance of the region. The number of military personnel in the region has fallen markedly from 250,000 to approximately 20,000. These developments led to Kaliningrad opening up to the outside world. Since 1945, for the first time in January 1991, direct train service between Berlin and Kaliningrad was resumed. Kaliningrad has now taken on a new identity and has emerged as an important hub between Europe and Russia.

Why is the Case of Kaliningrad so Challenging?

Kaliningrad will be in a unique situation after the enlargement of the EU. It will be encircled by EU while the region itself belongs to Russia.²⁰ The encirclement will undoubtedly have a significant effect on a multitude of political, economic and social issues: the fact that the region will be on the fringes of both Russia and the European Union makes it extremely sensitive to the policies of both of them.²¹ That the *oblast'* is, so to speak, at the crossroads of Russia and the EU is what really constitutes the 'challenge'.

Now Kaliningrad inhabitants can travel to Poland, Lithuania and Russian mainland without a visa but the borders around the 'oblast' might become tight very soon. This is a potential threat for the future of the oblast' as industrial production in Kaliningrad is at a very low level and so it does not provide many jobs. People working in universities, hospitals and other state-owned organisations usually have extremely low salaries. Consequently, many people started their own business by trading with goods such as clothing, shoes, music discs, videos, software, cosmetics, kitchenware or technical equipment. Since these goods are generally not produced in Kaliningrad, people buy them in Lithuania or Poland at very low prices and sell them at home at the 'Tsentralnyi Rynok' (a giant marketplace in the city centre of Kaliningrad). About 10,000 people are assumed to be involved in regular cross-border shuttle trading.²² As a result, the well-being of thousands of people, their health, education and subsequently their future might be at stake depending on the decisions that will be made in the upcoming months.²³ Informal economic activities are assumed to account for more than 50 per cent of Kaliningrad's GDP, ²⁴

which shows how important they are for the *oblast*' and can have great impact on the future of the region due to the closed borders.

Security Issues

Security was the primary consideration for Russia claiming Kaliningrad in the aftermath of the Second World War.²⁵ It was transformed into a military bastion and hosted strategic reserves behind the troops in Poland and East Germany.²⁶ Like many other border areas in Soviet Union, Kaliningrad was heavily militarised. It served the 11th Guards Army and propositioned armaments including nuclear weapons were stocked.²⁷ A strong security logic coloured the post-Cold War and post-Soviet debates on Kaliningrad. The geographic location of Kaliningrad was an important reason for Poland and the Baltic countries to aspire for the NATO membership.

It appears that NATO enlargement, which undoubtedly heightened tensions and pinpointed Kaliningrad as a site of trouble, helped to dampen some controversies. NATO made it clear that it is not going to grant membership to countries with unsettled territorial issues with their neighbours.²⁸ It appears that Kaliningrad has emerged as a region of concern in the Baltic rim and it is less a part of a specifically military setting. It is also less embedded in a Europe/West vs. Russia dichotomy.²⁹ The tendency to measure Kaliningrad in terms of traditionally security-related aspects still exists, but cooperative elements and in some cases an explicit wish to avoid the creation of new dividing lines and to reduce the impact of those that are already there seem to have grown in relative importance. More specifically, cooperative elements have expanded at the expense of conflicting themes. Moreover, traditional security-related thinking has increasingly provided a dialogue and led to a meeting of the minds between Russia and its neighbours.

However, the debates over Kaliningrad's security no longer pertain exclusively to 'hard' security and traditional inter-state conflict.³⁰ Rather, they encompass many non-defence issues such as organised crime, drug trafficking, smuggling, illegal migration and serious environmental problems that pose a threat to health or the underlying ecology of the region.

EU Enlargement and its Impact on Kaliningrad

Many Russians are concerned that EU enlargement (to include ten Central and East European candidate nations) looks set to pose difficulties, and hence hardship for Kaliningrad.³¹ The Russian government is anxious to stress that Kaliningrad should remain an integral part of the Russian Federation, but recognises the need for help and also argues that the EU is under an obligation to find means of alleviating any additional problems caused to Kaliningrad by enlargement.³² More generally Lithuania, which has significant economic links with Kaliningrad, as over 500 joint ventures with the participation of Lithuanian capital are operating in the oblast', has been keen to play a constructive role.³³ During February 2000, the Lithuanian Deputy Foreign Minister Vygaudas Usackas and the Russian Deputy Foreign Minister Ivan Ivanov signed a joint memorandum ('the Nida declaration') containing a list of projects for cooperation between Lithuania and Kaliningrad for possible inclusion in the Northern Dimension³⁴ action plan.³⁵ Around 60 per cent of Russia's GDP is generated by foreign trade, 40 per cent of its foreign trade is with the EU and the figure is expected to rise over 50 per cent after the next phase of EU enlargement.³⁶ As an exclave, Kaliningrad is dependent on passage through Poland, Belarus and above all Lithuania. It has been possible to regulate this traffic but the military profile of the *oblast'* has complicated the issue. Various kinds of corridor problems have also emerged.



Fig-2: Kaliningrad Region in Between Future EU States Source: calgurd.ca.gov/ia/images/map-kaliningrad.gif

The European Union has provided significant support to Kaliningrad. It has financed a variety of projects, mostly through TACIS (Technical Assistance to the Commonwealth of Independent States)³⁷ including large

projects in the sectors of institution building, energy, transport, enterprise restructuring, management training and environment. Kaliningrad has received € 15 million of TACIS assistance with another €15m in the pipeline. TACIS activities began in Kaliningrad in 1991 and were increased in 1994 when Kaliningrad was selected as a priority region. New projects were identified in 1999 and 2000 and implemented in 2001. These include border crossing, waste management and health projects, development of Kaliningrad's port, support to the innovative SMEs and promotion of trade and investment in Kaliningrad.³⁸ EU's current and future member states are also active in the regions administrative, health and environmental reforms.

The EU has already committed over €40 million of assistance to Kaliningrad till the end of 2003. The EU has outlined a package of measures to help the enclave. This includes:

- Assistance with border control and customs infrastructure to ease visa-issuance and movement of goods;
- Work with Russia to boost economic recovery in Kaliningrad and halt the growing wealth gap between the region and neighbouring candidate countries;
- Cooperation on tackling transnational questions, notably combating crime, pollution and communicable diseases.³⁹ (Kaliningrad is an HIV hot-spot and tuberculosis levels are a significant concern).⁴⁰

The accession of Poland, Lithuania and the other Baltic states in EU will probably not be accompanied by the parallel creation of a free trade area of the EU and Russia. Neither is the establishment of a common economic and social area visible, as envisaged in the 'common strategy'. This means exports from the region to Poland and Lithuania (Kaliningrad's most important trade partners), will be much more complicated due to the fact that Kaliningrad would have to adopt for its exports EU norms and standards with respect to technical production, ecological compatibility and consumer protection. Though EU has promised to examine consequences of the trade policy for the Kaliningrad region in the framework of the partnership treaty, this should also imply support in the adjustment of Kaliningrad's export of goods to EU norms and standards.

Table-2: Kaliningrad's Exports to Selected Markets (as percentage of total exports)

| | 1993 | 1994 | 1995 | 1996 | 199' |
|-----------|------|------|------|------|------|
| Nordics | 3.2 | 7.2 | 2.6 | 3 | 2.9 |
| Germany | 13.7 | 14.7 | 6.2 | 6.4 | 9.4 |
| Poland | 14.6 | 6 | 2.2 | 18.9 | 26.1 |
| Lithuania | 3.4 | 4.6 | 4 | 5.6 | 7.9 |
| Latvia | 2.6 | 4.7 | 1.4 | 1.5 | 1.5 |
| Estonia | 0.3 | 0.5 | 3.8 | 0.3 | 0.7 |

Source: Kaliningrad's State Committee for Statistics

Table-3: Kaliningrad's Imports from Selected Markets (as percentage of total imports)

| | · 1 | | | • / | | |
|-----------|------|------|------|------|------|--|
| | 1993 | 1994 | 1995 | 1996 | 199' | |
| Nordics | 1.8 | 7.8 | 6.9 | 5.8 | 6 | |
| Germany | 23.7 | 12.7 | 0.1 | 33 | 24.2 | |
| Poland | 22.4 | 33.3 | 16.4 | 11.4 | 17 | |
| Lithuania | 2.6 | 8.6 | 18.5 | 9.6 | 16 | |
| Latvia | 1.3 | 3.2 | 2 | 1.4 | 1.8 | |
| Estonia | 0.3 | 0.1 | 0.2 | 0.4 | 0.6 | |

Source: Kaliningrad's State Committee for Statistics

The issue of visas is another urgent legal problem among others between Kaliningrad and its neighbours. In 1999 there were 8.6 million border crossings to or from Kaliningrad.⁴² But once Poland and Lithuania accede to the EU, Kaliningrad residents will need visas to travel over land outside the *oblast'*, for instance to visit friends and relatives in the rest of Russia. As these countries become EU members, they will join the *Schengen* zone and Kaliningrad region will become an enclave rather than an exclave. Russia's initial suggestion that the *Schengen* rules should be extended to its territory was rejected.⁴³ The Europeans do not want to turn the Kaliningrad region into a black hole through which migrants and possibly criminals will flood the continent.

In Summer 2002, the EU put forward its own variant: multiple reentry visas for all those living in Kaliningrad. But Russia rejected it as other Russian citizens would find it hard to visit the region. Vladimir Putin said, "The solution that is imposed on us, questions the right of Russians

to visit their relatives in any part of the country and makes it dependent on a foreign state. Today, when we have buried the cold war, any revival of such approaches is absolutely unacceptable."⁴⁴

With the aim of further developing the strategic partnership between EU and Russia, both the parties agreed to make a special effort to accommodate the concerns on both sides related to the future transit of persons and goods between the Kaliningrad region and other parts of Russia. They also agreed to intensify their cooperation to promote the social and economic development of the region as a whole. The Russian Federation and the European Union noted that from January 1, 2003 the Republic of Lithuania agreed according to the agreement with the EU to implement national regulation for border control. The parties understand that these rules shall be applied in a flexible manner in order not to disrupt the traditional flow of transit passengers by rail. The parties recognize that the transit regime will not infringe upon the sovereign right of the Republic of Lithuania to exercise the necessary controls and to refuse entry into its territory.⁴⁵

For the arrangement of the transit of persons and goods, the European Union introduced the necessary legislation on July 1, 2003. A Facilitated Transit Document (FTD) scheme will apply for the transit of Russian citizens only between Kaliningrad and other parts of Russia by land. The FTD will be valid for direct transit by land from one third country to the same third country within a limited period of time and will be issued free of charge or at a very low cost.⁴⁵

Lithuania has also agreed to accept Russian internal passport as a basis for issuing both types of FTD till December 31, 2004. Therefore, an FTD or FRTD (Facilitated Rail Transit Document) would only be valid when accompanied by a passport valid for international travel. The European Union and the Russian Federation agreed that they would begin work immediately, in cooperation with the relevant candidate countries, on the technical implementation of the FTD scheme with the goal of ensuring that the conditions are in place for the scheme to begin operation on July 1, 2003. The Russian Federation took note of the European Union's intention to review the operation of the FTD scheme by 2005.⁴⁶

For Russia, cooperation with the EU has specific importance. Russia-EU relations have arisen to a new level of strategic partnership. This took shape after the Russian-EU Summit in Paris. It is believed that the Swedish Presidency of the EU strengthened it further.⁴⁷ The strategic partnership between Russia and EU means Russia does not oppose the enlargement of the EU, although the enlargement would mean some discomfort or worries for it. Russia is ready together with the EU to act for security and to fight against crises and also take part in the crisis management operations of the EU.⁴⁸ For Russia the EU can be a prospective partner in security cooperation.

The convergence of Russia's and EU's foreign policy, foreign economic and trade goals as well as resources, and their partnership to tackle all existing difficulties and contradictions, will enable the formation of a multipole, democratic and equitable world that can take joint action in the face of modern challenges and threats.⁴⁹ Russia is positive about the European Union's extension, which opens more roads to mutually advantageous cooperation, and regards its drawing closer to Europe and its participation in a Greater Europe that will emerge in the future as its absolute priority.

Russia is equally positive about its integration into the Euro-Atlantic economic expanse. It is convinced that the Kaliningrad region should remain a part of Russia. In fact, the region should become a trailblazer of cooperation with the EU and a link between Russia and the uniting Europe. This explains why Russia regards the Kaliningrad region as a special area and is creating adequate conditions in it. At the same time, Russia while not claiming any privileges in the integration process is firmly resolved to defend its national interests. Russia shall never accept any decision that will disrupt the sovereign Russian territory. The threat of Kaliningrad's alienation from Russia is not very real, what is real is the region's depressive development. EU however, does not want a crisis-ridden area emanating instability in the heart of prosperous Europe.

Conclusion and Recommendation

Kaliningrad has become an important Russian region after the independence of Baltic States and is a major political concern between EU and Russia. The EU enlargement, if not carefully regulated could lead to the separation of Kaliningrad by destabilising economic, communication, and energy ties with Russia proper. Kaliningrad residents are on an average much poorer than EU citizens and also considerably poorer than citizens of mainland Russia. Such disparities, could lead to Kaliningrad's future

isolation both from the EU and from Russia proper.

If Kaliningrad's border remains tight and obstructs cooperation, inspite of the favourable location of the region with easy access to the Baltic Sea and the Baltic states, the "window to Europe" (as the inhabitants of Kaliningrad like calling their *oblast'*) would become useless and its future is unlikely to look too hopeful. Up till now the *oblast'* has fallen under the EU's external policies, which mainly include development aid. Kaliningrad has Russia's only non-freezing port at the Baltic Sea. The geo-political location allows the *oblast'* to develop as a major transport junction integrated into the system of trans-European routes.

With respect to the unique situation of Kaliningrad a special action plan for the region including a strategic framework of projects and policies and the option of a more favourable treatment of the region should be considered. Moscow is yet to formulate its idea of the Kaliningrad region's geopolitical role. It has not developed a long-term economic strategy and has not yet identified its military interests. The European Union lacks common interests but there are individual interests of Germany, Poland and Lithuania. In the absence of a closely-knit regional elite, the region cannot formulate its interest either. However, there are in general, Russian, regional and international interests.

There are two opposite opinions about which side (EU or Russia) should make the first step towards political settlement. Russia believes that European Union whose extension created the problem in the first place should take the lead. Political leaders of certain EU members are convinced that the Union should continue its extension disregarding Russia and Kaliningrad region. But if the interests of any side are ignored the problems will remain unresolved. The sides should meet one another half way and take the interest of the other side into account. They should concentrate on harmonizing the regional and international interests.

Having reached an agreement in principle about the transit across Poland and Lithuania, Russia should concentrate on formulating its strategic approach to the region's future development and its place in Russia-EU cooperation. In other words, talk about partnership should be translated into deeds. Moscow, which has to play the crucial role, should take the first step while taking into account that consequently Kaliningrad, because of its unique geographical situation, has a vital need for opening towards

the Baltic region. Cooperation, regionalisation and inclusion into the international environment can prevent possible separatist tendencies in the region from the very beginning.

References/End Notes

- The name "Schengen" originates from a small town in Luxembourg. In March 1995, seven European Union countries signed a treaty to end internal border checkpoints and controls. More countries have joined the treaty over the past years. At present, there are 15 Schengen countries, all in Europe. The 15 Schengen countries are: Austria, Belgium, Denmark, Finland, France, Germany, Iceland, Italy, Greece, Luxembourg, Netherlands, Norway, Portugal, Spain and Sweden. All these countries except Norway and Iceland are European Union members.
- 2 Nartov, N.A., Geopolitika. 2002. Moscow, p.247; also see, at http://www.c-s-r.ru/rusinfo/glanaya.htm
- 3 http://geography.about.com/library/weekly/aa010300a.htm; also see http://europa.eu.int/comm/external-relations/north-dim/news/me, 02-169.htm
- 4 Amber has been used as a building material. The main finished products of amber are jewelry, smoking articles, objects of art, items like jewelry boxes, cups and dishes, writing utensils, ornaments, chess sets, mosaic pictures, chandeliers. Other objects of art include devotional items, such as: Catholic, Moslem and Buddist rosaries, sacred figures, and amulets. For some, amber has magical powers. Amber and other fossil resins have a practical side too when they are used for varnish and lacquers, and burned as incense and devotional articles.
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- 10 Poland and the USSR received part of German land by the decision of the Potsdam (Berlin) Conference (July 17 to August 2, 1945). On April 7, 1946, the Koenigsberg region was formed within the Russian Federation. In July 1946 it was renamed into the Kaliningrad region. Inviolability of the borders was confirmed by international agreements, including treaties with FRG (One of them is the "2+4" Treaty signed on 12 September 1990 between the Soviet Union, the United States, Great Britain, France, the FGR and the GDR). As the legal heir to the Soviet Union recognized by the world community Russia

- inherited all treaties signed by the USSR & therefore they remained valid. This is fully applicable to the issues related to the Kaliningrad Region.
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- 19 European Council 2000, Action Plan for Northern Dimension with External and Cross-Border Policies of the European Union 2000-2003, 9401/00 NIS 76, June 14.
- 20 www.eur.ru:link "kaliningrad".
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- 24 www.hkhamb-ahk-kalingrad.com/
- 25 Pertti, Joenniemi and Sergounin Alexander, Russia and the EU's Northern Dimension. Paper presented at the ISA Convention, Chicago, February, 2001. Also See. Wessels, Wolfgang, 2001, 'Introduction: The Northern Dimension as a challenging task', In: Bonvicini, Gianni, Vaahtoranta, Tapani and Wessels, Wolfgang Eds., The Northern EU: National Views on the Emerging Security Dimension, Programme on the Northern Dimension of the CFSP, The Finnish Institute of International Affairs & Institute Fur Europaische Politik, Helsinki,pp.18-29.

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- 34 The Northern Dimension (ND) is a part of external and cross-border policies of the European Union. Geographically, it encompasses the Baltic Sea and Arctic Sea regions and North West Russia: from Iceland to the west across to North West Russia. From the Norwegian, Barents and Kara Seas in the North to the Southern coast of the Baltic Sea. Non-EU countries that fall within its scope are Estonia, Latvia, Lithuania, the Russian Federation, Poland, Norway and Iceland. ND endeavors to increase cooperation between the EU member states, the EU applicant countries and Russia. The Northern Dimension is implemented within the framework of the Europe Agreements with the Baltic States, the Partnership and Cooperation Agreement with Russia and the European Economic Area regulations. The areas for cooperation under the Northern Dimension are the environment, nuclear safety, energy cooperation, infrastructure, business cooperation, justice and home affairs, social development and others. An emphasis on the Kaliningrad region has appeared recently. EU's financial instruments for the region like Phare, Tacis and Interreg, finance the ND that aims to use these financing instruments for projects, which provide added value and synergy.
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- The Tacis Programme is an European Union initiative for Eastern Europe, the Caucasus and Central Asia, which fosters the development of harmonious and prosperous economic and political links between the European Union and these partner countries. Tacis does this by providing grant, finance for know-how to support the process of transition to market economies and democratic societies. Since 1991, Tacis has granted over 2.46 billion Euros for the implementation of more than 1,500 projects in the Russian Federation. Tacis promotes understanding and appreciation of democracy and a market-oriented social and economic system by cultivating links and lasting relationships between organisations in the partner countries and their counterparts in the European Union. See Haukkala Hiski, Two Reluctant Regionalizers? The European Union and Russia in Europe's North. Programme of the Northern Dimension of the CFSP. 2001, The Finnish Institute of International Affairs, Working Papers 32. Also see. Jegorov, V., Baltika Segodnja I Zavtra, Morskoj Sbornik, 4/2000, pp.11-14.
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- 43 At the May 2000 Russia-EU Summit President Putin attracted attention to the fact that if Lithuania and Poland were covered by the Schengen rules without taking Russia's interests into account this would amount to flagrant violations of human rights. He said: The future of the relations between Russia and EU will depend on the way the problem settles." Also See. www.In.mid.ru.
- 44 Christiansen Thomas "Between 'In' and 'Out': EU Integration and Regional Policy-Making in the North-Eastern Europe'. *In* Hedegard Lars and Lindstram Bjarne, *Ed.*, NEBI Yearbook: North European and Baltic Sea Integration. 1999. Springer Verlag; Berlin. pp. 193-208. Also See www.eur.ru:link "kaliningrad"
- 45 Ibid; also see, www.In.mid.ru
- 46 Ibid; also see, www.strana.ru
- 47 Pertti, Joenniemi and Sergounin Alexander, Russia and the EU's Northern Dimension. Paper Presented, February, 2002 at the *ISA Convention*, Chicago.
- 48 Hubel, Helmut, Ed. EU Enlargement and Beyond: The Baltic States and Russia. 2002. Berlin Verlag; Berlin, pp.418-432. Also see, Ostrov Sotrudnichestva. Kaliningrad University Press; Kaliningrad. 2002. p 243.

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