BLACK SEA VISION*

President of the Republic of Lithuania Valdas Adamkus

There are many sceptics in the West and even more those in the East who do not see the Black Sea Region fit in the European architecture. However, all agree that chances for achieving this have greatly improved during the last few years.

First of all, this is because of the volcanic evolution and the on-going consolidation of the so-called New Democracies. For the very first time in the post-Soviet area we see determined and collective action on the part of Georgia, Ukraine and Moldova to go ahead with serious political and legal reforms that have one purpose only – to build foundations for European integration.

This coincides with another very important event in the European integration – the beginning of accession negotiations with Turkey and Croatia. This could be seen as a breaking point introducing new political dynamics on the path of bringing the EU and its southern and eastern neighbours closer together. Those decisions could open the door to pan-European integration, the final vision of which is a new Europe, unified by virtue of its values, free trade, single market and coordinated political action.

Secondly, there is a growing perception that the enlargement of NATO and the European Union by definition does not guarantee democracy in the European neighbourhood and beyond. Internal pressures in emerging democracies, their mutual dependence on the possible roll-back of Russia's democratic institutions might be too great to withstand the negative impact.

All this in turn puts additional responsibilities and obligations to help fragile governments in the Black Sea Region to go through the process of reforms and democratization. We do not have either moral or historical right to shun this responsibility. Actions and accord of the EU leaders will be

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* This article was prepared on the basis of the speech, which was delivered by H. E. Mr. Valdas Adamkus, President of the Republic of Lithuania on 26th of October 2005 at the welcoming reception organised by the German Marshall Fund.

critical not only to the future of the EU foreign and enlargement policies, but also to the role of Europe in the world, and to its relationship with Russia in particular.

However, every choice comes at a cost. The question is if there is enough political will to engage in a costly project of building democracies and advancing European perspective for the region that stretches from the Adriatic to the Caspian Sea.

And what instruments and ideas could break the strategic isolation of the Black Sea Region and facilitate its transition from a conflict-ridden place toward stable democracies? How can EU members work together to build Europe which is open to all European democracies?

It is certain that there is a need to take a close look at the European Union's policy towards the Black Sea Region. Up to now, this region has not been on the "radar screens" of the European Union and everything what we have done in this region that is locked between Russia, the fast-changing Turkey and the Central Asia, fell far short of the "VISION" and ended up in minor details. European foreign and security policy was passive and reactive, and attempts to de-freeze the solution of the so-called "frozen conflicts" were perhaps too cautious.

Even today, few pay attention to the fact that the Black Sea Region is the only region remaining in the world which, being so close to the Western civilization, is yet so excluded from its further development. We have largely failed to use the moment and grasp the opportunities which this region provides not only in terms of our political and economic security, including energy security, but also in terms of people-to-people contacts which would undoubtedly enrich our European and transatlantic identity.

One might look for reasons why it is underestimated. However, this is not the time for looking back – this is the time for moving on. It is critical today that these countries look at the Balts the same way the Balts looked at the West a decade ago – expecting encouragement, direction and, finally – a clear European and transatlantic perspective, where they would fit as full members of democratic communities.

It is a matter of hard work to reconnect the East and the West of Europe; it is a matter of time to bring countries of the Black Sea Region into the NATO and the European Union family.

Today it is impossible to set any specific dates when and whether at all the European Union and the Black Sea Region countries will be prepared to start membership talks.

What is possible today is to work hard and bring such a day closer, so that NATO and the European Union could build prosperity and safety of the continent in a company of its neighbours rather than alone.

Practical steps deserve more effort, attention and financial resources. Harmonization of the legislation of the EU and its neighbours, liberalization and enhancement of bilateral trade, connecting the East and the West of Europe through energy and transport hubs – all of these are priorities that must be backed by strong and unanimous EU Neighbourhood and coherent NATO policies.

The new EU member states should take the lead and create new links between the Balkans, the Black Sea Region and the EU. This is not so say that Lithuania or Poland posses magic formulas on how to start and complete democratic transition. On the other hand, we are the ones who have unique experience in successful completion of democratic institution building and free market reform processes.

Lithuania knows the region and the mindset of people; it has gone through similar reforms. Thus we know the pitfalls and the steps that must be given priority. A little, but visible help from outside is of the utmost importance for building confidence and political consensus in young democracies. We should not hesitate and offer this help to those who today need it most.

Yet we cannot and we should not do this all alone. We need support and cooperation from our European and transatlantic allies.

But what should be done first?

First, to start from a small, yet very important and visible thing – sharing regional experience and building regional identity in the Black Sea and the South Caucasus Regions. It is a proven fact that regional partnerships create synergies that push the boundaries of the possible, thus opening new venues for cooperation and modernization. Together these countries could be more effective in pursuing common regional interests, especially in areas of economic and social development.

A wide network of multidimensional partnerships linking regional State actors, businesses and NGOs has been created in the Baltics. This is a must

in order to listen to each other's interests and agree on a common political regional agenda. A similar model could also be successful in our neighbourhood, and we are eager to promote it.

The Lithuanian and Georgian Foreign Ministers have issued a joint letter inviting other Baltic and South Caucasus nations to develop cross-regional ties in the '3+3' format. This is a good starting point to engage countries from the South Caucasus into broader strategic discussions.

The New Democracies Summit will be held in Lithuania in May 2006. This conference should help creating instruments of trust and co-operation in the South Caucasus and develop solutions for settlement of the "frozen conflicts" in the Black Sea Region. To have the European Union and NATO allies closely engaged in this project is a major challenge today.

Secondly, we have to focus our efforts and contribute to building civil societies in these emerging democracies, develop people-to-people contacts and assist the rising generation of experts and leaders.

Thirdly, Russia's role in the region is a fact that cannot be ignored. Thus, we should encourage Russia to be a constructive partner rather than tolerate her misdemeanours in Russia's self-acclaimed backyard. It would be a strategic mistake to allow resentment and hate emerge on the borders with Russia. The goal in the region is just the opposite. From the Baltic experience, the European and transatlantic integration helps to enhance cooperation with Russia – not only bilaterally, but also on the European and transatlantic levels.

Enhancement of coordination and cooperation between the EU and the USA on the Black Sea Agenda is crucial. The EU and the USA are not competitors, but partners in their effort to widen the area of stability and security. The sooner Europeans and Americans will pool expertise and efforts, the better for the Black Sea Region and for real, democratic changes in Russia.

Hard work is ahead. It is an obligation to help Ukraine, Georgia or Moldova to build internal political consensus on the strategic economic and foreign policies that these countries want to pursue; to help them to restore their confidence in public institutions and upgrade ways in which public policies are shaped. Finally, to unfreeze the "frozen conflicts" – or rather "frozen resolution" of their territorial conflicts – that still inhibit their economic development and divide their societies.

Europe and America must develop a 'contract' on how to contribute to democracy building processes in the Black Sea Region. Such contracts - EU Action Plans and NATO Partnership Action Plans - have been concluded with the governments in the region. What we also need is a Roadmap for ourselves, and a broad European and transatlantic consensus on the strategic goals and policy actions in the Black Sea area.

To conclude, our new engagement in the Black Sea Region effort will not be a one-day-free-ride or a sweet foreign affair. But it is worth every euro and every minute of time as the Rose and Orange revolutions showed that ideas of freedom, prosperity and the rule of law have a universal appeal. Therefore, there is no other choice but to continue on the road of freedom.

EUROPE, POWER AND NATIONAL SOVEREIGNTY

Alyson J.K. Bailes

Europe's approach to national sovereignty makes about as much sense as the behaviour of the road-runner in the cartoon, when he rushes off headlong in a certain direction, rushes on over the edge of a cliff, and hangs there with legs churning until he actually notices what has happened – and only then crashes to the ground.

The recent crisis of confidence over ratification of the new EU constitution was certainly powered in part by many EU citizens' fears about losing more national sovereignty and control. But they started or, more exactly, re-started worrying about this when Europe had already been running over the edge of the cliff for fifty years. There can be no question that the 25 current member states of the European Union, and perhaps even the 3 further states linked with them in the European Economic Area, have gone further in renouncing and pooling their sovereign control of public authority functions than any other previous or present group of states have done in history while still calling themselves states – retaining separate seats in the United Nations, and so on. It seems timely to take a fresh look here at why this was done; what contradictions it is breeding at this particular time; and some issues arising for other regions that are also, so to speak, heading for the cliff – as many seem to be e.g. through ASEAN's recent declaration of a tighter security community, or the efforts to deepen cooperation in the African Union and smaller African groups, the Gulf Cooperation Council, and various Latin American or pan-American frameworks.

First, looking back to the 1950's, it is important to recall that limiting sovereignty in the original European Communities was about survival. Putting key resources needed for warfare, like iron and steel, under impartial non-national control was a radical experiment, but it could look like the only remaining hope for nations that were emerging from a deep well of suffering and guilt and needed a way to exorcize national demons for good, in themselves or in their neighbours or both.

Secondly it was about post-war reconstruction and prosperity, where creating a single market allowed European countries to get more profit from their economic complementarities, and creating a central budget and structural policies helped to equalize standards of prosperity and welfare notably between the North and South of Europe. In the 1950's Denmark had double the GDP per capita of Italy, while now the average Dane is only 15% better off than the average Italian. These motives for integration might, of course, be shared by many countries or regions, but the solution that the Europeans found for them had some peculiar features that still are more or less unique. They include:

- the creation of the European Commission as a central management authority for the new single market space, as the single voice and negotiator for the common commercial policy of the Union, and so on;
- the fact that a high proportion of policy and implementing decisions made by the EU states were taken in the form of laws designed to have direct and binding effect across the whole European territory (now amounting to some 80,000 pages);
- the European Court which has the right to detect and punish states that fail to apply these laws; and
- the fact that states made over a certain part of their revenues (from customs and VAT) to go directly into the Community budget for use under the central authorities' control.

Also important to recognize is the 'cultural' effect of this European experiment especially on the official élites and on state-level decision making. Even in Iceland which is not an EU member, government officials reported recently that EU-related work takes up 64% of their office time. Working in a policy-making space much bigger than the nation becomes a habit with a certain comfort level and it becomes quite natural (rather than a paradox) for various players to see it as serving their national interest: small states because they have the formally equal say in the process that the Westphalian world would deny them, big states because they can seek an instant multiplier effect and sometimes a useful multilateral fig-leaf for their policy designs.

More broadly, it has become something of a cliché of analysis to note – especially in the context of Europe-U.S. tensions – how 50 years of community living have selectively strengthened existing tendencies among European leaders and citizens to see safety in terms of compromise, obedience to common rules, mutual mixing and non-provocation; and to react with both a practical and moral concern when they see others seeking security and prosperity different ways. If Europeans are often inconsistent in worrying more about deviations from these norms by their real friends – like the USA – than about their real enemies, it may be precisely because they define friends as the people who are prepared to sit together in a smoke-filled room all night, come up with some kind of messy compromise in the morning and submit to a supranational authority for checking up on how well they implement it. No-one should be surprised if North Americans (and others) find it extremely hard to relate to the notion that this approach is not only practical but somehow normatively desirable.

This 'post-modern' or 'non-Westphalian' experiment has contained some large contradictions from the start:

- it was never self-sufficient, in that the Marshall Plan provided some of the starting capital, the U.S. through NATO provided the over-arching security cover, and NATO also lifted a lot of the load of suppressing wrongful European nationalism;
- it has always relied mainly on states to be their own policemen in enacting and enforcing joint decisions and bearing most of the costs. The European Commission only has some 18,000 personnel to oversee and develop the aforementioned 80,000 pages of legislation across 25 countries, the European Court of Justice has only 1600 personnel to catch possible abuses by 460 million EU citizens, and the EU budget is equivalent to just over 1% of the total GDP of the 25 member states. The vulnerability of the system once states start second-guessing and trying to renegue on their commitments (as has happened lately eg on EMU stability targets) is obvious;
- the pattern of sovereignty surrender and centralized control has always been patchy, with truly supranational and Westphalian-type

intergovernmental methods coexisting in the EU machinery itself, and with some of the most basic functions of a community like border control, law and order, currency, defence and foreign policy still only partially and/or weakly integrated.

Four further contradictions related to the EU's security and strategic functions have come to light particularly sharply in the first years of the 21st century. First, Europe created a single market and immigration area long before it woke up to the dangers of non-state enemies like terrorists infiltrating and exploiting this fertile space, and it is still scrambling in face of complex practical and psychological difficulties to get European states and peoples to start seriously confronting this threat. Cooperation against terrorism, as a timely example, is complicated both by the inward-looking ethos and relatively late international 'socialization' of internal security authorities: but also by subjective factors like different countries' differing 'hands-on' experience of violence, and differing views on the trade-off between protection and liberty.

Secondly, since the end of the Cold War, with enlargement and with the continual shifting of NATO's focus towards out-of-area tasks, the EU is coming into much more direct strategic contact both with ambiguous neighbours like Russia and with large and small problem actors in other regions. Yet the EU's original philosophy and the ways its resources are organized have turned out to be eminently mismatched to challenges of this kind. The basic issue is not so much whether a 'common' foreign policy is feasible per se for a large group of still nominally independent states: NATO, including many of the same states, developed many features of such a policy (eg with binding joint positions on arms control and détente) during the Cold War. The obstacles specific to the EU are, rather, a combination of (a) the need for such a policy to cover the external dimensions of all the EU's uniquely wide range of internal competences, and to be extensible to all world regions; (b) the complex division of relevant powers and knowledge within Brussels and between Brussels and Member States; and (c) the inherent 'value biases' of European policy as mentioned before (perhaps strongest when operating formally/institutionally, which tends to bring out the 'superego' element in élites' thinking).

Thirdly, the rapid expansion of EU territory since 1995 compounds both these problems in special ways of its own. It brings Europe closer to the threats; stretches its security resources more thinly; and stretches the post-modern integrative method more generally, because solutions have to be found that are objectively and subjectively appropriate for a wider variety of members. Hang-ups over further enlargement are one clear example of this, since it is only natural for 'core' countries to fear further extension of their liabilities while states near the new borders would prefer to acquire integrated buffers beyond their own territory. Cross-cutting with this difference are the more historically and culturally conditioned ones over whether it is felt acceptable (a) for Europe to behave more like an 'Empire' from now on and (b) for it to be a power distinct from the USA.

Last and most obviously comes the recent crisis of popular confidence, and of democratic credibility in the integration process, which – as already argued above – was a train-crash just waiting to happen. It is logical that it came in the older rather than the newer states, partly because the Central Europeans (irrespective of whether they like and trust their leaders or not) have so recently repeated the old European bargain of trading off sovereignty for safety, and know the value of what they have gained. It is historically understandable that it should have come at a time when the growth of European monetary and defence cooperation had begun to eat into the last sensitive shreds of sovereignty, and when West European societies were growing rapidly more diverse first and foremost through non-European immigration – in both cases triggering a predictable 'last-ditch' reaction. Thirdly, however, what a lot of the 'No' voters seem to be fighting to preserve are actually cultural and way-of-life values at the street level rather than traditional factors of sovereignty at state level. What is in crisis may, thus, not be so much the European model in abstract as its failure to deliver goods proportionate to the inputs demanded, in the currency of welfare, security, pride of identity and freedom of choice that is visible and means something to ordinary voters. The irony is that precisely because of Europe's inchoate and incomplete stage of development, most of these popular experiences are still far more directly mediated by national political systems than by actions in Brussels. A host of commentators have not been wrong to home in on the issue of French, Dutch and general European leadership. A significant part of the problem is, indeed, the slow-

ness of a given generation of European leaders to develop the new political skills needed for the new political hybrid that is collective Europe. Unless they can learn both to play their part in helping to steer the collectivity in the right direction, and to win and hold the trust of their own electorates while doing so, the EU can hardly advance much further in building its security personality or in any other field.

What to conclude? Muddled and wounded as the European model may be, most of the changes it has brought are irreversible. Moreover, for most of the world's observers outside the USA, Europe has a way of looking stronger, more fortunate and more all-round enviable than it does from the inside, and it will not be easy to reverse the integrative or 'post-modern' ambitions of such regions as Africa, South-East Asia, Central and Latin America.

The obvious conclusion is that they should look with a harder eye at the Europeans' contradictions and omissions and think about ways to avoid the same pitfalls themselves. A much bigger question – which deserves a book in itself – is how these pockets of emergent (and inevitably imperfect) post-modern organization of relations among states can coexist in an increasingly globalized system with single large 'modern' states like the USA, and with states and regions who have so far hardly even reached 'modern' standards of state competence and/or orderly inter-state behaviour. Part of this road-runner's problem is that while it has run too far over the cliff itself, a lot of other players are busy trying to push it off or to pile up spikier rocks below…

TOWARDS EUROPEAN REGIONAL IDENTITY: EUROPE VERSUS THE WEST

Andrius Bielskis

Recent war in Iraq has had a significant influence on dividing Europe. The somewhat contentious Donald Rumsfeld's statement about "new" and "old" Europe has taken root not only in the public domain of Great Britain and other West European countries but also in Eastern Europe. Countries such as Lithuania and Poland, members of the European Union since May 2004, showed their solidarity not with Germany and France, the key European Union's states, but with the United States.

One can argue that this division of Europe has proved to be short-lived. For one thing, it certainly did not have any effect on the enlargement of 2004. Nonetheless the fact that there is a fundamental difference in the public perception of America in Eastern and Western Europe poses fundamental questions about European identity, Europe's and America's transatlantic relations, and the nature of international relations in the post–9/11 world.

The differences between how America and the war in Iraq were perceived in Western and Eastern Europe are instructive here. It can be demonstrated by comparing how the public reacted to G. W. Bush's visits to Lithuania and to the United Kingdom.

A few days before the November 2002 NATO summit in Prague George W. Bush visited Lithuania. In his public address to Lithuanian people, gathered in Rotušės square in Vilnius, he reaffirmed Lithuania's invitation to join NATO as the guarantee of peace, security and freedom. Public reaction was euphoric. Even during his short address Bush was interrupted many times by laud applause and repetitive exclamations of "Thank you". Loyalty to the United States was soon demonstrated during the conflict in Iraq. The war was supported not only by the government. It was widely approved by the general public as well.[1]

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[1] The poles in Lithuania before and during the war in Iraq indicated that more than 57 % of population supported American and British military operation and almost 75 % believed that Saddam Hussein's Iraq was an imminent threat to the world (Veidas, No. 9, 28/02/2003).

A year later Bush's official state visit to the United Kingdom was met by the British public rather differently. During the visit the centre of London was paralysed by numerous anti-Bush demonstrations and peace rallies. Their message was not "Thank you America", but "Stop Bush!"

Eastern Europe's pro-American stance (first in the form of the Vilnius 10 statement[2] and then by the similar declaration from Poland, Hungary, and the Czech Republic) showed that, despite East Europe's integration into the European Union, it nonetheless sees the United States as its main ally, at least as far as foreign policy is concerned.

Lithuanian intellectual Tomas Kavaliauskas observed that on the economic level, Lithuania trusts old Europe and submits to the directives of Brussels. Nevertheless, on the political level, Lithuania figured out connotations of a Chirac–Schroeder–Putin political trinity. While Lithuanian politician Rolandas Pavilionis, who has been against Lithuanian's integration into NATO, was calling his nation for creativity instead of armament and with a serious face on local TV raised the question "Who threatens Lithuania?", implying that Russia is no longer a threat, Vilnius had wise enough politicians who realized that in Moscow there are enough deputies (Members of the Russian Duma) who are still thinking along the lines of "lost" territories, but who are unable to get them "back" merely because of their current inability to act imperialistically in the Baltic region[3].

The priority of NATO over the European Union, Washington over Brussels, has historical reasons in Eastern Europe. A little more than a decade ago East European countries were part of the Eastern block created through the Soviet occupation and repression.

After the collapse of the Soviet Union it was more than natural that countries such as Lithuania, Poland, and Hungary saw NATO and the U.S.

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2 During heated discussions in the UN in November 2002 the Vilnius 10, which was formed in 2000 when Albania, Bulgaria, Croatia, Estonia, Latvia, Lithuania, Macedonia, Romania, Slovakia, and Slovenia decided to form a coalition in seeking to join NATO, issued a statement in support of the U.S. military attack on Iraq.

3 See Tomas Kavaliauskas's paper 'Visegrad, NATO and EU' in Eurozine: www.eurozine.com.

as the only feasible option to secure their independence. But it is not only that. Apart from a possible imperialistic threat from the Eastern neighbour, a prospect of joining NATO and the EU for the post–communist countries meant re-entering the Western world. The ambition to become a part of the West and cultural self-identification with the West determined their pro–American and pro–European orientation. Furthermore, post-Communist transition from the planned economy of the Soviet authoritarianism to free–market economy and democracy has taken place under the banner of "transition to the West". What is peculiar that the United States and NATO rather than the European Union become more important in Eastern Europe's ambition to become a part of the Western world. NATO and the United States were perceived by the occupied Eastern European nations as representing the West much more than such European countries as France and Germany. Thus a pro–American stance in Eastern Europe during the Iraq crisis was partly a result of this peculiar cultural–political orientation: we cannot support a position which is also supported by our traditional enemy in the East and we back the United States because the U.S. with NATO is a true bastion of Western values.

Such pro–American position, although fairly understandable, nonetheless often lacks critical and rational scrutiny. And this was especially the case during the crisis in Iraq. Public debate in Lithuania, as well as other Eastern European countries, was not so much about whether the U.S. led war in Iraq was morally and legally justifiable, but about how to balance between two powers – Brussels and Washington. If Brussels sought support from Moscow, Eastern Europe could only support Washington. This, however, was not the case in West European countries where public scrutiny and deliberation about the war in Iraq was a daily routine. Despite the fact that some Western European governments supported the U.S., the public in Western Europe was far more sceptical about the U.S. led war in Iraq. Especially it was the case in the United Kingdom.

Public's dissatisfaction with the Bush administration in the UK and other West European countries began well before the war in Iraq. There are many reasons for this. One of them is the Bush administration's attitude towards environmental issues, in particular, global warming. The U.S. – a country which produces over 30 percent of greenhouse gases and thus is the

world's largest contributor to the global warming – pulled out from Kyoto agreement in 2001. Another example is how the Bush administration treats the prisoners of war in Guantanomo Bay, Cuba. Since the beginning of war on terror the U.S. administration have deliberately imprisoned terrorist suspects outside the U.S. territory in order to avoid treating them as war prisoners in accordance with the Geneva Convention. Furthermore, the U.S. annual defence budget has reached $ 400 billions which amounts to half of the world's military spending, but it refuses to sign the Nuclear Test Ban Treaty[4]. America claims to promote free–trade but applies tariffs on import from other countries and promotes protectionism (e.g. America's introduced tariffs on European steal industry).

It is not surprising that the war in Iraq was met by the West European public with great scepticism. First of all, the U.S. administration's attempt to see itself as the world's liberator from tyrannies can hardly be acceptable to European political culture. Europe was unfortunate enough to experience the rise and fall of oppressive totalitarian regimes during the last century, which were based on ideology and rhetoric full of messianic promises. Bush's Texas–like Christian semi–fundamentalist rhetoric about good against evil, "you either with us or against us", and "the axis of evil" caused both disbelief and dissatisfaction in Europe. This type of rhetoric, coupled with the alleged threat of weapons of mass destruction (WMD) in Iraq, was employed by the U.S. government to convince the world that the war in Iraq was necessary. The failure to answer the questions – why should it be Iraq rather than any other tyrannical regime; or why the international community has to accept America's right to wage wars whenever and wherever – led many Europeans to doubt the sincerity of America's motivation to go to war.

It was similarly difficult to accept the U.S. administration's claim that Saddam's regime harboured and supports terrorism and the alleged programme of WMD posed an imminent threat to the world. It becomes more obvious if we look closer at Blair's decision to support Bush. UK's position was exclusively based on the argument that Iraq possessed WMD. In this sense Blair's political rhetoric was more European than American. In his campaign for war Blair did not argue that the war was aimed at regime change – the

[4] New Statesman, 17 November 2003, p. 6.

only reason for attacking Iraq, according to the British government, was the threat of Saddam's WMD programme. Furthermore, Blair tried to convince Bush to take the UN route and to seek international community's approval. It was important to Blair and the British government because they could expect public's support if the war was sanctioned by the UN and international law. However, attempts made to convince British public opinion failed. This also seriously damaged Blair's and British government's reputation[5].

There are several important conclusions to be drawn from these events. The war in Iraq showed that the transatlantic friendship between Europe and America can no longer be taken for granted. The enormous price that Blair had to pay for supporting America illustrates this well. The Atlantic divide is growing and will continue to become bigger because of the growing cultural and political differences between Europe and America[6].

With further European integration this division will become bigger. In the nearest future the European Union will be preoccupied with its huge cultural and political diversity brought about by enlargement. Dealing with these political complexities will require enormous political, cultural and financial resources. An ever closer European integration is likely to foster a unique political culture and, hopefully, a stronger European identity.

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5 In September 2002, the British government published Iraq weapons dossier alleging that Iraq possessed weapons of mass destruction and that they could be launched in 45 minutes. An enormous controversy was caused when BBC's reporter Andrew Gilligan announced that the dossier was "sexed up" by the government's chief spin-doctor Alastair Campbell. The conflict between BBC and government resulted in leaking weapons' expert Dr David Kelly's name as the source of Gilligan's report. Unable to cope with political pressure and publicity Dr Kelly committed suicide. And although Lord Hutton's enquiry vindicated Blair's government, the shadow over Blair and his moral credibility still daunts him today.

6 The United States' changing demographical makeup suggests that the 21st century will be less dominated by the whites of European descent because of increasing immigration from Latin America and Asia which will gradually but inevitably change the United States' European/Western identity. The 1960 population of the U.S. was almost 90% white; today it is about 75 %, and demographers project that by 2020 it will be approximately 60 % and by 2030 it may constitute less than half of those under eighteen (see Christopher Coker Twilight of the West. Oxford: Westview Press, 1998, p. 129).

On the other hand, the collapse of the Berlin Wall and 9/11 radically changed the nature of international relations. Today there is no obvious enemy, which could unite and give reasons for the close friendship between Europe and America. And it was precisely this friendship that gave the basis for formation and existence of the West. Christopher Coker has convincingly argued that the concept of 'the West', which emerged in the late 19th century and became widespread during and after the First and Second World Wars, was always juxtaposed to and depended on that which was considered to be non-West – the Orient, authoritarian Russia, Nazi Germany, and the Communist Soviet Union[7].

'The West' from the very beginning has been both a cultural and political term. It is possible to trace its emergence back to the ideas of the French Enlightenment. The Enlightenment ideals of political liberty and universal humanity, which were most evidently expressed through revolutions in America and France, became essential elements in the formation of, what was later called, 'Western civilisation'. What is important, however, is that the West emerged as an alliance between leading European powers, first of all France and Britain, and the United States, in order to defend 'freedom' and 'human civilisation' against tsarist and later Communist Russia.

One of the first thinkers to foresee this was the 19th century French historian Jules Michelet who envisaged the importance of a Western alliance between Europe and America in order to withstand Russia as their common enemy[8]. This became especially evident during the Cold War when the world was fundamentally divided between the 'capitalist West' and the 'Communist East'. It was then that the concept of 'the West' became not only clearly defined, but also embodied in NATO as the political and military alliance between North America and the West European liberal democracies. Thus up to 1989 'the West' was simply all those modern liberal democracies that adopted a free-market economy/capitalism and saw themselves as in ideological opposition to the Soviet Union.

Today the situation is different. Our common threat of terrorism cannot unite "the civilised Western world" in the way the Warsaw pact once united

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7 See Ibid, pp. 11-21.

8 Ibid, p. 10.

the West. In this sense Francis Fukuyama was right when he famously claimed that the collapse of Communism would result in the end of the history of the ideologically divided world[9]. It was in a similar manner that Ralf Daherndorf wrote that the collapse of Communism in Eastern Europe should not result in the necessity for these societies to learn the language of "the West". Free European societies do not coincide with any single system and have no single language. Instead, they constitute an open space with all its variety and multiplicity, and thus the 1989 revolution in Europe is precisely the enlargement of this space[10]. But if so, then is not the "West", understood as militant capitalism coupled with liberal democracy which "should" be exported to the rest of the world, a part of the Cold War ideological constellation? If the answer is "yes", then another conclusion becomes inevitable. Liberal democracy and the endorsement of free market institutions can be conceptually separated from the "West" as semi-ideological concept. Thus a lesson that one can draw from both Dahrendorf and Fukuyama is to suggest that the gradual adaptation of (liberal) democracy and free–market institutions within the global world go far beyond the boundaries of the West.

Needless to say, the nature of this conclusion is more theoretical than a realistic reflection on today's political reality.

Lithuanian and other East European countries do see the European Union as the institution of the West, the West as a *coherent* cultural and political domain. For them joining NATO and the European Union has always been one and the same aim. Furthermore, Britain's traditional friendship with America and its reluctance towards closer European integration show the strong relationship between America and Europe still being prevalent today.

Nevertheless, my contention here is that if Europe is to rediscover its common European identity, an identity which would be based on more or less coherent cultural values, then it has to stop seeing itself as the bastion of Western culture and civilisation.

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9 See Francis Fukuyama 'The End of History?' in National Interest, 16, Summer, 1989.

10 See Ralf Dahrendorf Reflection of the Revolution in Europe. London: Chatto and Vindus, 1990.

The concept of "the West" has become barren simply because there can hardly be such a thing as "the Western civilisation" today. Globalisation, the gradual expansion of the Enlightenment's political ideals and modernisation of the world, the end of the Cold War, the world-wide endorsement of liberal democratic reforms and market economy, postcolonial and post–modern multiculturalism, all of these phenomena make us wonder whether there is any coherent conceptual content behind "the West".

The divide between "new" and "old" Europe and the lack of common European cultural identity may cause many disagreements and difficulties in forming common European policies within the enlarged European Union of 25. If Europe and America are going to drift further apart in the future, the new Eastern member–states will need to rethink their political and cultural orientation.

Similarly, France and Germany will have to rethink their position too as their political weight within the enlarged European Union is becoming less significant. What is truly at stake, is Europe's political and cultural identity in the rapidly changing world. To cherish its unique national diversity and common culture Europe needs to get back to its European rather than Western roots.

Therefore, instead of perceiving its integration into the European Union as an accession to the West, it would be far better for Eastern Europe to accept a more European stance. I believe it would make more sense if Lithuanians, Poles or Hungarians, instead of identifying themselves with the West, would seek to become what they already are – Europeans.

It was Friedrich Nietzsche who, more than a hundred years ago, urged us to be good Europeans. And no one in Europe's intellectual history is more qualified to do so than Nietzsche. There is hardly anyone who was more concerned about the fate of European culture and its identity than Nietzsche.

Maybe East Europeans would understand that their true ally is not America but the neighbouring European countries – growing and expanding Europe, which is rich in its culture, arts, and national diversity. This would encourage us to rethink the world order not in terms of the old-fashioned 'free and civilised West' versus the rest of the world, but in terms of regional cultural identities: Europe, Americas, India, Arab countries, etc.

IRON TROIKAS: THE NEW THREAT FROM RUSSIA

Richard J. Krickus*

Introduction

In the aftermath of 9/ll, American security analysts preoccupied with global terrorism have ignored Russia as a security threat, but this is a mistake for two reasons.

First, violence in the Caucasus, a demographic and health crisis, economic uncertainty, income inequality and a return to autocracy suggest a problematic future for Russia. Though deemed implausible, an imploded Russia would have massive security implications for the international community.

But second, there is an existential threat posed by Russia which Janusz Bugajski has described in his book, "Cold Peace: Russia's New Imperialism." It involves Moscow's campaign to reassert its influence over the security policies of the countries in Central and Eastern Europe. The purpose of this paper is to identify the actors and circumstances – characterized as Iron Troikas – which the Kremlin is employing to achieve these goals. The focus will be upon four new democracies in the Baltic Sea Region: the Baltic countries and Poland.

Toward this end the paper will analyze:

1) The *siloviki*, the "men of power" who represent the first component of Iron Troikas. Like President Vladimir Putin, they hope to create a strong state that will project Moscow's security interests in areas formerly dominated by the Soviet Union by exploiting Russia's massive energy wealth.

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2) The economic warlords that have exploited the collapse of the USSR and the drive toward privatization comprise the second component. As Keith Smith of the Center for Strategic and International Studies has documented, Putin's re-nationalization of Russia's energy sector is designed to project Russian influence throughout the Baltic Sea Region; that is, through its "energy card" compel the Baltic peoples and Poles to adopt security policies favorable to Moscow.

3) Certain political and business groups in the Baltic States and Poland, which constitute the third component of Iron Troikas. They provide a network of "local" actors that aid and abet – primarily in pursuit of economic and political advantage and not subversive goals – Russian interests seeking to penetrate their societies.

It is against this backdrop that Western analysts must acknowledge that Iron Troikas represent a "new threat from Russia" – in the Baltic Sea Region but throughout the so-called "Near Abroad" as well. To date American and European political authorities have been reluctant to challenge Russia on Iron Troikas.

The Euro-Atlantic community must revisit Russia not as a peer military threat, but as an unstable area that could influence developments throughout Eurasia. The region represents a potential theater of strategic operations in the easternmost frontier of NATO and can provide access and bases that one day may be required out of political necessity or for operational reasons. Its importance may grow as developments in Belarus, Northwest Russia and Ukraine become more problematic.

Measures therefore must be taken by the Euro-Atlantic community to address this "other than war" threat.

The Siloviki

The Russian Academy of Sciences estimates that under Yeltsin 11 percent of the country's senior officials were former members of the military and secret service.

With the appearance of Putin, these "men of power" – popularly known as the *siloviki* – have proliferated in numbers and influence in the Russian

Federation. The Russian Academy of Science estimates that about one-fourth of the senior officials in the government today are *siloviki*. Defense Minister Sergei Ivanov also is a former KGB operative, as is the head of the Interior Ministry, Rashid Nurgaliyev. *Siloviki* hold prominent posts in the president's office; for example, two of Putin's deputy chiefs of staff, Viktor Ivanov and Igor Sechin, worked for the KGB in Leningrad.

The *siloviki* have played a prominent role in Putin's attempt to marginalize the regional governors and many of them now hold executive positions in one of the 89 governorships; i.e., former generals in the army and KGB. Furthermore, 5 of the 7 men who have been selected to serve as "super-governors" are *siloviki*. For example, Viktor Cherkesov, who was pursuing "anti-Soviet" dissidents as a KGB operative right up the USSR's implosion – and did much the same thing as the head of the KGB successor organization, FSB, in St. Petersburg – was named presidential envoy for northwest Russia. 70 percent of the individuals hired by the "super-governors" are *siloviki*.[1]

Finally, *siloviki* control or hold important positions in all of Russia's natural gas, petroleum and pipeline companies, privately or publicly owned – Gazprom, Rosneft, Transneft etc. It has been estimated that 6,000 former members of the security services and other power ministries now are in place to exploit Russia's economic assets and to enable Moscow to project power beyond Russia's borders.[2]

The *siloviki*, who constitute the first element in an Iron Troika, are said to be free of ideological baggage, but like Putin they believe that Russia cannot be ruled without a strong state. In this sense they retain their Soviet sensibilities and, like the old leadership in the USSR, they think first about the state and only secondarily about the people as the world learned with the Kursk explosion, the Moscow theater tragedy and the Beslan school massacre. They realize that a strong state and a weak economy are mutually exclusive, and if something approaching a free market generates the wealth they need to restore the state and Russia's armed forces, they will accept it even though

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1 For a detailed and insightful discussion of the *siloviki* by two Washington Post reporters, see, Baker and Glasser, pp. 251-271. For a discussion of why the influence of the siloviki is exaggerated, see, Dmitri Trenin, "Reading Russia Right," Carnegie Endowment for International Peace, October 2005.

2 "Checkists in the Corridors of Power," Novaya Gazeta, July 2003.

reluctantly. They still harbor imperial ambitions that Russia can restore the power that enabled the Soviet Union to be a major player in world affairs. To achieve this objective, they are prepared to make tactical moves that they find unsavory, such as feigning cooperation with the West, but they still cling to the conviction of their predecessors that the West is the enemy and indeed the U.S. as the leader of the Western alliance is bent upon emasculating Russia, of humiliating its people and leaders.

15 years after the Soviet Empire's demise, *siloviki* continue to deem the Baltic Sea Region as vital to Russia's security. During the Cold War, the Soviet Union deployed significant ground, naval, and air forces in the region with two missions in mind: as a defensive barrier against invasion from Europe, and as a strategic base to conduct an offensive campaign against NATO targets in the West. Bugajski claims that Russia under President Putin pursues six broad strategic goals in the region:

1. *Expanding foreign policy influences*. Capturing and exerting predominate if not exclusive influence over foreign policy orientations and security postures of the neighboring countries.
2. *Promoting economic monopolization*. Obtaining economic benefits and monopolistic positions through targeted foreign investments and strategic infrastructure.
3. *Consolidating political dependence*. Increasing East European dependence on Russian energy supplies and capital investments.
4. *Limiting Western enlargement*. Limiting the pace and scope of Western penetration in Russia and its "zone of interest" and constricting Western enlargement, especially with regard to the security arena in the CIS states.
5. *Rebuilding global influence*. Using the broader East European region as a springboard for rebuilding a larger sphere of predominant influence and great power status.
6. *Eliminating U.S. unipolarity*. Gradually but systematically undercutting and restricting the transatlantic relationship as well as Eastern Europe's direct ties to Washington.[3]

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[3] Janusz Bugajski, Cold Peace, Washington: Center for Strategic and International Studies, 2004, pp. 219-220.

In 1993, Russia's defense doctrine "classified Poland as a potential threat to its security and placed the country firmly within Russia's sphere of interest."[4] After Poland entered NATO and the EU, relations between Warsaw and Moscow improved, but only for a short time. The Polish president, Alexander Kwasniewski, met with his Russian counterpart ten times during the first term of Putin's presidency. Poland became Russia's eight largest trading partner and three out of every four Poles favored close commercial relations with Moscow while a similar percentage of Russians favored good commercial exchanges with Warsaw.[5]

But by the end of Putin's first term in office, the Kremlin began to express grave concerns about Poland's foreign policy initiatives similar to those that Moscow had expressed in the previous decade. Namely, Warsaw's preoccupation with development in Ukraine was especially resented. "The Kremlin was perturbed that Warsaw was intent on pursuing close ties with Kyiv and depicted Poland as an aspiring regional power seeking to replace Russia. Warsaw was allegedly pursuing the formation of a belt of states between the Baltic and Black Sea and constructing a cordon sanitaire around Russia."[6]

After accepting an enlarged EU as a fact of life, Moscow hoped to countervail U.S. unilateralism. Differences in the Trans-Atlantic alliance over Iraq were a divisive force in the EU, but the Poles provided several thousand troops as a sign of solidarity with America. While the number of troops was not all that large, the political cover that Poland's support provided the administration of George W. Bush was significant.

The Polish government supported the "pro-American" presidential candidate in Ukraine, Victor Yushchenko, in his bid to defeat the "pro-Russian" candidate, Victor Yanukovich, after a disputed election in December 2004. In post-mortems of the Ukrainian Orange Revolution, pro-Kremlin commentators in Russia not only blamed President Alexander Kwasniewski for contributing to Yanukovich's defeat but claimed that a Polish-American,

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4 Bugajski, p. 140.

5 Irina Kobrinskaya, "Love and Hate: Polish-Russian Relations Marred by Russian Unpredictability and EU and NATO Uncertainty," Polish News Bulletin, February 3, 2005.

6 Bugajski, p. 140.

Zbigniew Brzezinski, and his two sons were the brains behind the insidious campaign to defeat a pro-Russian candidate for the high post.

Polish-Russian relations became even more fractious as Moscow refused to denounce the Molotov-Ribbentrop Pact or the Katyn Forest massacre of Polish officers during World War II as President Kwasniewski demanded.

While the Baltic democracies have a much smaller population than Poland and have fewer resources to cause trouble for Moscow, the *siloviki* have displayed special enmity toward them ever since the collapse of the Soviet Union. The Baltic States played a pivotal role in precipitating the eventual demise of the Soviet Union. The 60th anniversary of Nazi-Germany's defeat in May 2005 unquestionably has contributed to negative sentiments that ordinary Russians voice toward the Balts. The fact that the Lithuanian president Valdas Adamkus and his Estonian counterpart, Arnold Ruutel, did not attend the Moscow celebration gave hard-liners in Russia additional reason to express outrage at the "uppity Balts." Recent polls show that when asked: "What Country Do You Consider Unfriendly to Russia?", Latvia scores first with 49 percent, Lithuania second with 42 percent and Estonia third with 32 percent.[7]

Russian security analysts see Estonia, Latvia and Lithuania's pro-American orientation as a barrier to their establishing a relationship with major EU countries in Moscow's effort to countervail U.S. power.

Lithuania is deemed especially troublesome since it stands as a key transit country for Russian travelers to Kaliningrad. Since its accession to the EU, Lithuania has renounced visa-free access for Russians to this enclave as part of its policy of integrating with the Schengen area. Furthermore, in late 2004, the Lithuanian president Valdas Adamkus joined his Polish counterpart in the campaign to peacefully resolve the political crisis in Kyiv in Yushchenko's favor. Vilnius was the site for the first NATO foreign ministers' meeting where Ukraine was offered an intensified dialogue with the Alliance. Lithuania also insisted on rebuilding historical justice in the light of the May 9 celebrations and promoted demilitarization of the Kaliningrad region as an important element of security building in the Baltic Sea region.

If Russian national security analysts had little faith in their ability to coerce Poland and Baltic States with Russian military might prior to their joining the

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7 Angus Reid Global Scan, June 5, 2005.

transatlantic alliance, this option was even more unlikely after all four have become members of the European Union and NATO. The Kremlin had to craft a new strategy to regain its hegemony over all of them; to tarnish their images and undermine their appeal to other CIS states; to use them as a springboard into the vast EU market and exploit their membership to shape EU and NATO policies toward Russia at large.

Kremlin planners realized at some point that they possessed an economic weapon of significant potential, one capable of promoting Russia's foreign policy objectives in the space of the former Soviet Union. The weapon was a massive supply of natural gas and petroleum along with strategic pipelines from east to west, refineries, pumping stations and other installations associated with Russia's energy wealth. As Keith Smith at the Center for Strategic and International Studies has observed, "Russia's proven reserves of natural gas… are the largest in the world and twice those of Iran which possesses the second-largest reserves… The energy industry accounts for about 20 percent of Russia's GDP, approximately 60 percent of its export revenues, and well over 40 percent of the government's fiscal revenues."[8] Through its energy industry, Russia has vast resources that enable it to play the energy card not only on a regional but also on a global basis.

Moscow has increasingly used the pipeline system as a foreign policy weapon since Putin's election as president in 2000. In this regard, the Kremlin has even accepted certain economic sacrifices to promote its foreign policy agenda. Russia, for example, is building its own Baltic Pipeline System to carry oil to the port of Primorsk, though it could find cheaper outlets by using under-utilized oil transit systems-e.g. by employing routes through the three Baltic countries. Russia is also building an undersea gas pipeline to Germany at a cost "three to four times as much as running a parallel pipe along the Yamal route through Poland."[9]

To orchestrate an energy strategy that places Russia's foreign and security objectives first and economic goals second, Putin has relied upon the *siloviki* who remain wedded to their traditional way of operating. They see economic affairs primarily in security terms.

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8 Keith Smith, Russian Energy Politics In The Baltics, Poland, And Ukraine, Washington: Center for International and Security Studies, December 2004, p. 9.

9 Ibid., p. 17.

Economic Warlords and Energy Supply

With the collapse of the USSR vast sums of money controlled by the Communist Party of the Soviet Union (CPSU) disappeared.

Many commentators believe that prescient party members, anticipating the USSR's collapse, became virtual private "investors." It has been estimated that millions and perhaps billions of dollars from party coffers found their way to the West. They were invested in a host of legal and illegitimate enterprises by individuals uniquely qualified to invest funds outside of the USSR. Many were intelligence operatives in the KGB and military units like the GRU. They spoke foreign languages, lived in the West and had extensive contacts abroad that were developed during the Cold War. Consequently, after the Soviet Union's collapse, they were well positioned to work with their old associates in exploiting the first privatization drive that dominated the Russian economy during its stormy period in the 1990's.[10]

They also worked closely with the "red directors" who as managers of major enterprises had access to hard cash commodities like natural gas, oil, metals and wood products. In many instances, then, "ownership" remained in the same hands in the new economy as it did in the old one. The reformers calculated that by allowing the "red directors" to gain a stake in the new economy, they would not bloc efforts to facilitate the destruction of the command economy. That outcome had the additional benefit of undermining the power of the political reactionaries on the far left and right who opposed democracy and/or market reforms. At the same time, mesmerized by their new wealth, they would pay little attention to the pro-Western reformers' quest to establish close ties with the countries in the Trans-Atlantic alliance.

A second group of bright and enterprising people with high level contacts and entrepreneurial skills competed with the "red directors" for control of Russia's wealth. They came from various sectors of society and eagerly assisted President Boris Yeltsin in dismantling the command economy.

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10 David E. Hoffman, The Oligarchs: Wealth and Power in the New Russia, New York: Public Affairs, 2001. See also, Martin McCauley, Bandits, Gangsters, and the Mafia: Russia, the Baltic States and the CIS, Harlow, England: Longman, 200l, and CSIS Task Force Report, Russian Organized Crime and Corruption: Putin's Challenge, Washington, D.C.: CSIS, 2001.

Enterprises such as Norilsk Nickel and Yukos oil company were auctioned-off for a pittance, allowing a small number of the most ruthless and most enterprising of Russia's Oligarchs to gain control of the country's vast resources in less than a decade.

The Oligarchs and Yeltsin "family" facilitated Vladimir Putin's rise to power. The mass media largely under control of the tycoons – e.g., Boris Berezovsky and Vladimir Gusinsky – helped elect him in 2000. Soon afterwards, however, Putin turned against those of his benefactors whom he considered a political threat to him and his entourage of *siloviki*.[11]

One of the new team's first priorities was to destroy the capacity of the independent Oligarchs to wield the same kind of power that they did under Yeltsin. Indeed, it was their money, energy and enterprise that enabled Yeltsin to win re-election when polls indicated that the vast majority of Russians had lost faith in his stewardship in 1996.

Putin and his team hounded the Oligarchs and ultimately forced some to leave the country or face much worse outcomes; Berezovsky and Gusinsky were among the richest and most prominent who sought the safe harbor of exile.

In October 2003, the wealthiest oligarch, Khodorkovsky, celebrated by foreign investors as the most progressive of the bunch, was arrested for tax evasion and other "economic crimes." In 2005, he received a nine year jail sentence. On the basis of the evidence, there is no question that he should be in jail, but so should many Oligarchs who are now free because they have not challenged Putin. This is just one example of how Putin has selectively applied the law and in the process has undermined the legal system in Russia.[12]

Khodorkovsky had refused to abide by the Kremlin's direction that Russian energy entrepreneurs advance the government's security priorities first and only later think about profit margins. He not only purchased the largest oil refinery in the Baltics, Lithuania's Mazeikiu Nafta – thereby denying that prize to Lukoil, a Kremlin favorite; he also contemplated a partnership with China in the construction of an oil pipeline, and indicated that he sought

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11 Baker and Glasser, pp. 78-98.

12 For Khodorkovsky's misdeeds see, Ibid, pp. 337-338.

a close commercial relationship with one of the major American oil companies. If successful, Khodorkovsky would have compromised Putin's drive to play the energy card on the global chessboard.[13]

It is against this backdrop that the Baltic States and Poland faced the new 'energy diplomacy' of Russia. For example, in 1999, the Lithuanian government denied Lukoil the opportunity to gain operational control of Mazeikiu Nafta, the largest energy enterprise in the country. It included the oil refinery at Mazeikiai, a pipeline at Birzai and a port terminal at Butinge. The government snubbed offers from Lukoil and instead sold a controlling share to the American energy company, Williams International.

To sabotage the Williams deal, Lukoil persuaded Transneft and the Russian Ministry of Industry and Energy on several occasions to halt the flow of oil to Lithuania.

Moscow has played its energy card in Latvia as well. In 2002 "…the owners of the port of Ventspils rejected a purchase offer from Transneft and Lukoil to buy them out, an offer transmitted more as a nonnegotiable demand than a friendly takeover. Almost immediately, Transneft let it be known that no Russian crude would be carried by pipeline to Ventspils until a sale was negotiated that would give a working majority of the shares to a Russian company."[14]

The port, which until recently was Russia's second largest oil export terminal, provides a major source of revenue for the economy and government, and the Latvian owners refused to sell. Circumstances suggest, however, that they may eventually do so. Russian oil continues to be transported through the port via rail but the costs of such shipments are higher than by pipeline. Russian oil companies, now selling their product in this fashion, will connect to expanded pipelines, stop using Ventspils, and turn to the new Russian port of Primorsk northwest of St. Petersburg on the Barents Sea instead. As a consequence, the Latvians will be compelled to sell the port, and at deflated prices.

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13 This is the opinion of Keith Smith who has continued his analysis of Putin's exploitation of Russia's "energy card" to achieve foreign policy and security objectives; e-mail communication, November 17, 2005.

14 Smith, Russian Energy, p. 43.

Under the stewardship of Simyon Weinshtok, Transneft has sought to consolidate control over oil shipments through its pipelines and in a manner that promotes the Kremlin's efforts to squeeze the Baltic States economically. In July 2004 the Kremlin sent Victor Kaluzhny, a former minister of fuel and energy, to Riga to serve as Russia's ambassador to Latvia. In 1999, the same Kaluzhny had sent a letter to Russian oil companies urging them to halt oil supplies to Lithuania in an obvious attempt to promote Lukoil's gaining control of Mazeikiu Nafta.[15]

Moscow has enjoyed less success in gaining leverage over Poland's energy infrastructure. Gazprom has been most active in attempts to secure control of local energy assets and has used its monopolistic clout to force Poland to sign an unfavorable contract that was only recently revised. Russian investors also have attempted to purchase the country's second largest oil refinery, Rafineria Gdanska. Polish officials, therefore, have observed: "The Polish energy market is murky, full of unclear deals and suspicions of links between business and politics….By letting in the Russians we will ultimately lose any chance to regulate and make the Polish energy sector more civilized."[16]

Specifically, Polish concerns have focused on PKN (Polski Koncern Naftowy) Orlen, the country's largest producer and distributor of fuel and a most profitable enterprise. For example, in the second quarter of 2004 its profits soared by 317 percent. About 94 percent of the company's crude oil comes from Russia so, like Mazeikiu Nafta, it is vulnerable to Russian export policies.[17]

Moscow's decision to build a pipeline under the Baltic Sea rather than one via a route parallel to the Yamal I pipeline underscores the fear of Polish security analysts about the Kremlin's intentions. Consequently, when allegations circulated that Russian energy interests were seeking to buy into Orlen, Polish authorities expressed keen concern about them.

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15 It is noteworthy that Victor Chernomyrdin, the former prime minister and Gazprom director is the Ambassador to Ukraine. Taking these appointments together, we clearly see the link between Russian energy and vital foreign policy concerns on Moscow's part.

16 Bugajski, p. 145

17 Wanda Jelonkiewica, "PKN Orlen: Quest for Oil," The Warsaw Voice Online, September 1, 2004.

The key figure was Jan Kulczyk, Poland's "richest man," who in December 2004 appeared before a parliamentary committee exploring charges that he had been involved in a scheme to sell Orlen to Russian buyers. In this connection, it was alleged that he had met with the president of Lukoil in London in October 2002. The subject of the meeting was said to be the merging of Orlen and Rafineria Gdanska and then the sale of the new entity to Lukoil. In addition, it was alleged that Kulczyk met with an ex-KGB agent a year later in Vienna and his detractors saw it as further evidence of his playing ball with powerful Russian energy companies. Kulczyk has denied the allegations and claims that they are part of a political witch-hunt directed at big business.

The Foreign Connection

The third element of the Iron Troika involves certain political and business groups and the so-called "New Oligarchs" that have appeared in the four countries under analysis.

With the collapse of communism in Europe, the former Nomenklatura in the Soviet bloc was split into two political movements. The first group adhered to Marxist-Leninist ideology, favored a command economy and in the area of foreign policy looked toward Moscow for leadership.

The second, more pragmatic group adopted a social-democratic orientation that accepted the free market and looked favorably toward the West in the realm of foreign affairs. If they were not the most steadfast supporters of NATO and EU membership, they did not oppose affiliation with either entity. The post-Communist left in Lithuania and Poland most clearly fit this description.

The Lithuanian and Polish ex-communists, who adopted the Western-oriented, social democratic road, have skillfully conducted their affairs since the early 1990's and in recent years have become a powerful political force in both countries. Simultaneously their neo-Leninist comrades have faded from the political scene in the EBSR.

In Poland, the former communists made every effort to disassociate themselves from their political legacy, and they adopted a pragmatic not ideological approach to resolving the country's problems. Consequently, "Poles

came to see the social democrats as professionals who could run the government better than anyone else – in part because they were excluded from the great policy and personal battles of the early nineties."[18]

It was against this backdrop that Alexander Kwasniewski, the ex-communist official, defeated the former Solidarity leader, Lech Walesa in the 1995 presidential race. Like the case of Vytautas Landsbergis in Lithuania, many Poles were put-off by what they deemed to be Walesa's preoccupation with "the communist threat" and insufficient interest in mundane domestic matters that preoccupied ordinary folk. In both cases, the ex-communists, Kwasniewski in Poland and Algirdas Brazauskas in Lithuania, were deemed steady, pragmatic politicians preferable to activists like Walesa and Landsbergis who played a vital role in the struggle against Soviet rule, but now were "no longer relevant" in the post-Soviet period.

Secondly, the former communists inherited party resources, personnel and organizational networks that they had enjoyed under the old system. For example, even after the collapse of the command economy, the administrators and managers in the old Soviet-style enterprises have remained in place. In 1995, Kwasniewski's "…greatest support…came from those associated with the old regime: enterprise managers, peasants, the military, and the police."[19]

The so-called "New Oligarchs" are predominately the product of the privatization process that took place in the four countries in the early 1990s. Privatization campaigns in the Baltic States and Poland have involved people of all political stripes, not only those who wielded influence in the old system. Especially in the early stages of the economic transition, they conducted business in a manner that involved a cavalier attitude toward the law and accepted corruption as "the price of doing business." And when pressed, many entrepreneurs who engaged in questionable business ventures could point out with justification that "at the time there was no law against it!" It, for example, could mean money made in gray areas where the law did not apply.

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18 Jane Leftwich Curry, "Poland's Ex-Communists: From Pariahs to Establishment Players," in Jane Leftwich Curry and Joan Barth Urban, eds., The Left Transformed in Post-Communist Societies, Lanham, Maryland: Rowman and Littlefield, 2003, p. 36.

19 Ibid., p. 33.

In this last connection, one hears accounts of profitable outcomes achieved by currency exchanges that were not deemed illegal because there were no laws extant that forbid them.[20]

To explore the Russian factor further and gain insight into how elements of Russian Iron Troikas threaten the political and security prospects of the countries under scrutiny, we shall turn to recent political developments in Lithuania.

In the spring of 2004, President Rolandas Paksas, a two-time mayor of Vilnius who had served twice as Prime Minister, was impeached after being found guilty on three counts.[21] A year earlier he had defeated Valdas Adamkus, an American émigré, by a five point margin in the second round of the presidential election. Furthermore, the younger man's effort was both well financed and skillfully orchestrated. Indeed, it looked much like an American-style campaign.

In post-mortems of the election, it was revealed that Russian money and Russian public relations experts had played a vital role in Paksas's unexpected victory. Yuri Borisov, a Russian businessman who serviced and sold helicopters from his company in Lithuania, conceded that he had donated 350,000 euro to the Paksas campaign. His help as expected had strings attached to the contribution because Paksas had promised him a hi-level post in his administration and granted him Lithuanian citizenship – one of the actions that had resulted in his ultimate impeachment. Borisov's contribution was just the tip of the iceberg, because it has since been alleged that he provided one million dollars to the campaign. Lithuanian and Russian analysts claim that "Russian interests" contributed as much as $5 to $7 million to Paksas's war-chest.[22]

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20 Author's discussion with business people in Lithuania conducted over the past eight years that I have been writing a column on world affairs for *Lietuvos Rytas*, Lithuania's leading national daily.

21 See, Richard J. Krickus, The Presidential Crisis in Lithuania: It's Roots And The Russian Factor, Washington, D.C., East European Studies Occasional Paper, Woodrow Wilson International Center for Scholars, November 2004, pp. 12-15. Also, for a more optimistic assessment of the scandal, see Terry D. Clark and Egle Versikiene, "Paksas-Gate: Lithuania Impeaches A President," Problems Of Post-Communism, May/June 2005, pp. 1-8.

22 For a discussion of Russia's penetration of the Lithuanian political process, see, Artūras Rožėnas and Audrius Bačiulis, "Sunkus atsisveikinimas su Rusija" (Difficult Farewell To Russia), Veidas, March 11, 2004.

Clearly, whatever the precise amount, when the financial records were published, it was reported that both candidates received roughly similar sums of money. Lithuanian analysts however are convinced Paksas received far more than that from Russian sources and this explained why the Paksas's campaign was so prominent on TV, why it demonstrated a focused and on-message American style race, and why it distributed all manner of material that blistered Adamkus for his age, his attachment to the Williams deal, and for ignoring the plight of those Lithuanians who did not benefit from the new economy.

Russian political analysts had openly discussed Lithuania's vulnerability to outside manipulation for some time. Confusion over the relationship between the president and government provided an institutional wedge that could be exploited. For example, since the president cannot belong to a political party, he is detached from the legislative majority and cabinet.

But even more inviting for manipulation was widespread voter unhappiness with the political process and mainstream parties, and doubts about economic reforms.

Political scientist Raimundas Lopata and Baltic News Service editor Audrius Matonis have provided a detailed analysis of Russian involvement in the Paksas affair in their book, "A President in a Tailspin."[23] The Russian input was not merely an ad hoc, random affair; it was a premeditated campaign to subvert Lithuania's political process. It was crafted in Moscow and carried out in Lithuania through the Russian Embassy under the stewardship of Yuri Zubakov. It was Primakov's right-hand man then who would orchestrate the campaign to replace the American Valdas Adamkus as Lithuania's president with a compliant Rolandas Paksas in the 2002 election.

Contrary to prevailing conventional wisdom that the Kremlin was most dissatisfied with Estonia and Latvia because of their alleged mistreatment of ethnic Russians, Lopata and Matonis claimed that Lithuania was Moscow's priority target. It was the Lithuanians who were blamed for preventing a visa free regime for Russians traveling to and from Kaliningrad, it was the government in Vilnius that in league with the Poles was meddling in Ukraine and

[23] For the most comprehensive discussion of the Lithuanian presidential political crisis, see, Raimundas Lopata and Audrius Matonis, Prezidento Suktukas (President in a Tailspin), Vilnius: Versus Aureus, 2004.

Belarus, and it was the presumptuous Lithuanians who claimed that they were a model for a successful transition from a closed to open society that other former Soviet republics could emulate.

A Russian public relations firm with reputed close ties to the Russian secret service, Almax, helped implement a strategy that targeted those Lithuanians left behind by the new economy. In a search of Borisov's villa after Paksas was impeached, Lithuanian authorities found a plan designed by Almax to discredit the country's political elite and mainstream parties, presumably with the intent of promoting the fortunes of Paksas's Liberal Democratic Party (LDP) in the fall 2004 parliamentary elections. (He had formed it prior to becoming a presidential candidate.) But many Lithuanian analysts concluded that its real aim was to destabilize their country. The Paksas team had proposed an expansion of presidential powers, and if they had succeeded in that effort and the LDP had formed a new government in 2004, a man beholden to Russia would be in charge of a high office with new authority to shape policy at home and abroad.

Lithuania's leading national daily, *Lietuvos Rytas*, reported that Paksas's principal campaign supporter, Borisov, had been a member of a Soviet military intelligence (GRU) unit in Afghanistan. It surmised that he did not act on his own to curry favor with the president or simply to gain a commercial advantage, and observed that anyone involved in the sale and servicing of Russian helicopters had to enjoy close ties with Russia's military-industrial complex.

After coming under attack, Paksas denied that he sought help from radicals, but the media reported that many of his benefactors were tied to individuals with anti-democratic credentials and criminal associations. Several radical fringe groups that opposed the government's pro-Western orientation actively organized to bloc the president's impeachment. In pro-Paksas demonstrations one could find evidence of a Lithuanian red-brown coalition of sorts. Lithuanian police officials indicated that the radical-right (brown) anti-Semitic deputy, Vytautas Šustauskas, sought the help of Henrikas Daktaras, the reputed Kaunas mob boss, to organize demonstrations favorable to Paksas. Also, Valery Ivanov was present at such demonstrations, providing the red component of the "coalition." He had led the pro-Soviet Yedinstvo or Unity movement that organized anti-independence demonstrations in the

early 1990's. At the time, the KGB had calculated that the demonstrations would provoke violence and provide Moscow with the pretext to crush the rebellion.[24]

In a fall 2003 memo authored by Mečys Laurinkus, the head of Lithuania's State Security Department (SSD) that precipitated the presidential scandal, the activities of Russian criminal organizations in Lithuania as well as Lithuanian criminals that often worked with them were cited. "Especially active on Lithuania's territory is 'XXI vek' (21st Century), an organization which is directly connected to Russian and international crime groups."

In a meeting with the Seimas, Laurinkus charged that one of the president's aides, national security advisor Remigijus Ačas had ties with Russian mobsters. Lithuanian and Russian criminals hoped to exploit Lithuania's next round of privatization and looked with great expectation toward the spring of 2004 when Lithuania was scheduled to join the EU. Afterwards, they hoped to gain access to Europe's vast market by using Lithuania as base from which to operate. Later phone taps revealed individuals associated with Paksas making threatening remarks about what they would do to Laurinkus when they had a chance to act.

Conservative politicians were convinced that here was further evidence to support their charge that Moscow was attempting to subvert Lithuania. Vytautas Landsbergis, the leader of the Lithuanian rebellion in the early 1990's, claimed that Russian penetration of strategic industries was both an economic and political threat to his country. According to the former Sąjudis leader, the Kremlin began a decade ago to place economic operatives throughout the former Soviet Republics and satellite states with the hope of influencing political as well as economic affairs in those countries. He claimed that Lithuanian politician Victor Uspaskich, a Russian-born businessman from Kėdainiai and founder of the popular Labor Party, had been functioning in this capacity.[25] In 2004, Uspaskich's party received the largest number of seats in the Parliament but was unable to form a government; the previous one remained in power with Brazauskas serving as Prime Minister. The Labor

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24 Richard J. Krickus, Showdown: The Lithuanian Rebellion And The Break-Up Of The Soviet Empire, Washington and London: Brassy's, 1998, pp. 140-141.

25 Interview, Vytautas Landsbergis, April 2004.

Party got several important cabinet posts – for example, Uspaskich became the economic minister. But the next year, he was forced to leave office because of a conflict of interest involving his business enterprises and Russian officials and his use of fraudulent academic documents. Notwithstanding his somewhat diminished political fortunes, he remains one of the most popular politicians in Lithuania and has been an active player in the attempt of Russian energy interests to purchase Mažeikių Nafta.

At the time of Paksas's impeachment, American officials denied a major Russian orchestrated campaign to subvert the Lithuanian political system and claimed the Russian mafia was not a problem. American diplomats – no longer in government – and others knowledgeable about the region, however, were of the opposite opinion. After revelations about massive Russian intervention in Ukraine in the 2004 presidential race there, the claims made by Lithuanian analysts clearly deserve a second look.

How Iron Troikas Interact?

Events associated with the Lithuanian presidential crisis provide a plausible answer to this question of how the various actors associated with Iron Troikas interact. In the spring of 2004, Lithuanian daily *Lietuvos Rytas* ran a series of articles based upon interviews with Yevgeny Limanov. The name is a pseudonym for a former Russian KGB operative who a decade ago was assigned to get involved in business affairs that promoted the interests of his superiors. Now living in the French Alps, he has provided insight into how Russian criminal gangs, economic warlords and government officials (Russian and "local") work along parallel lines, or together, to promote their economic interests in countries that formerly were in the USSR's sphere of influence.

These associations of interests are led by the "Ultra-Patriots." They represent the hard-core leadership or controlling groups of cadres; i.e., individuals associated with the "power ministries," but who at times may operate independently of those ministries – e.g., the Ministry of Defense. The second tier is comprised of "Trustees" – i.e., individuals who do not belong to government agencies nor are they entrusted with inside information, but they work closely with the "Ultra-Patriots."

A third group is comprised of "Agents" – involved in a variety of activities – who may not know who they work for and are clueless about the ultimate goals of the people at the top of the pyramid. They simply expect to derive economic or political benefits from the relationship.

Limanov observes, "I have no doubt that Almax is one of many organizations that work under orders from special services or some groups of 'Ultra-Patriots' and represents their interests." He is not certain whether Ana Zatonskya, an Almax employee who worked both in the Paksas campaign and later arrived in Lithuania to prevent his impeachment, is directly working for the Ultra-Patriots or is a mere Trustee. But he would not be surprised if she belonged to the former. Of Borisov, Limanov says, "I know for sure that he is directly connected to the GRU group of Ultra-Patriots…not as an officer on the payroll but as a Trustee." Finally, he believes that Paksas was under the control of Borisov without knowing that he was being used as a pawn to help Russian interests gain access to the highest reaches of the Lithuanian government. Moscow, however, had been watching him for years and concluded that he could be easily compromised. Limanov has reached these conclusions on the basis of sources that he is currently associated with and that belong to strategic agencies in Moscow – they are not based on past relationships.[26]

A lot more work needs to be done to determine how Iron Troikas function, but if one accepts that the Russian government is seeking to exploit them to promote Moscow's foreign policy and security goals, what are they? Five goals come to mind.

1. Moscow's activities in the Baltic Sea Region are driven by mundane commercial considerations. That is, they hope to consolidate Russian economic interests through former Soviet-bloc countries and use them as a pathway into the vast EU market.

2. The Kremlin wants to punish the four countries for joining NATO and to discredit them in the eyes of former Soviet entities that contemplate EU/NATO membership.

[26] Marius Laurinavičius, "Maskvos tinklai supančiojo R. Paksui rankas ir kojas" (Moscow's Web Tying R. Paksas's Arms and Legs), Lietuvos Rytas, July 23, 2004.

3. The Russian government hopes to use Iron Troikas to influence the activities of the four countries within the EU and NATO. For example, to marginalize them so that they are incapable of playing a substantial role in both bodies.
4. Russia remains wedded to the idea that it can Finlandize them; that is, to gain virtual control of their foreign policies.
5. Moscow hopes to destabilize all four of them and to force them back into Russia's sphere of influence.

Most observers of Russia and the Baltic Sea Region would agree that the first three objectives are plausible; indeed, facts on the ground already support them. They also might concur that the *siloviki* would like to achieve the fourth and fifth goals, but there is no evidence that efforts to achieve them are underway – nor are they achievable.

On the basis of the analysis provided here, the evidence supports the proposition that Kremlin operatives have made an effort to achieve all five, although with limited success. But there is no indication that they will desist in their efforts, and the West must respond accordingly. Since the Kremlin planners view Iron Troikas as instruments to advance Russia's security interests, it behooves the West to think of them in military terms and not to dismiss them as economic or law enforcement threats.

Policy Recommendations

It is plausible that with the help of vast profits secured through the sale of its energy assets, Russia will address and resolve the myriad problems that

[27] The current practice of denial recalls the failure of American policy-makers to recognize as late as mid-1991 that the Soviet Union was imploding and Mikhail Gorbachev's days were numbered. This myopia was driven by the conviction that a USSR in tact was better than one in disarray and that while Mikhail Gorbachev was not exactly a democrat, the people waiting in the wings to replace him "were worse." Gorbachev was providing stability to the USSR at a time when it needed it most. It was thinking along these lines that led to President George H. W. Bush's "Chicken Kiev" speech in the summer of 1991 when he urged the Ukrainians not to bolt from the USSR.

threaten its internal security. But one cannot ignore the possibility that the situation can get much worse, and, like their Soviet predecessors, the ruling elite proves incapable of preventing fragmentation of Russian society. If this outcome came to pass, it would have significant security implications for the international community.[27]

There is a new threat from Russia, however, that is existential. It involves the activities and actors associated with Iron Troikas that jeopardize the security of the EU/NATO member states in the Baltic Sea Region. These threats have been ignored for a while because they do not involve traditional military operations – no tanks are crossing borders nor are cities being devastated by air strikes. What's more, the four countries under scrutiny have found a safe harbor in NATO, so nothing really bad can happen to them, at least at the hands of an outside military force.

Finally, Western analysts have ignored Iron Troikas in the Baltic Sea Region in the conviction that the countries in question all enjoy "democratic consolidation" and cannot be subverted by hostile foreign intervention. All four have conducted numerous free and open elections since the collapse of communism, and the rule of law prevails in spite of the aforementioned scourge of corruption. With Paksas's impeachment, Lithuania faced a serious political crisis but resolved it within its constitutional and legal system. Perhaps the Russians tried to meddle in the country's internal affairs in the hope of subverting the Lithuanian government, but that did not happen.[28]

The events surrounding the Paksas affair, however, suggests Moscow came very close to subverting that country's democratic institutions.

When a comprehensive assessment of Lithuania's political crisis and the work of Keith Smith and Janusz Bugajski are taken into account, there is ample evidence suggesting that Iron Troikas are a threat to European and transatlantic security. Many analysts, journalists and politicians in the region have expressed alarm about their inability to deal with the Russian subversive campaign to undermine their political systems.

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[28] This was the reaction that I received upon presenting my findings at two briefings at the Woodrow Wilson Center in 2004. On one occasion, a member of the audience, a former State Department official, observed that he found it rather strange that I was talking about Russian attempts to subvert Lithuanian democracy when it just entered NATO.

Clearly, the imperial-minded in Moscow, who deem the Baltic democracies an integral part of Russia's geo-political space, are encouraged by Western failure to confront President Putin on this matter.

In spite of being disheartened by Washington's silence on Iron Troikas, security officials in the Baltic Sea Region are even more disenchanted with their European EU allies. They lament that neither the EU nor the major states associated with it – France, Italy, Germany and the UK – are prepared to confront Russia and acknowledge the Kremlin's efforts to compromise them. Desperate for Russia's energy, they do not want to provoke a row with Putin. The Balts and the Poles, in particular, have expressed concern about Germany's plans to build a pipeline under the Baltic while not even bothering to consult them on this vital matter. As a consequence, they look to the U.S. to address the "new threat from Russia " because they have nowhere else to go.

Of course, any truly effective response to Russia's stealth imperialism must involve a joint EU-U.S. effort to put Putin on notice that threats to Poland and the Baltic states will not be tolerated. Consequently, just as the U.S. took the lead in encouraging European countries to support the latest round of NATO enlargement, it will have to take the initiative on this matter as well. Measures taken to cope with the threats associated with Iron Troikas must be holistic, and the Americans and Europeans must back their words with actions. While there may be many branches of the American government associated with this enterprise, it is predicted on the assumption that it is a security problem that cannot be treated piecemeal or via ad hoc measures.

On the economic front, the time is long overdue to acknowledge that the West must develop a comprehensive energy security program; energy security can no longer be treated as a matter of the free market alone. In London's Financial Times, hardly a mouthpiece for left-wing orthodoxy, Phillip Ellis, an advisor to The Boston Consulting Group, writes. "Energy security, including energy at affordable prices, is a basic public need that cannot be met purely by market forces when a country is short on domestic energy reserves." Moreover, "The passive role that government has played in energy security since the Thatcher-Reagan revolution is a luxury we can no longer afford."[29]

[29] Phillip Ellis, "The state must be responsible for energy security," Financial Times, September 15, 2005.

If the Americans and Europeans are going to deal with the vulnerability of the Western alliance to energy blackmail, whatever its source, they must develop a global energy security strategy; failure to do so will place the security of all Western democracies at risk. This means, of course, addressing the controversial question: "In light of the critical role energy plays in the economic vitality of the Western democracies, can we allow free market forces alone to determine the availability and price of this strategic resource?" The answer is obviously a resounding "No!"

A stable supply of energy represents the center of gravity in determining the outcome to the most pressing security issues in the 21st century. By definition, OPEC as a cartel is in direct violation of free market principles. But, as we have indicated, so is Russia. Consequently, by itself a free market response to the problems that they promote is inappropriate.

Turning to less dramatic responses to the Iron Troikas threat, Keith Smith writes: "The EU's focus has been upon increasing supplies from Russia instead of on the conduct of Russian companies in the region." Individual EU countries have chosen to deal with Russia on a bilateral basis and to ignore complaints from East European members about Russia's harmful economic policies. Here he mentions the proposed gas pipeline that will run under the Baltic Sea from Russia to Germany. Since he first wrote about it, German and Russian officials have moved forward toward finalizing an agreement; one that the Poles and Balts have condemned because it is directed at them and has no economic justification. Their counterparts in Berlin have ignored their complaints, and this response will encourage Putin to look toward the future with the expectation that his energy card will serve as a wedge within the EU. At the same time construction of the North European Gas Pipeline will undermine efforts to develop a pan-European energy policy.[30]

Smith devotes a long detailed analysis of what should be done to cope with Russia's playing the energy card at the expense of both EU and NATO members in the EBSR. Brussels must reconsider measures that compromise the ability of the four countries to cope with Russia's predatory economic policies. For example, the closing of Lithuania's nuclear power complex at

[30] For a discussion of the GNP dispute, see Federico Bordonaro, "German-Russian pipeline plans upset neighbors," INS Security Watch, September 28, 2005, pp. 1-4.

Ignalina (assuming it is a safe facility) and efforts on Brussels' part to reduce their dependency upon Russia, such as making it more feasible to purchase petroleum from Norway.

The single most important measure that the EU could take is to have Russia sign the EU's energy charter, "which requires the parties to be more transparent and competitive in their business dealings with member state companies. Transneft should be required to give up its monopoly pipeline to the West, and, along with Gazprom, should be made to allow other gas companies to use its pipeline system, particularly in the case of spare capacity."[31]

Directing his attention toward Washington, Smith observes. "The United States has not had a well-documented policy focused on countering the dubious business practices of Russia's energy companies. Nor has much attention been paid to the growing potential for these firms and the Kremlin to undermine the new political and economic systems that emerged from the collapse of communism in East Central Europe."[32]

Among specific measures the U.S. must take to reduce New Europe's energy dependence upon Russia, Smith provides the following. The U.S. embassies in all four countries (and he includes Ukraine) must conduct studies to determine their energy dependence on Russia and the findings should be used in negotiations with the EU to determine how that dependency can be reduced. The U.S. must take a host of measures to encourage greater transparency on the part of Russia's energy giants – including closing markets to those Russian companies that do not practice it. With the EU, the U.S. should press Russia to adopt real privatization policies in its energy sector and both should fund expensive regional projects to help meet the energy needs of all five countries as well.

Turning to recommendations pertinent to the diplomatic and political dimensions of the Iron Troika threat, it is imperative that the West in its relations with Russia acknowledge their existence. Developing a cooperative relationship with Russia is a vital U.S. goal, but in approaching it, we cannot fantasize about Russia's true nature. Few serious observers of Putin's Russia would agree with the assessment that Russia shares common values with

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31 Smith, Russian Energy, p. 65.

32 Ibid., p. 59.

other democracies. This is certainly not the case of the ruling elite or, for that matter, of most ordinary Russians. The rule of law in Russia is a shame pure and simple.

The U.S. and the EU must confront Moscow on its manipulation of Iron Troikas at the expense of American allies. Not to do so will send mixed signals to the Kremlin, lead to failed policy initiatives and undermine cooperation between both sides that is based on a sound assessment of facts on the ground.

At the same time, Washington and the European capitals must put Poland and the Baltic countries on notice that the failure to fight corruption and crime and the complicity of local economic and political elites in promoting the *siloviki's* imperial objectives – even though greed and not treason may be the basis for their complicity – cannot be tolerated. The New European countries seeking NATO membership were required to adhere to certain principles in keeping with democratic practices. Why should these same principles be ignored by member states after they join NATO?

In conclusion, NATO must provide a comprehensive response to this "other than war" security menace to new member states.

KALININGRAD ANNIVERSARY: THE FIRST STEPS OF GEORGY BOOS*

Raimundas Lopata

Introduction

The origin and originality of the problem often referred to as the Kaliningrad puzzle are geopolitical. Their concise description could be as follows. The part of Prussia taken by the Soviet Union after the Second World War was transformed into a gigantic Soviet military base. It performed the functions of the exclave against the West and of the barrier which helped the USSR to ensure the dependence of the Eastern Baltics and domination in Poland. After the Cold War, the territory of 15,100 square kilometres with a population of almost a million, owned by Russia and located the farthest to the West, although on the Baltic Sea, ashore became isolated from the motherland and turned into an exclave. Gradually that exclave found itself at the crossroads of different security structures and later – surrounded by one of them. Changes in the situation gave rise to the so-called Kaliningrad discourse, i.e. political decisions influenced by international policies in Central and Eastern Europe and academic discussion and studies of the role of this Russian-owned exclave in the relations of the East and the West.

The academic literature reveals quite a broad panorama of interpretations of this topic. It should be pointed out that the issues which appeared atop of the research – how the collapse of the USSR affected the situation of the Kaliningrad Oblast, what it would be in the future, what role would be played by the motherland and the neighbours, what influence it would experience from the Euro-Atlantic development to the East, how the international community should help the Oblast to adapt to the changing environment, etc. – mostly coincided with the slips of the West-East relations after the Cold War. As the

* This article is a part of the broader monograph by R. Lopata, "Anatomy of Hostage: Kaliningrad Anniversary Case", to be published in English in Tartu, Estonia, in March of 2006.

latter were essentially marked by the search for the so-called new security architecture, the Kaliningrad topic was dominated by the tendency of overcoming insecurity, "a threat potentially encoded in the Oblast."

At the end of the 80's and beginning of the 90's that tendency was reflected in texts modelling the future of the Kaliningrad Oblast based on the Potsdam Tail and analysing the military threat constituted by the Oblast to the security of the Baltic Sea region. In the mid-90's, the idea of Kaliningrad as the "Baltic Hong Kong" started developing as an alternative to various internationalisation and demilitarisation proposals for the Oblast. It aimed at revealing the potential of the Oblast as a possible economic link between the East and the West. At the turn of the century, following practical steps to reduce the militarisation level of the exclave, the Kaliningrad topic became more focused on non-military threats. More and more attention was devoted to issues relating to the impact of the expansion of the European Union to the East on the socioeconomic development of the Oblast, its lagging behind its neighbours and consequences of turning into a "double periphery."[1] Popularity was acquired by recommendations suggesting that such problems should be overcome relying on the principles of organising the political space which were followed by the EU multi-stage governance logic and spread with EU enlargement: deterritoriality, devaluation of the state borders and qualitative change of their functions, border cooperation and international interconnectivity enhancing mutual dependence of regional players.[2] Finally, a few years ago, after the Kaliningrad Oblast found itself surrounded by NATO and the EU, related tension was attributed to the practical and technical decisions concerning Russian passengers, goods and military transit to/from the Kaliningrad Oblast.[3]

Thus, the Kaliningrad Oblast did not become the factor which would block the development of Euro-Atlantic institutions, nor did it cause a military

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1 Lopata R. Naujausios kaliningradistikos apžvalga // Politologija. – 2002. – No. 1. – P. 96 – 104.

2 Joenniemi P., Dewar S., Fairlie L.D. The Kaliningrad Puzzle. – Karslkrona: The Aland Islands Peace Institute, 2000. – P. 3 - 4, 26.

3 Daniliauskas J., Stanytė-Toločkienė I. Derybos dėl Kaliningrado tranzito // Maniokas K., Vilpišauskas R., Žeruolis D. Lietuvos kelias į Europos Sąjungą. – Vilnius, 2004. – P. 309 – 349.

conflict as was sometimes forecast, and eventually did not turn into a "black hole" in the so-called soft security context**,** or a site of socioeconomic destabilisation in the Baltic Sea region, which was also widely discussed and written about. In other words, it could be stated that the Kaliningrad wheel is moving forward encouraging thoughts of progress after each cycle.

On the other hand, the optimistic scenario which required unconventional solutions to the situation in place and outlined the principles of free trade, wide autonomy and clear independence in the actions of the Oblast did not come true either. Discussions as to whether the overlapping process of the West and the East structures seen in this part of the Baltic Sea region has essentially neutralised the "potential encoded threat" in the Oblast are still hot. In fact, this demonstrates that the Kaliningrad topic remains especially sensitive. Clear evidence thereof could be seen in mid-summer of 2005 when Russia organised a pompous celebration of the 750th Anniversary of Kaliningrad in the first three days of July.

A missed opportunity and further complications of the Kaliningrad puzzle are just a few evaluations of the Kaliningrad Anniversary expressed by foreign political observers.[4]

"Whenever Russia is on some bigger booze, Lithuania faces political upheaval and the EU holds another sycophancy race who will ingratiate Putin more."[5] It is undoubtedly sarcastic but not deprived of felicity in characterising the peripeteia of the 750th Anniversary of Kaliningrad as they have been perceived in Lithuania.

One cannot be but charmed by those political observers who manage to describe processes tormented by political scientists in long articles or even monographs in just one sentence. No doubt, political scientists would go into broad explanations of the situation. Here colleagues, journalists appeal to the disgraceful step of Minister of Agriculture of Lithuania Kazimiera Prunskienė – her visit to Kaliningrad despite the fact that her counterpart from Russia did not invite the president of our country to the celebration and objections of the Ministry of Foreign Affairs and political tension caused

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4 Dewar S. Lost Opportunity // http://kaliningradexpert.org./node/1578

5 Valatka R. Kremliui – šventės, ES – pagirios // Lietuvos Rytas. – 4 July 2005 – No. 153.

thereby in the country. The same could be said about toasts pronounced by German Chancellor Gerhard Schröder and French President Jacques Chirac together with Vladimir Putin to the non-existent city of Immanuel Kant.

Certainly, political scientists would not miss an opportunity to add something. Inga Stanytė-Toločkienė in a popular fashion, focusing on the meeting of the heads of Russia, Germany and France in Svetlogorsk (Rauschen) wrote: "…only the German chancellor and the French president were invited to attend the celebration. Heads of the neighbouring countries did not receive such an invitation. Vilnius started talking about the Moscow-Berlin axis. Warsaw did not hide its disappointment with Germany and Russia either. The acceptance of Putin's invitation made the countries of the Baltic Region play the role of supernumeraries in the relations of Russia and the EU /.../ The tendency to talk and 'solve problems' with the largest countries is perfectly in line with Russian diplomatic traditions. It suffices to remember that at the end of 2000 the representatives of Moscow spoke about the desire to limit the activeness of foreign (neighbouring) countries towards Kaliningrad until Russia finalised its negotiations with the EU regarding transit to the Oblast. At the same time, Russia had active dialogue with some EU Member States. The Kremlin managed to win discounts from the EU. During the last month the voices speaking about the necessity to create a multi-speed Europe with the nucleus comprising closely cooperating old Member States have been prominent in the EU Member States. Thus the choice of partners in whose company the Russian President was willing to celebrate the 750th Anniversary of Kaliningrad seems especially logical."[6]

However even Inga Stanytė-Toločkienė studying the Kaliningrad problems for five years did not see quite clearly whether namely such an interpretation of the summit of the three could help in trying to answer several more questions. The author formulated them as follows in her popularising article:

"Festivities will last for the entire weekend. There are many of them: nine international festivals, three exhibitions, nearly two dozen concerts, ceremonial attribution of Kant's name to Kaliningrad University, a spectacular procession and even a bikers' show. By the abundance and effectiveness of

[6] Stanytė-Toločkienė I. Pavojaus signalai per jubiliejų // Lietuvos Rytas. Rytai – Vakarai. – 2 July 2005 – No. 152.

events these festivities are not expected to equal the 300th Anniversary of Saint Petersburg celebrated in 2003. However, why is such significance given to the anniversary of a city which for a long time was the capital of Eastern Prussia?

"It would seem that anniversary festivities and the simultaneously held meeting of the State Council to discuss the prospects of reforms in the Kaliningrad Oblast witness positive changes. Maybe this could be the acknowledgement of miscellaneous historical experience? Or a striving to take real steps modernising the Oblast and integrating it into the European processes? The official concept of the anniversary celebrations seems to be in line with such an assumption. Slogans of the celebration days: "Kaliningrad – One City, One History", "Russian City in the Heart of Europe", "Kaliningrad is Where Russia and Europe Meet" – demonstrate the acknowledgement of historical experience and at the same time emphasise the importance of partnership with Europe."[7]

It is worth pointing out that quite some time before the anniversary celebrations, when some news started spreading about considerations concerning this issue in Kaliningrad and Moscow, many analysts posed similar questions.[8] They all relied on the cornerstone – *What are the real intentions of the organisers of the celebration of the 750th Anniversary of Königsberg/Kaliningrad?*

How to study the Kaliningrad issue?

At least several options exist. For example, the so-called discourse analysis. How to use it has recently been shown by Pertti Joenniemi and Vyacheslav Morozov studying the 300th Anniversary celebrations in Saint Petersburg in 2003 as a mnemonic battle.[9] Admitting that debates on the issue raised many

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7 Ibid.

8 Karabeshkin L., Wellman Ch. The Russian Domestic Debate on Kaliningrad: Integrity, Identity and Economy // Kieler Schriften zur Friedenswissenschaft. Kiel Peace Resaerch Series. – Műnster, 2004. – Band No. 11. – P. 29 – 34.

9 Joenniemi P., Morozov V. The Politics of Remembering: Saint Petersburg's 300th Anniversary // Journal of Baltic Studies. – Winter 2003. – Vol. XXXIV. – No. 4. – P. 375 – 396.

fundamental problems, the authors exclusively focused on interpretations of historical heritage: whether they promote nostalgic feelings for the "good old" imperial times, favour the modern urban conceptualisation, i.e. political, cultural and territorial demarcation, or vice versa, they reveal post-modernist spirit encouraging one to open to the changing external environment characterised by deterritoriality, localisation, regionalisation and Europeanisation? In other words, in analysing the discourse of the Petersburg celebrations the researchers did not conceal their attempts to do a test whether and how Saint Petersburg (Russia, in fact) is ready to use historical heritage to project their relations with Europe. This way, for example, it would be possible to provide a comprehensive analysis of the official concept of the Kaliningrad anniversary celebrations.[10]

Incidentally, Joenniemi together with Christopher S. Browning applied the same analytical scheme of competing modern and post-modern discourses to the Kaliningrad Oblast.[11] They were interested in the problem raised by Noel Parker of how marginal provinces located in the outskirts of different political centres (including structural overlapping areas) using namely their territorial peripherality can benefit acquiring resources and influence. Identifying differences between modern and post-modern approaches to the periphery, Parker accentuated four criteria: self-identification of the periphery, border conceptualisation, relations with the centre/-s, possibilities for representation and influence.[12] In the modern (closed) discourse the marginal province is perceived as an integral subject of the state. Its borders are fixed and impermeable ("billiard ball" countries). The periphery is ruled by one centre assessing it as the final limit of the state territorial sovereignty. It

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10 Konsepciya prazdnovaniya 750-letiya osnovaniya Kaliningrada. – Mezhregionalnii Press-Centr, – 2005.

11 Browning Ch. S., Joenniemi P. The Identity of Kaliningrad: Russian, European or a Third Space // Tassinari F. (ed.). The Baltic Sea Region in the European Union: Reflections on Identity, Soft-Security and Marginality. – Gdansk, Berlin, – 2003. – P. 58 – 99; Browning Ch. S., Joenniemi P. Contending Discourse of Marginality: The Case of Kaliningrad // Geopolitics. 2004. – Vol. 9. – No. 3. – P. 699 – 730.

12 Browning Ch. S., Joenniemi P. – Contending Discourse of Marginality. – Op. cit. – P. 703 – 705

finally becomes a defence object of the state using the threat factor to expand its influence. At the same time, in the post-modern (open) discourse the periphery is treated as an interstate link with flexible borders open for revision; it is connected with one or more centres and is able to freely relax from previous constraints.

Relying on the ways of treating modern and post-modern peripheries defined by Parker and supporting his thought about the influence of one or another discourse on the periphery by properly selecting the strategy, Joenniemi and Browning clarified how those ways corresponded to the three factors: regional subjectivity (identity, maturity of the elite), international and regional structure and the discourse role of this environment, and historical narrative resources of the periphery. They specifically analysed the paradigms of Kaliningrad as a military outpost and the fourth Baltic republic referred to as modern ones and the post-modern paradigm of Kaliningrad as a pilot experimental region. Some insights revealing certain aspects of the relations between Moscow and Kaliningrad (for example, the discourse of Kaliningrad as a military outpost spread by the motherland in the early 90's was useful for and supported by the Oblast as it guaranteed resources and certain economic security and stability) were interesting.[13] True, the final conclusion of the authors was characterised by flexibility. It announced that the identity of the population of the isolated region as well as the dynamics of relations between the motherland and the province were of especial importance for the manifestation of influence of the Oblast but an answer to the question of which paradigms would be more favourable for the marginal periphery to turn into a region with more autonomy and potential power depended on specific circumstances.

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[13] True, the authors interpreting the situation, apart from anything else, also appealed to the absence of self-identity among the Kaliningrad population (Ibidem. – P. 716). However they could not explain why at that time 20% of the population of the Oblast supported the independence of the Oblast, and 50% supported the idea of the Oblast having more rights.
See Savkinas A. Santykiai tarp Kaliningrado srities ir jos kaimynų: esama padėtis ir jos vystymosi perspektyvos // Lietuva ir jos kaimynai. – Vilnius, 1997. – P. 113-118; Gricius A. Kaliningrado srities raidos perspektyvos ir saugumo aspektai Baltijos regione // Ibidem. – P. 121 – 122.

It would be difficult to argue such conclusions. Especially because there are other studies confirming the same. True, these works based on neorealist and geopolitical perspectives focus on namely the relations between Moscow and Kaliningrad.[14] Their significance for the development of the Oblast is not only acknowledged but attempts are made to specify the mechanism of such dynamics applying the principles of research into exclaves introduced by Honore Catudal.

Comparative studies of the triangle – the metropolis ("motherland") – the territorial political anomaly (exclaves, enclaves) – the neighbouring state (-s) – carried out by Catudal prove that motherlands are mostly concerned with the task of strategic capacity to govern territorial fragments.[15] It requires ensuring security, proper socioeconomic development and communication with separated regions as well as targeted efforts in shaping the loyalty of the population of the territorial anomaly to the centre. Therefore, motherlands looking for ways to neutralise threats to the preservation of sovereignty usually strive to establish in territorial anomalies administration which would not violate the principles of political territorial control prevailing in the state and spare no effort in ensuring effective communication therewith ("ignoring the host state"). The role of the host state is reflected in the response to the actions of the motherland undertaken with a view to ensuring communication with the exclave/enclave. And the latter, especially in the cases where the problems of relations between it and the motherland reach the level of so-called "high" politics, experiences "the exclave/enclave syndrome" – if such territorial formations are treated as specific or special but the specific needs of their population are not realised through specific measures, such a formation finally "loses" the desire to have a special status. In other words, the above

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[14] Holtom P. Kaliningrad in 2001: From Periphery to Pilot Region // Russian Participation in Baltic Sea Region-Building: A Case Study of Kaliningrad. – Gdansk, Berlin, – 2002. – P. 36 – 67; Lopata R. Geopolitinis įkaitas: Rusijos Federacijos Kaliningrado (Karaliaučiaus) srities atvejis // Lietuvos Metinė Strateginė Apžvalga. – Vilnius, 2004. – P. 177 – 192 (also in English); Lopata R. Kaliningrad, otage géopolitique de la Russie. Un point de vue lituanien // Le Courrier des pays de l'Est // Paris. – Mars – Avril 2005. – No. 1048. – P. 30 – 39.

[15] Catudal H. The Exclave Problem of Western Europe. – Alabama, 1979. – P. 60 – 66.

triangle gives the key role namely to the motherland, its strategy and tactics with respect to the separated territory.

An example of the aforesaid attempts to detail those principles when studying the relations between Moscow and Kaliningrad would be the concept of a geopolitical hostage presumably revealing the essence of the Kaliningrad dossier.[16] What is it?

It is a tangle of expressions of the status of relations of the motherland (the Russian Federation) with its geopolitically separated territorial fragment (the Kaliningrad Oblast) depending on internal and international factors. For over fifteen years combinations of internal and external factors have determined their diversity this way or another making Russia face the tasks of retaining, effectively governing and controlling the territorial fragment, i.e. preserving sovereignty and assuring legitimacy. While the academic community is obstinately looking for visions of the future of the Oblast, Moscow is solving somewhat more pragmatic issues. The motherland faces certain complications provoked by the dilemma between the role which, in Moscow's opinion, legitimately (*po pravu*) belongs to it and the role which it is let to play by the external environment. In other words, Russia is forced to correct its chances to implement one or another strategy of relations with the fragment adjusting it to the changing situation both in and around the Oblast. Failure to solve this dilemma would create a real opportunity for the Oblast to break away from Moscow, without negating the motherland defragmentation scenario.

Precisely because of that Moscow tried to turn this Oblast into a geopolitical hostage – a territory received in the process of cession as the spoils of war which is to be not only retained (the internal aspect) but is also to make other countries and international institutions refrain from any direct or indirect act of liberation of the hostage (the external aspect). As regards the specific features of Kaliningrad (the Potsdam Tail, geopolitical location, socioeconomic factors), namely the internal aspect officially covered with the external one may be of greater importance for Moscow. Formally, the motherland does not object to and even promotes interpretations of the province

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16 Lopata R. Geopolitinis įkaitas. – Op. cit. – P. 181; Lopata R. Lopatologija: apie politinį popsą. – Vilnius, 2005. – P. 198.

as a specific region. However in practice it does not allow such uniqueness to be manifested. This is a way to invoke and support a peculiar Stockholm Syndrome* in the Oblast – the Kaliningrad population must themselves reconcile with the status of an ordinary region of Russia, i.e. all decisions regarding the expression of the Oblast will be taken by Moscow and the Oblast will not be allowed to express itself as a subject.

We targeted out study of Kaliningrad's 750th Anniversary to check this version. True, those who more or less attentively followed the anniversary case would probably agree with the idea that the proposed ways of analysis do not exclude but rather complement each other. Certainly, the Russian rhetoric referred to as the European one was prominent in the case. It demonstrated the Russian approach to the historical heritage of the Kaliningrad Oblast. However it also highlighted the practical relation of the Russian foreign policy to Eurocontinentalism, Central Europe and the placement of the Kaliningrad factor therein. The outlines of the regional policy of the motherland framing relations with the specific subject of the Russian Federation were also visible. To make a long story short, we saw essentially all aspects attributable to the Kaliningrad dossier.

The analysis has revealed that Moscow is preparing for serious corrections in its policy towards this region. The same is shown by a decision maturing in the celebration peripeteia to change the political management of the Kaliningrad Oblast. Below, the survey of appearance of the new governor of the Oblast unveils and explains the circumstances of this remarkable shift.

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* The first one to use the Stockholm Syndrome concept in 1978 was U.S. psychologist F. Ochbergh who studied the hostage drama of 1973 at the Stockholm Sveriges Kreditbank. The American used it to define a psychological phenomenon when hostages start feeling sympathy for their captors and feel like ingratiating them, fulfilling their wishes, cooperating, forgiving and justifying their behaviour and start feeling antipathy to their rescuers. As for political manifestations of the Stockholm Syndrome, some appeal to the Western Berlin of the end of the eighth decade and the beginning of the ninth decade of the 20th century where the population, especially the young generation became ambivalent to the unification of Germany and the issues of relations between the GDR and Western Berlin due to continuous tension. See – Dean J. The Future of Berlin // Moreta E. (ed.) Germany between East and West. – Royal Institute of International Affairs: Cambridge University Press, 1989. - P. 172.

Georgy Boos: "Russian Window to Europe"

From a formal point of view, it is somewhat awkward to speak about post-anniversary Kaliningrad because Decree No. 1353 of the Russian President of 13 November 2003 announced the celebration of two dates, not only the 750th Anniversary of the City of Kaliningrad but also the 60th anniversary of the Kaliningrad Oblast. The decision to focus on the former as a core event did not mean that the latter had been forgotten. The recommendation was to "attach" a relevant label to most of the major cultural events to be held in the Oblast after 3 July. In other words, the celebration was to go on for an entire year. In addition, preparations were underway for another planned event on 19 November 2005, i.e. the inauguration of the governor. The inauguration took place, although much earlier than anticipated. And after that, celebrations were certainly not on most people's agenda. This development overshadowed the emerging discussion over the significance of the city's anniversary for the Oblast as well as the dividends it might reap from the forthcoming visit by Putin. It also became a kind of a threshold of the new stage in the Kaliningrad case.

The anniversary was supposed to give start to the fight over the governor's chair. After the event, headlines implying such a possibility appeared in the local press of the Kaliningrad Oblast and later in the newspapers of the motherland.[17] However, the anticipated fight never happened. The new governor was sworn in and took office on 28 September rather than on 19 November. Moscow decided to act and solve the governor's issue quickly and tellingly. The action was illustrated by several parallel and complementary processes: the appointment of the new favourite and the campaign to discredit Vladimir Yegorov during his last days in office.

Below is a short chronology of these processes which developed at a lightning pace.

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17 A v glazakh – revnost. Yubilei Kaliningrada dal start borbe za gubernatorskoye kreslo // Komsomolskaja pravda v Kaliningrade – 07 07 2005; for more about the related media publications in the metropolitan area see: Kaliningradą valdys Kremliaus vietininkas // Lietuvos Rytas. - 9 August 2005 – No. 183.

On 4 July, Putin offered Georgy Boos, deputy speaker of the State Duma, to take the governor's office.[18] The latter did not object. The rest was just a formality: the Kremlin took care of the appointment procedure and Boos made relevant preparations.

On 6 July, the expert opinion on the SEZ in the Kaliningrad Oblast was published by the Audit Chamber of the Russian Federation.[19] It did not bode well for the administration of the Oblast. Experts concluded that tax incentives in the Oblast cost the Russian budget 32.49 billion roubles in 2004.

On 25 August, Klebanov indicated during consultations with local politicians that he would propose two candidates, member of the Yedinaya Rossiya party Boos and Kaliningrad Deputy Governor Yury Shalimov, to the president. The Presidential Envoy to the Northwestern Federal District also hinted that he had offered several alternate jobs for Yegorov in Moscow. The next day, Vladimir Nikitin, speaker of the Oblast Duma, was summoned to the Kremlin where he was offered the chance to discuss the prospects of strengthening the role of the motherland in the Oblast and introduced to the candidacy of Boos.

On 29 August, Klebanov officially submitted the names of the two candidates to the office of the Kaliningrad Oblast governor to Putin. Several days later there were publications in the media claiming that Yegorov requested to represent Russia in Belarus after his term of office and that Boos was on his way to Kaliningrad to deliver his speech on the regional development programme.[20]

The deputy speaker of the State Duma arrived in Kaliningrad on 2 September and stayed there for four days. According to the reporters, Boos "acted as if he had already been appointed" and ignored the statements by

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18 Na post kaliningradskogo gubernatora pretenduyet bivshii nalogovik, vice-spiker Gosdumi Georgii Boos, 05 07 2005 // http://www.newsru.com/russia/05jul2005/boos

19 Shchiotnaya palata raskritikovala zakon ob OEZ // www.news.ru/newsline/index.shtml?2005/07/06/181782

20 Rossiya mozhet poslat v Belorusiyu eshchio odnogo gubernatora // http://www.rosbalt.ru/2005/08/30/223691.html; Rodin I. Boos zakroet okno v Evropu, no otkroet ulitsu. Vice-spiker sostavil plan raboti v Jantarnom krayu // Nezavisimaya gazeta. – 31 08 2005.

Yegorov of his intent to continue in office for the full term.[21] At the same time, Klebanov pointed out that Yegorov had been offered appropriate public service positions, while the Oblast was overtaken by rumours about the new corruption scandal brewing in the governor's office over the lease of hunting areas previously supervised by the administration of the Oblast to private undertakings including one run by the son of Yegorov.

On 13 September, Nikitin received an official submission by Putin, which was way before the deadline of 15 October, for the appointment of Boos as the new governor of the Oblast. The speaker of the Oblast Duma, after consultation with Klebanov, decided to submit the candidacy of Boos for discussion during the first Duma hearing to be held after the summer break on 16 September.[22] Nikitin insisted that a favourable decision by the Duma members would not result in any diarchy in the Oblast. Yegorov would continue in office until 19 November when the new governor would be sworn in and would formally take office. Meanwhile Klebanov made it plain that at 66 the ex-Governor might not be able to continue in the public service. By contrast, the president's envoy claimed that the new governor was merely 42 and he had already earned "federal acclaim."[23] Klebanov appealed to the extensive experience gained by Boos serving on the State Duma (from December 1995) and efficient work in the position of the head of the State Tax Authority and, after reorganisation, the Russian Federation Ministry for Taxes and Duties (1998-1999).

On 16 September, 27 members of the Oblast Duma, with two votes cast against, supported the submission by Putin and deputed Boos to the office of the Governor for the period of five years. Three days later Yegorov met Boos in Moscow and announced his resignation.[24]

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21 Boos znakomitsia s lichnymi delami sotrudnikov Kaliningradskoj administraciji // http://www.rosbalt.ru/2005/09/06/224697.html; Riabushev A. Boos udarilsia v obeshanija // Nezavisimaja Gazeta. – 05 09 2005.

22 Kaliningradskaja Oblduma zavtra reshit vopros s Boosom // http://www.rosbalt.ru/2005/09/15/226351.html

23 Smirnov V. Chelovek s federalnoj prochodimostju // Komsomolskaja pravda v Kaliningrade. – 17 09 2005.

24 Kaliningrade – naujas vadovas // Lietuvos Rytas. – 29 September 2005 – No. 226.

On 28 September, the Oblast Duma accepted Yegorov's resignation and swore in Boos. The inauguration of the new governor took place in the evening of the same day.

Formally it looked like the motherland had carefully followed every letter of the law of 12 December 2004 regulating the appointment of governors: the president's envoy to the Northwestern Federal District held consultations with local politicians, delivered the list of candidates for the governor's position to Putin in due time, the Kremlin administration discussed these candidates with the leadership of the Oblast Duma, Putin made his submission which was discussed and approved by the Oblast Duma.

However, a closer look shows that the situation is reminiscent of the developments five years ago. At that time, outgoing Governor Leonid Gorbenko was taking part in the election race but fell under heavy criticism for his ties with the criminal world, promotion of smuggling, etc. Stories about the criminal rampage by the "governor's entourage" were even published in *The New York Times*. Even though Gorbenko was not re-elected, he received a personal gift from the president – a special watch with the inscription "For achievements in developing the economy of Kaliningrad Oblast."[25] The election of Yegorov, who was favoured by Putin, gave hope that the region would finally receive support from the federal government and that the residents of Kaliningrad would not be left on their own facing the inevitable enlargement of the EU. The leadership of the Oblast Duma also showed their strong support for Yegorov both during and after the election.

Now, five years later, the Kremlin delegates again promised special treatment for the region surrounded by NATO and EU members. Putin's representatives insisted that the anniversary was intended to demonstrate to everyone that the territory would never and under no circumstances be surrendered to anybody.[26] The words had to be supported by practical implementation of the Kremlin's aim to strengthen of the role of the motherland in the region. The mechanism of "controlled democracy" was engaged. The candidates selected by the Kremlin were members of Yedinaya Rossiya, which

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25 Lopata R. Geopolitinis įkaitas. – Op. cit. – P. 189.

26 Andrey Stepanov: "Nikto i nikogda ne sobiraetsia otdavat etu teritoriyu, 14 07 2005 // http://www.kaliningrad.ru/news/politics/k51355.html.

had a dominant majority of 19 members in the Oblast Duma. The Oblast Duma, which had been supporting Yegorov for a long time and whose leadership had promised intense discussions, especially over non-local candidates, obeyed the Kremlin even before Putin made his submission (by the way, after the successful procedure of appointment and approval of Boos, Putin proposed an amendment to the law of 12 December 2004 entitling the dominant majority in regional parliaments to submit candidates for the governor's office to the president). At the same time, Yegorov was definitely under pressure to leave his office as soon as possible, first by promising him positions in the public service and then by appealing to his old age and withdrawing these promises as well as initiating journalist investigations into the outgoing governor's personal responsibility for corruption in the regional administration. So the natural question is: Why was the Kremlin in such a rush and what were the underlying interests?

It must be said though that the ex-governor claimed that it was he who decided to resign prematurely and that he felt no pressure and only tried to maintain public, political and economic stability in the region. He also appealed to pending adoption of the SEZ law and approval of the federal budget for 2006 and federal strategy for socioeconomic development of the Kaliningrad Oblast. "I hope that the new governor will be able to raise the additional money, approximately three billion roubles, necessary to tackle the problems of this region," said Yegorov.[27] In other words, he agreed with Klebanov that Boos was a more powerful figure.

It was an important factor from which Boos, with the assistance from the Kremlin and the leadership of Yedinaya Rossiya, reaped benefits. But was that the most important thing? Yegorov himself had also been viewed as

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[27] Gubernator Vladimir Yegorov slagaet polnomochiya i utochniaet formulirovki // http: // www.kaliningrad.ru/news/politics/k61737.html; As stange as it may seem, but the next day after inauguration of Boos it was announced that 3.08 billion would be invested into construction of the TEC-2 power plant in Kaliningrad (TEC-2 poluchila investiciji na dostroiku, 29 09 2005 // http://www.kaliningrad.ru/news/economy/k63469.html). Maybe it was just a coincidence. Putin demanded that the federal authorities speed up construction of TEC-2 after he listened to complaints from Yegorov during his visit to Kaliningrad.

a powerful politician close to Putin for a long time. However, the Kremlin insisted that the region was in crisis because its administration was totally inefficient, corruption was widespread, major economic and environmental problems were ignored, and the benefits of the special economic zone were not captured.[28] Although the disputes between the motherland and the Oblast over the SEZ law were not brought back, the implications were quite clear: the office of the governor should be in the hands of a person free of any local interests.

Boos was more subtle. He promised to take the interests of small and medium-sized businesses on board during discussion of the draft SEZ laws and to rely on the local political elite when selecting his team. Admittedly, the new governor kept his promises. In early October, the Yedinaya Rossiya group in the State Duma decided to postpone the reading of the SEZ law and the official government of the Kaliningrad Oblast formed by Boos included two deputy prime ministers and six of the 12 ministers who were from Kaliningrad.[29] However, these measures were more of a shock-absorbing nature designed to "mitigate" the governance reform started by Boos and implementation of the new economic development outlook for the Kaliningrad Oblast.

The fact that the outlook was bright and that the population in the Oblast in five years would be able to enjoy the same standard of living as in neighbouring Poland and Lithuania was no news for the locals. It must be said though that the optimistic outlook promised by Boos had its reservations. We will attain the same standards as the Poles and Lithuanians not because our salaries will be higher, he claimed, but because the ratio of our salary to service package, affordable for our wages, will be higher.[30] However, before the new governor it was both the leadership of the Oblast and President Putin who had emphasised the necessity to provide people with normal living and working conditions, quality education, health care, etc. Therefore,

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28 Fichte M. Boos stal federalnim "prochodimcem" // http://www/gazeta.ru/2005/09/16/oa_171069.shtml

29 Morozov: Zakon ob OEZ v Kaliningradskoy oblasti primut do konca goda // http://www.rosbalt.ru/2005/10/11/230147.html

30 Cherez 5 let kaliningradtsi budut zhit ne khuzhe, chem litovci i poliaki // http://www.regnum.ru/dossier/586.html

such promises in Kaliningrad were usually followed by a popular jest dating back to Perestroika times: "I promised that *we* would have everything after the reform. But I did not promise that *you* would have everything."

The visions of the privileged and model Oblast acting as a donor to the federal budget had been discussed before on numerous occasions. The same could be said about the ways of achieving them: an increase several times over of the energy capacity of the Oblast, developed transport infrastructure, promotion of investment and tourism, elimination of corruption and improvement of tax collection through effective introduction of public administration principles.

So was Boos proposing anything new?

First of all, Boos, in contrast to his predecessors, proposed a specific anti-corruption governance scheme of the Oblast and started its implementation in practice.

On 29 September, the day after his inauguration, the members of the Oblast Duma had to sit through two successive emergency readings and adopt legal acts and resolutions expanding the powers of the governor and entitling him to set up a new regional government. Many subjects of the Russian Federation have their own governments. However, in the case of Kaliningrad Oblast, the regional administration lost more than just its name. Boos used his new authority appropriately and implemented a virtual structural reform of the executive branch.[31] By 10 October, the Government was set up comprising 12 ministries and seven agencies within the economic, real sector and social component managed by deputy prime ministers. There was a dramatic reduction in the number of departments (from 34 to 24), and the number of staff was reduced (without litigation, it must be said) from 1,200 to 695. Salaries of the remaining public servants were tied to the minimum wages. Public servants lost their pension bonuses. It must be said that the Oblast Duma was also encouraged to start reform and initiate a bill revoking privileges for former governors and its outgoing members. It was also suggested that the number of members in the Oblast Duma should be reduced from 32 to 20.

The governor claimed that his scheme of the executive branch was borrowed from foreign countries. He did not specify, though, which foreign

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31 Nastoyashchii Boos // http://www/newsinfo.ru/static/1237824.html

countries operated such a scheme. Actually, not many were willing to ask that in Kaliningrad. One way or another, Boos was known as one of the best managers in Russia. Therefore, many focused on the anti-corruption rhetoric of the new governor, watched the raids conducted by special services in former administrative units and the specific policy of the governor in the field of human resources.

"I want to warn all con men, children of Lieutenant Schmidt, that no one will be offering any positions or resources for sale," stated the governor.[32] Indeed, there was no improvisation in his actions when distributing posts. As Boos himself said, he had had a lot of time to think about it since April 2005 when the Kremlin started to tempt him with the office of governor of the Kaliningrad Oblast. So he had plenty of time to both select his candidates and secure the federal "roof" for his revolution in the field of human resources. The governor co-ordinated all major appointments with the presidential envoy.[33]

These appointments followed several trends. The Government comprised two groups: Muscovites invited by Boos and locals from Kaliningrad brought round by Deputy Prime Minister Shalimov. The governor praised the professionalism of his team. Shalimov could only rely on the experience of working with his team dating back to the times of Gorbenko. But he didn't want to. The question of whether these two groups will develop into factions remains open. However, there is no doubt that the Muscovites managed to secure supervision of government bodies, control of financial flows and posts in major ministries (infrastructure, economy, agriculture, finance, and education). This fact was noticed immediately and a relevant conclusion was drawn, i.e. the main goal of Boos in the region was to deliver a blow to corrupt structures and wasting of public finance.[34] The conclusion is rather reasonable. However, it has to be expanded as the new governor has far more ambitious plans. It is reflected in the commitment to take direct control of

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32 Boos, kotorii postroit vsekh, 07 10 2005 // http://www.vremya.ru/136045.html

33 Boos ne protiv stat gubernatorom, 26 08 2005 //www.ntv.ru; Boos, kotorii postroit vsekh. – Op. cit.

34 Sredi novogo pravitelstva Kaliningradskoi oblasti mnogo moskvichei // http:/// www.regnum.ru/news/521365.html; Novaya metla Putina ("Spiegel", Germanija), 27 09 2005 // http://www.kaliningrad.ru/news/politics/k62947.html

the most important economic component and emerging intention to change the geopolitical vector of the Oblast. It is no coincidence that Klebanov, who was introduced to the strategy for development of the Oblast on 18 October, was unable to hide his astonishment. "I have never seen such ambitious plans. They indicate that nowadays the Kaliningrad Oblast is a 'mini state' while St. Petersburg is merely a megacity-state."[35] Besides, Putin's envoy also added that realisation of these plans requires several preconditions such as consolidation of the political elite in the region and serious effort, both financial and ideological, by the federal government.

Boos himself calls this vector "Russia's window to Europe."[36] According to him, instead of being the area which the Europeans are trying to play as a privilege card for penetrating Russian markets the Kaliningrad Oblast has to become a platform for integration of Russian business into the European and global markets. This requires urgent revitalisation of the Oblast, i.e. development of a transparent and understandable financial system, public access to the budgeting process, twofold increase in the energy capacity of the region, development of transport infrastructure and logistics, and, last but not least, drafting of the SEZ law so that all these actions could promote the arrival of large and competitive Russian capital to the Oblast. Moreover, Boos believes that the region could become more attractive if certain ideological clichés could be eliminated and its image as a conflict and chaotic zone could be significantly improved. The Oblast is the part of the Russian Federation at the spearhead of Russia's rapprochement with the West and, therefore, there is no rhyme or reason to treat it as an exclave of Russia or to "fence it off." On the contrary, it must become the icon of Russia's openness to the West. The new governor, who is keen on demonstrating the openness of the province, has said that he is even prepared to double the population of the Kaliningrad Oblast (from one to two million) in five years and open the doors for immigration from both continental Russia and EU Member States.

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35 Klebanov: Novaya programa razvitiya oblasti sdelana pod mini-gosudarstvo, 18 10 2005 // http://www.kaliningrad.ru/news/economy/k66399.html

36 Boos Kaliningrada // Delovaya Rosija. – 30 08 2005; Fichte M. Boos vyekhal s trudom // http://gazeta.ru.print/2005/09/02/oa_169431.shtml; Boos nameren izmenit reputaciyu Kaliningradskoy oblasti v luchuyu storonu // http://www.inerfax.ru/r/B/politics/23.html?id_issue=11385292.

Although the new programme for the development of the Oblast is still being prepared and is to be made available for public discussion in three months, the priorities included into the political rhetoric of the governor have already been reflected in some of his practical steps.

The new governor has already sent his first serious signal to the local business community, confirming the characterisation of Boos given by Yevgeny Primakov: he knows the schemes which are used to circumvent the taxation system. Operators of retail chains in the Kaliningrad Oblast were given an ultimatum: either they give up their strategy to benefit from tax incentives by "breaking up" their business, capitalise their assets and absorb USD 250-300 million in the form of investment projects prepared by the regional government or these projects will be offered to large retail chains from Russia. "I don't care and neither do the people of Kaliningrad who will be working in the market – you or, for instance, the Seventh Continent from Moscow," the governor explained.[37] The implications were clear. If local businesses cannot make up their mind, they will not be able to compete with businesses from Moscow protected by Moscow Mayor Luzhkov, godfather of the governor's daughter.

The threat of large Russian capital entering the Oblast was also used by Boos in reference to his intentions to recover the property which had allegedly been privatised in the Oblast by unlawful means.[38] So far, only a few specific properties such as the confectionary factory and shipbuilding companies have been the target of reprivatisation. However, the governor makes no secret of the fact that he intends to review the privatisation cases of several more properties and that all new contracts on the sale or lease of state property will only be awarded through public tendering procedures.

In the energy sector, Boos has already approved a concrete action plan securing continuous gas supply to the region in full volume until 2010, when the problem will finally be solved by the new branch of the Northern European pipeline to Kaliningrad.[39]

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37 Kogo Boos naznachit mestnim Khodorkovskim: Kaliningrad za nedeliu // http://www.newspb.ru/allnews/528521

38 Boos nastupil na bolnoye // http://www.kaliningrad.ru/news/economy/k67460.html

39 Boos: oblast budet polnostyu obespechena gazom // http://www.kaliningrad.ru/news/economy/k66398.html

Some statements of Boos regarding the new image of the region did not go unnoticed as well. The German *Spiegel* noted with satisfaction that he was the first governor to speak openly about the necessity to speed up "restoration of the monuments of the German Order of Knights and the Prussian Monarchy" for promotion of tourism.[40] The same, however, does not apply to the Russian military establishment in the Oblast.

Admiral Valuyev clearly indicated that the Baltic Navy disapproves of the efforts to improve economic and cultural cooperation between the Kaliningrad Oblast and foreign countries. They believe that such efforts will facilitate non-violent separation of Kaliningrad from Russia.[41] Valuyev did not elaborate on his arguments any further. However, even in the absence of further clarification they can be viewed as a serious signal to Boos to watch out when speaking about the openness of the Oblast and consider all local political players and their spheres of influence.

It is worth noting that even the regional Duma dominated by Yedinaya Rossiya, which supported Boos's commitment to cut the number of administrative staff in the Oblast by one half, refused to reduce the costs of administration at their own expense as proposed by the governor. Members of the Duma explained that the decision to increase the seats from 32 to 40 had already been adopted taking account of the mixed electoral system to be used in general election.

This context gives more clarity to Klebanov's hint at the local political support and unity with the "ideological approach" of the federal government as prerequisites for the successful implementation of the new governor's plans.

Boos was able to see that such words had serious footing reflected in the reaction by the federal government in response to some of his initiatives in the area of external relations.

Some of them were embraced by Moscow.

For instance, after the meeting on 11 October 2005 with the delegation of the European Parliament, Boos put forward the idea to set up a club of the

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40 Novaya metla Putina ("Spiegel", Germanija). – Op. cit.

41 Possorit li komanduyuschii Baltflotom Putina so Shrederom, 04 09 2005 // http://www.regnum.ru/news/506957.html

Kaliningrad Oblast's friends in Europe. This governor's idea was immediately presented by Stepanov at the conference of the German-Russian Forum in Berlin.[42]

Visiting members of the European Parliament representing the EU-Russia Parliamentary Cooperation Committee were offered by Boos and members of the State Duma to sign a memorandum summing up the results of the visit. Representatives of the Russian Foreign Affairs Ministry helped draw up the memorandum but the EU delegates refused to sign it as the text was only available in Russian.[43] The memorandum, inter alia, stated that the delegation of the European Parliament approved of the changes in the Oblast and expected that neighbouring countries would pay more attention to facilitation of transit procedures for Russian passenger and cargo traffic as well as to possibilities to abolish visa regimes. Considering that around the end of September and beginning of October the federal government renewed its dissatisfaction with the terms governing cargo and military transit through Lithuania[44], there is no doubt that the issue of transit will remain a priority issue on the agenda of both the federal and local governments.

Boos expressed his apology to the delegation of the European Parliament over the misunderstanding with the memorandum. At the same time, he suggested that Moscow should avoid similar misunderstandings in the future and put forward a specific solution aimed at consolidating the external relation agendas of the federal and local government. On 19 October, the Government of the Oblast published a press release stating that Minister of Foreign Affairs Sergey Lavrov approved the decision of the governor to merge the International Relations Agency of the local government with the representative office of the Russian Ministry of Foreign Affairs in Kaliningrad.[45] As the press release stated, the merger was aimed at ensuring faster adoption of

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42 Kaliningrad mozhet stat obraztsom sotrudnichestva mezhdu RF i ES // http://www.kaliningrad.ru/news/politics/k65620.html

43 Deputati Evroparlamenta otkazalis podpisivat memorandum po stogam vizita v Kaliningrad // http://regnum.ru/news/526500.html

44 Rusija nepatenkinta tranzito per Lietuvą sąlygomis, 27 September 2005 // http://www.delfi.lt/archive/article.php?id=7577404

45 Boos obyedinil mezhdunarodnoye upravleniye s predstavitelstvom MID // http: // www.kaliningrad.ru/news/politics/k66620.html

decisions related to development of relations between the Oblast and foreign countries. However, the press release by the new leadership of the Kaliningrad Oblast was premature.

The Russian Foreign Ministry did not comment on the press release but it is said that Lavrov explained, in a rather mocking manner, to Boos the relevant boundaries of competence of federal and local authorities, especially in the field of foreign policy. It must be said though that hard feelings of the ambitious governor were soon soothed.

First of all, the governor, who was eager to develop cooperation with foreign countries, was notified by the Russian Ministry of Foreign Affairs that his concern about the potential inactivity of the German Consulate General was unfounded because the Russian side managed to grant the agrément to the new consul general of Germany in Kaliningrad in record time.

Indeed, as soon as it became clear that Boos would take the governor's office in September, Consul General of Germany in Kaliningrad Kornelius Zommer notified Berlin of his resignation after just one and a half years in office. When, after his long-lasting complaints that the Russian side was not able to provide the Consulate General of Germany with suitable premises, he was notified on 3 July, the last day of the Kaliningrad Anniversary, by Yastrezhemsky of the decision to grant such premises, Zommer appealed to his old age. While everyone in the Oblast was preoccupied with the rumours that the resigning German diplomat could be replaced by Chairman of the German-Russian Parliamentary Group Gernot Erler, Bundestag parliamentarian and member of the Social Democratic party, Boos managed to share his concerns on several occasions over the stalling plans to give locals access to the Schengen area in the German Consulate General in Kaliningrad. However, the rumours proved wrong. Berlin appointed career diplomat Guido Herz as its consul general in the Kaliningrad Oblast of the Russian Federation.[46] In the second half of October he was officially introduced by Moscow to the regional government.

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[46] Genkonsul FRG v Kaliningrade ukhodit v otstavku, 22 09 2005 // http://www.regnum.ru/news/5170958.html; Deputat bundestaga FRG Gernot Erler ne budet genkonsulom v Kaliningrade // http://www.regnum.ru/news/526673.html; Noviy Genkonsul FRG predstavlen v oblastnoi Dume, 19 10 2005 // http://www.kaliningrad.ru/news/politics/k66508.html

Finally, at the end of October Boos was directly complemented by the Kremlin's administration through Head of the Board for Interregional and Cultural Relations with Foreign Countries Modest Kolerov, who expressed his support for the governor's plans to increase the population of the Kaliningrad Oblast twofold.[47] The Kremlin official, just as Boos, emphasised the socioeconomic dimension of the idea: implementation of large investment projects and the programme for socioeconomic development of the Oblast not only required measures to tackle the deficit of skilled workforce currently standing at 15,000 people but attraction of new human resources. Therefore, Moscow was ready to help the leadership of Kaliningrad and would facilitate in every way possible the immigration of people of working age from continental Russia, Russian-speaking residents from the Baltic States and other countries.

It is worth noting that this initiative of Boos and the Kremlin support came under heavy criticism. For instance, advocates of the rational choice theory were asking in a mocking way: "What is a Russian living in Latvia more likely to choose – the Kaliningrad Oblast where his monthly salary can be $300-$500 or Ireland where he can earn €3,000?" Since the intention to double the population of the region was based on economics, it's hardly surprising that most critics ridiculed economic motives. Maybe this is why few people could have thought that the driving force behind this intention could be both economic and geopolitical considerations. Even the question regarding the choice of the Russian living in Latvia could have been answered by asking whether the official Russia had ever offered him any other alternative.

The formulation of such a question would imply that the motherland and the new leadership of the Kaliningrad Oblast are not only committed to unconventional solutions for modernisation of the region but are also keen on giving new life to the issue of Russian-speaking population in the Baltic States. Even though the Kremlin may still be inclined to maintain its influence in the Baltic States through the Russian-speaking population, it is likely that this factor is losing its importance in the light of rapprochement

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47 Nas zhdut v Rossiyi, 24 10 2005 // http://www.kaliningrad.ru/news/politics/k67241.html

between Russia and the West. At the same time, it is believed that the Kaliningrad factor may become a "passed pawn" in a complex geopolitical game of chess between the EU and Russia. In the atmosphere of natural and open rapprochement this would undoubtedly strengthen the European sentiment of the local population, which could have adverse political consequences for Russia. Given the current situation, the Government is searching for possible ways to strengthen its population's loyalty to Russia.

These considerations could be rather eloquently reaffirmed by the leitmotif from the meeting between the president of the Russian Federation and the new governor of the Kaliningrad Oblast which took place in the Kremlin on 7 November: "We often state that Kaliningrad is the Russian exclave in Europe," said Putin. "It must be in line with this description in terms of development of infrastructure, standard of living and other indicators; however, the most important thing is that we need to resolve all issues regarding the relationship between this region and the remaining territory of our country."[48] Putin expressed his belief in the ability of Boos to tackle all these problems.

[48] Vladimir Putin vstretilsia s gubernatorom Kaliningradskoy oblasti Georgijem Bossom // http://www.kremlin.ru/sdocs/news.shtml#96783; Prezident Rossiyi Vladimir Putin nadeetsia, chto noviy gubernator Kaliningrada G. Boss smozhet okonchatelno reshit vse voprosiy sviazey Kaliningrada s ostalnoi territoriyei Rossiyi // Interfaks. – 07 11 2005; Putin i Boss obsudili problemi Kaliningradskoi oblasti // http://www.kaliningrad.ru/news/politics/k69978.html.

EMPIRES, THE WORLD ORDER AND SMALL STATES

Raimundas Lopata, Nortautas Statkus*

Introduction

"We must create a self-dependent empire and substantially expand our pivot. Former territories of the Grand Duchy of Lithuania constitute our natural borders and crossing them would present no challenge <…>. Europe and, I think, the United States too need our empire – both powers will soon realise it. After all, all their actions indicate they have already realised it, although not to the extent to which we are prepared to go. What good is having our own empire for us? We need it in case the U.S. and Russia collapse. Europe will then remain the power field and we must be one of those powers controlling Europe." These are a few excerpts from Gintaras Beresnevičius' book "Forging an Empire. Sketches of Lithuanian ideology", which received somewhat ironic but generally positive appraisals a few years ago.[1] The critics were apparently captivated not so much by the idea of the Lithuanian empire as such but by the idea as an intellectual provocation. However, only the foreign policy makers succumbed to the provocation and began talking about

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1 G. Beresnevičius, Imperijos darymas. Lietuviškos ideologijos metmenys (Vilnius, 2003), 18, 75. For reviews, see V. Girdzijauskas, "Kalėdinė Beresnevičiaus pasaka, arba lietuviškojo imperializmo metmenys", Literatūra ir menas (May 3, 2003); K. Almenas, "Kaip darysime Imperiją?" Atgimimas 21 (May 30-June 5, 2003).

Lithuania's ambition to become the regional leader.[2] The pride taken in the recent publication of the Russian edition of Professor Edvardas Gudavičius' "History of Lithuania" reveals that the public opinion seems to be more enticed by the retrospective – supposedly, now the Russians will finally be able to read about the medieval empire of Lithuania in their own language.[3] It's a pity though. The metaphor of empire is becoming entreched in the expert debates regarding the condition of the international system as a serious methodological instrument both in the analyses of the international power distribution and for predicting further development of the international system.

This was recently spotlighted by Kęstutis Paulauskas in his review of *Colossus: the Price of America's Empire*, a study by British historian and political scientist Niall Fergusson, which came out after Beresnevičius' book. As Paulauskas notes, the author does not shun from value judgements, does not feign objectivism and openly pronounces for the empire by making a convincing argument that the anarchic society of sovereign states can no longer cope with contemporary challenges. Hence, Fergusson urges to acknowledge that which most prefer to gloss over: whether we like it or not, the world is living in the century of the American empire and the persistent attempts of the White House administration to deny the imperial nature of the United States only confirm that the problem exists.[4]

Doubtlessly, both the theoretical imperiological debates and the empirical studies of the particularities of the so-called American empire are encouraged by the domestic and foreign policy developments in the United States in the context of unipolarity. Naturally, historical parallels remain an important source of their popularity. After the U.S.-led coalition invaded Afghanistan and Iraq especially, it is often emphasised that American troops repeated Alexander the Great's march to Kabul and that American tanks that roared

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2 Speech of the Acting President of the Republic of Lithuania A. Paulauskas at Vilnius University, May 24, 2004. Available at <http://paulauskas.president.lt/en/one.phtml?id=4995>.

3 "Kultūra įveikia išankstinį priešiškumą", Lietuvos Rytas No. 193 (August 22, 2005).

4 K. Paulauskas, "Apie laisvės imperiją, europietišką rojų ir naują pasaulio tvarką", Politologija 1, 37 (2005), 87.

over the Mesopotamia cannot but create associations with the empire-building projects – attempts to master the overseas colonies. However, it is not so significant in these cases that the new insights are often based on the images, notions or concepts that had already captured the minds and hearts of researchers at some point in the past. In these cases, the intellectual intrigue – the reasonableness of the reconstruction – plays the decisive role.

Admittedly, the current understanding of empire has been cleansed of the images of primitive, traditional imperialism that were woven by the Soviet and American ideologists during the Cold War when the main criterion of an empire was the fact of direct rule over colonies. The criteria for identifying empires are undergoing gradual refinement in the research (imperial ideology, power concentration, centre-periphery relations, and imperial dynamics) and are increasingly used in modelling the evolution of other international relations actors as well. The processes of empire creation identified in the European Union, Russia and China on the basis of the said criteria sometimes even nourish explanations that the world order is gradually evolving towards the imperial structure.

This article will discuss the peculiarities of the application of this instrument in the studies of the international system, as well as its explanatory strength in predicting the place and the functions of small states in the eventual imperial structure, which will be created if, to rephrase Beresnevičius, the imperial or empire-like entities do not collapse.

Imperiology

The notion of empire and its building strategies is not a new subject in the history and theory of international relations. However, the concept of empire that refers to the distribution of power in the international system has recently (beginning with the mid-nineties of the twentieth century) gained increasing popularity.

It may be noted that there is a pattern in the resurgence of discussions about empires and imperialism. There is a link between the genesis of debates and the development phases of the international system – debates surge with the weakening of the hegemonic power and the growing ambition of the candidates to replace it (in other words, during the interregnum).

Debates about empires at the end of the nineteenth century can be found in the academic literature at the start of the twentieth century. The "New imperialism" spans from 1871 to 1914 (from the Franco-Prussian War until the First World War). The Sino-Japanese War (1894-1895), the Spanish-American, the South African, and the Russo-Japanese wars are said to mark the beginning of the new imperialism. It is associated with the spread of the industrial revolution, development of the capitalist system, and the ensuing expansionist policies and colonial acquisitions of the European powers, the U.S. and Japan, as well as their struggle for Africa.[5] Proponents of the theory of economic imperialism supported such struggles. Charles A. Conant, who is regarded to be the author of the concept of economic imperialism, claimed in his essay "The Economic Basis of Imperialism" (1898) that imperialism was necessary to absorb surplus capital in the face of the shortage of profitable investment outlets. Meanwhile, critics of economic imperialism associated the concept of the empire with the negative aspects of capitalism: economic exploitation, inequalities of economic development, subservience to the interests of the ruling class, as well as racism.

British economist John Hobson was the leading critic. In his *Imperialism: A Study* (1902), he argued that every improvement of methods of production and the concentration of capital lead to imperialist expansionism. Imperialism was motivated by the need for new markets where goods could be sold and investments made and, in order to preserve new markets, it was necessary to establish protectorates or perform annexations. Hobson had an influence on Lenin, who explained the mutual competition between empires in an analogous book *Imperialism, the Highest Stage of Capitalism* (1916) that became the basis of Marxist studies of imperialism.

As a consequence of these normative discussions about empires among the Marxists and liberals at the start of the last century, the term "empire" later had negative associations in the U.S.: it was not considered academic and

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5 J. B. Foster, "The Rediscovery of Imperialism". Monthly Review (November 2002), available at <http://www.globalpolicy.org/empire/analysis/2002/02rediscovery.htm>, last visited 05.01.2005.

6 J. A. Hobson, Imperialism (London: Allen and Unwin, 1948), available at <http://www.fordham.edu/halsall/mod/1902hobson.html>, last visited 17.06.2005.

was avoided. During the Vietnam War, which may be regarded as a new stage of the study of empires, the term came into usage but, again, mostly among the leftists. Harry Magdoff's book *The Age of Imperialism: The Economics of U.S. Foreign Policy* (1969) is considered to have initiated systematic analyses of imperialism anew. He regarded the Vietnam War not as choice of separate individuals in the U.S. government but as an outcome of long-term U.S. foreign policy tendencies closely related to capitalism. Magdoff argued that imperialism is directly beneficial to the capital at the imperial centre and the imperial struggle resulted from the unequal development of capitalism. Liberals criticised him, disagreeing that the control of resources was useful only to the U.S. corporations and the government that served their interests.

Contemporary academic debates about empires were stimulated by attempts to grasp and give a practical sense to the prospect of the potential unipolar world order. The debates examined the global dominance of the U.S., their relative and structural power shifts, and the significance of domestic and foreign policy tendencies to the international system. Especially noteworthy is the change in the terminology – the concept of empire in the analysis of international politics gradually replaced by the concept of hegemony. This indicates the increasingly prevalent view that the U.S. is undergoing a fundamental transformation and it is no longer regarded only as a hegemon or a superpower.[7]

In other words, the discussion is whether the U.S. has already become or will soon become or will not become an empire at all. For example, some neoliberal and most neoconservative authors agree that the U.S. has already become an empire. However, the former criticise the U.S. empire and the latter support it. According to them, there has never before been an empire that would exert as much influence as the U.S., although it does not directly rule overseas territories and mostly exercises informal control. The imperial ambitions of the U.S. are also made more credible by the new strategic thinking after September 11 (the war against terrorism, the war in Iraq), which arising from a certain world outlook and a specific assessment of the U.S. power

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7 R. Rilling, "'American Empire' as Will and Idea. The New Major Strategy of the Bush Administration" (2003), available at <http://www.rainer-rilling.de/texte/americanempireaswillandidea.pdf>, last visited 03.11.2004.

which reflect the neo-imperial U.S. ideology. The third party of participants in the debates, the critics of the imperial approach question whether the U.S. could be viewed as an empire because such a view relies on the assertion that the international system is unipolar. However, this assessment of the structure of the international system raises some doubts since the U.S. power in non-military sectors is not entirely unquestionable. Thus, these authors believe that the U.S. may be viewed as superior to other states (especially in military terms) but not as a hyperpower. Finally, there is a rather original argument in the debates about empires that the age of the U.S. empire is ending, rather than beginning, because imperial domination is based on "hard" power, while the U.S., although dominant militarily, is gradually getting weaker in the economic sphere.[8]

Thus, discussions about the U.S. as an empire started from the emphasis on the role of its exceptional power in the creation of a unipolar world. The entrenchment of neoconservatives in the U.S. administration, the new strategic thinking of the administration and the emerging tendency in the U.S. foreign policy to replace influence by control in relations with other states provide basis to talk about the United States as an empire. On the other hand, it remains debatable whether the changes are significant enough to call the U.S. an imperial power. Therefore, it is worth reviewing the discussions about empires in general first. Who seeks to introduce the notion of the empire into the discourse of International Relations, and why? And, conversely, why is the notion of empire viewed negatively? Second, it is important to distinguish the attributes of the creation (and collapse) of empires, from their general characteristics, which would allow assessing the applicability of the concept of the empire in the analysis of contemporary international relations.

1. The notion of empire in International Relations

Debates about empires have a significant impact on the theoretical discussions of International Relations and serve as a challenge to the (neo)liberalist and globalist theories that have garnered a lot of supporters since the Cold

8 E. Todd, After the Empire: The Breakdown of the American Order (New York: Columbia University Press, 2003).

War. Moreover, the participants in the debates about empires question the realist explanation of the international system, which was dominant for a long time.

Debates about the significance of empires introduce a new approach to International Relations. While the (neo)realists take the perspective of national (sovereign) states and the (neo)liberal institutionalists* as well as the globalists adopt the perspective of globalisation, students of empires argue that the past and future political, economic and socio-cultural processes in the international system are hierarchical in nature. In their view, relations between the subjects of the international system may be (and ought to be) studied through the prism of the relations of control and subordination.

The (neo)realists accept the classical notion of empires, according to which "empire" refers to one state's direct or indirect political domination with regard to other states or (and) nations.[9] The proponents of the (neo)realist theory rely on the Westphalian model of the international system: the contemporary international system was formed out of sovereign states precisely after the disintegration of the pre-modern empires and other political entities. According to them, the international system is anarchic (because there is no higher authority above the nation-state), although not chaotic, and therefore, the state is the most important and independent unit of analysis of international politics. Following this approach, decolonisation and the dismemberment of multiethnic socialist states, such as the USSR and Yugoslavia, may be viewed as the victory of nationalism and anti-imperialist ideologies over the imperialist ones.[10] However, the (neo)realists do not take sufficient account of either the impact of globalisation or the hierarchical (subordinative) relations between states in the international system.

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* The authors of this article do not make a strong distinction between realism and neorealism and between liberalism and neoliberal institutionalism because the axioms of the theories of these two paradigms with regard to the nature of international relations are identical and the explanatory differences are insubstantial for the examination of the subject of this article.

9 A.J. Motyl, "From Imperial Decay to Imperial Collapse", in Nationalism and Empire, eds. D.F. Good and R.L. Rudolph (Minnesota: St. Martin Press, 1992), 17.

10 M. Mann, "The First Failed Empire of the 21st century", Renner Institut 2 (2004), available at <http://www.renner-institut.at/download/texte/mann.pdf >, last visited 03.04.2005.

During the Cold War, the concept of the empire was usually used by leftist scholars (globalists) subscribing to Marxist views, who associated it with economic exploitation, racism, etc., thereby condemning the expansionist foreign policies of the U.S. and questioning its morality.[11] In the early eighties of the twentieth century, the paradigm of liberal institutionalism based on theories of mutual dependence and globalisation was gaining strength.

The latter approach emphasises peaceful relations between the largest states, which are conditioned by increased multilateral linkages, international regimes and international institutions. In the opinion of the (neo)liberals, globalisation forces even the U.S. to adjust to other international actors and processes. "The world is thus too complex and interdependent to be ruled from an imperial centre."[12] According to the theorists of globalisation, the empire is a new form of global sovereignty, consisting of a series of national and supranational actors united under a single logic of rule.[13] It is the whole system of moral and ethical norms and the law that regulates market and political relations between governments, organisations, individuals, companies and other actors.

The postmodern globalist notion of empire asserts a paradox that the empire is functioning not as some clearly defined subject of the international system but as a regime of governance without government. Governance is here understood in the Foucauldian sense – as the regulation of the behaviour of subjects. Such governance is a network of social relations, institutional powers and ethical principles that defines the norms of the actions or the behaviour of any particular subject. The postmodern notion of the empire deprecates the practice of the exploitation of peripheries by the classical imperialist "centre" and argues that, while the postmodern liberal empire does not eliminate the manifestations of subordination, it follows the logic of pacification and not exploitation. In other words, states under the liberal

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11 For more, see M. Cox, "Empire, imperialism and the Bush doctrine", Review of International Studies 30, 3 (2004), 587-589.

12 G.J. Ikenberry, "Illusions of Empire: Defining the New American Order", Foreign Affairs (March/April 2004), available at <http://www.foreignaffairs.org/20040301fareviewessay83212a/g-john-ikenberry/illusions-of-empire-defining-the-new-american-order.html>, last visited 03.11.2004.

13 M. Hardt and A. Negri, Empire (London, MA: Harvard University Press, 2000), xi.

empire submit to the conditions of the governance regime because this ensures development and peaceful coexistence for them.[14]

Thus, the (neo)liberals and the globalists view various international agreements, the creation of multilateral institutions and the rule of international law positively because this strengthens the formation of the global security and governance system.[15] Unilateral actions of the United States are deprecated because of the alleged failure of the U.S. to grasp the importance of mutual interdependence and the overestimation of its power and because such U.S. policies will ultimately lead to a blind alley as the logic of globalisation defies the imperial logic.[16]

According to neoliberals and globalists, international security is indivisible. Security is understood as a shared interest and value that the states can only achieve through co-operation and not by strengthening their national security individually.[17] Neoliberals argue that ensuring national security by the (neo)realist means of increasing power is no longer adequate and cannot eliminate contemporary security threats because of their transnational nature.[18] They do not believe that the U.S. or any other state could ensure its security by military force and emphasise the large financial costs and the

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14 Ibid.; M. Coward, "The Imperial Character of the Contemporary World Order", forthcoming in Theory and Event, 8, 1 (2005), 12. Available at <http://www.sussex.ac.uk/Users/mpc20/global/springsems/sem10/Coward,%20New%20Imperialism%20Review.pdf>, last visited 30.03.2005.

15 Joseph Nye claims that the unilateral actions of the U.S. deplete its soft power. See J. Nye, The Paradox of American Power (New York: Oxford University Press, 2002). G.J. Ikenberry reprehends the unilateral actions of the U.S. and argues that it should act through alliances – see G.J. Ikenberry (note 23). G. Kupchan emphasises the importance of international institutions – see G. Kupchan, "The End of the American Era: U.S. Foreign Policy and the Geopolitics of the 21st Century". From an address to the Carnegie Council on Ethics and International Affairs, February 27, 2003. Available at <http://www.cceia.org>, last visited 03.04.2005.

16 B. Barber, (note 26); see also M. Mann, Incoherent Empire (New York: Verso, 2003), quoted from G.J. Ikenberry (note 23).

17 R. Cohen and M. Mihalka, "Cooperative Security: New Horizons for International Order", The Marshall Center Papers No. 3 (2001); R. Cohen, "Spreading Cooperative Security: Creating a Euro-Atlantic Council?" Connections 1, 1 (2002), 13-21.

18 R. Cohen and M. Mihalka (note 29), 33

coercive nature of the emerging U.S. empire, as well as threats to institutions and alliances that have so far guaranteed the security of the United States and its allies.

Finally, the development of the international system may be viewed in the context of the hierarchical nature of relations among international subjects. Hence scholars who approve of the revival of the concept of the empire argue that "the fundamental categories of international relations were developed without sufficient regard to the nature and the character of those international relations that encompass the bigger part of the planet <…>, in particular, to the various types of imperial relations."[19] Currently, the concept of the empire is becoming more and more acceptable to the U.S. right wing – the so-called neoconservatives who claim that the choice of the imperial strategy is determined by the need to defend against threats to national security and to promote freedom and democracy[20] (although this is indistinguishable from striving to preserve and expand U.S. power). As the Hobbesian world order vision was confirmed by the events of September 11 and as the traditional assumptions about threats and deterrence strategies lost their meaning, the logic of neo-imperialism is becoming "too attractive to be refused."[21] The imperial approach envisions imperial rule as a certain response to the challenges of globalisation to the nation-state. In other words, it is sought to re-empower the state to control its fate in the age of globalisation. However, apart from "self-interested imperialism", when the empire is justified by the desire to ensure the safety of the imperial centre, there is also "humanitarian imperialism", when the empire is motivated by the benefits to the periphery (transposition of good government traditions, resolution of human rights issues).[22]

Intellectual links between globalisation theories and the authors of the "imperial perspective" may be noted – as relations in the international arena are becoming more interconnected, there emerge premises for global politics

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19 T. Barkawi and M. Laffey, "Retrieving the Imperial: Empire and International Relations", Millennium 31, 1 (2002), 110.

20 D. Cheney, D. Rumsfeld, P. Wolfowitz and others. See M. Mann, (supra note 14).

21 S. Mallaby, "The Reluctant Imperialist: Terrorism, Failed States, and the Case for American Empire", Foreign Affairs, 81, 2 (March/April 2002), 6.

22 R. Rao, "The Empire Writes Back (to Michael Ignatieff)", Millennium 33, 1 (Jan 2004), 146.

and the need for global governance which could be implemented by a global multilateral institution or a hyperstate (which in its political structure would essentially be comparable to a global empire). On the other hand, a certain ideational affinity between the theorists of imperialism and the hegemonic stability theory within the (neo)realist paradigm as well as the neoliberals may be discerned. The said theory states that international stability depends on the will and capacity of the hegemonic power to "create and maintain the world order."[23] On the basis of this idea, the authors of the imperial perspective develop the ideas of the global liberal empire.[24] The hegemonic stability idea is associated with the doctrine of "liberal imperialism", which emphasises the political inequality of states: some states cannot legitimately intervene into the domestic affairs of other states disregarding the principles of national sovereignty and self-determination.[25] As J. N. Pieterse notices, neoliberalism and the imperial perspective and the theorists and practitioners of neoliberal globalisation follow the same logic and lead to the same result – to the *global hierarchical integration*.[26]

Therefore, it is understandable that, in order to protect the United States against threats and preserve domination, the U.S. neoconservatives promote the use of U.S. power in an insecure world – it is considered to be a liberal force that nurtures the spread of democracy and is capable of suppressing tyranny and terrorism.[27] Essentially, the authors of the imperial perspective who lament the undeserved abandonment of the concept of the empire may be called *globalisation imperialists (or liberal neo-imperialists)*.

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23 G. J. Ikenberry, "Rethinking the Origins of American Hegemony", Political Science Quarterly 104, 3 (1989), 377, quoted from M. Cox (note 22), 587.

24 N. Ferguson believes that the U.S. is a liberal empire and regrets that world may not get enough of her because the U.S. does not fully exploit its capabilities to make the world a safer place. See N. Ferguson, Colossus: the Price of America's Empire (Penguin Books, 2004), quoted from Mann (supra note 21).

25 J. Purdy, "Liberal Empire: Assessing the Arguments", Carnegie Council on Ethics and International Affairs (Fall 2003), available at <http://www.globalpolicy.org/empire/analysis/2003/10liberalempire.htm>, last visited 05.01.2005.

26 J.N. Pieterse, Globalization or Empire (New York: Routledge, 2004), 39.

27 R. Kagan, "Power and Weakness", Policy Review 113 (June/July 2002), available at <http://www.policyreview.org/JUN02/kagan.html>, last visited 03.04.2005.

Thus, in analysing debates about empires, three conceptualisations of the empire may be distinguished: *classical, neo-classical* and *postmodern*. Differentiation between the "classical", "neo-classical" and "postmodern" ideal types of empires is particularly important for the recognition of empires – the current imperial processes are different from past imperialism and the postmodern and neo-classical concepts of the empire permit discussion on new forms of empires.

The qualitative difference between the "classical" (past) and the "neo-classical" (present imperialism) versions can be apprehended by analysing the foundations of imperial power and the relations between the "imperial centre" and "peripheries": the "hard" (military) power, which was dominant in the past and on the basis of which empires were forged, is replaced by the "soft" (economic, social and cultural), while the formal relations of subordination between the imperial centre and the periphery is replaced by more informal and indirect ones.

Theories of globalisation present a radically revisited postmodern conceptualisation of the empire. Basically, the empire is defined not by the clear relation between the centre and the periphery but by focusing on the governance regime. This conceptualisation of the empire does not have the "centre" as a political subject or, more precisely, the imperial centre is nothing more than a set of rules and norms constituting the governance regime and the network of institutions supervising these rules and norms. One of the more important features of such an empire that distinguishes it from the classical one is decentralisation. No single subject – either nation or state – is or can be the imperial centre or posses the power of the centre. Such imperial rule regime does not have limiting boundaries, it is characterised by universality and the sense of "the end of history."

However, we would argue that, when even the proponents of the postmodern concept of the empire admit that imperial relations are hierarchical relations of control and subordination and that there are subjects of the international system who are overseeing the implementation of the "governance regime", the motives for which the imperial international relations system is created cannot be an essential argument in validating the academic independence of the postmodern concept of the empire. In other words, it seems that it is merely a concealed version of the neo-classical concept of the empire.

Finally, it should be noted that as the imperial ambitions of such powers as the U.S., Russia, China or the EU are growing in the international arena, the study of empires is reasonably claiming to integrate the globalist, (neo)realist and (neo)liberalist theories in explaining the politics implemented by the subjects of the international arena and their mutual relations.

2. Attributes of empires

Participants in the debates about empires basically distinguish three essential criteria for the identification of empires:

- imperial ideology,
- concentration of power in the "imperial centre" (hierarchical structure of the "centre"),
- "imperial peripheries" – existence of client states (satellites) (specific configuration of the structure of relations between the "centre" and the "periphery").

2.1. Imperial ideology

First, a state can become an empire only if it has an "imperial perspective"[28] (self-understanding as an empire) or, in other words, an imperial ideology. Empires are a type of ideocracies, projections of one or more ideas (value systems) in the geopolitical space, as well as structures for their spread and implementation. The origin of ancient empires is indistinguishable from theocracy based on transcendental absolute sacral truths that are not bound by either time or space. Empires are missionary by definition. Therefore, an empire essentially lacks boundaries – it is global and eternal because its ideational foundations are the absolute truths and values of belief. From this viewpoint, any imperial borders are temporary. Naturally, in reality geopolitical or ethno-cultural barriers stop the expansion of an empire and the

[28] E. Said, "Imperial Perspectives", Al-Ahram (July 24-30, 2003), available at <http://www.globalpolicy.org/empire/analysis/2003/0730perspectives.htm>, last visited 05.01.2005.

assimilation of the "barbarians". However, theocracy (ideocracy) inevitably presupposes the aspiration towards the global empire based on the spread of an absolute sacral truth.[29]

All previous empires were characterised by self-portrayal as a superior civilisation or ethnic or ethic (religious) community. The mission of all classical empires was to civilise (to proselytise) or at least contain the "barbarians". Similarly, it may be observed that the Cold War "barbarians", the Soviet Union and China, are being replaced by the "axis of evil" states, international terrorism and other "freedom enemies" in the contemporary rhetoric of the American globalisation imperialists. For the ideologists of the EU expansion, the "barbarians" are substituted by the "instability" at the EU borders.[30]

2.2. Power concentration in the "imperial centre"

As already mentioned, although empires are potentially global by nature, the barriers of geopolitical and cultural reality draw the boundaries of empires by impeding their expansion and force them to create a network of satellite (client) states – the periphery of an empire.[31] The authors of the imperial perspective emphasise that the key precondition for the formation of empires is a significant disproportion in power among the subjects of the international system. The imperial relationship of subjects indicates domination and control. The necessary condition for the emergence of this relationship is power, which may be defined as a causal link when the one who possesses power determines the behaviour of the subject of power. The hierarchical nature of relations in the international system that permits the formation of concentrated power pools ("imperial centres") is considered to be the main precondition for the creation of empires.

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29 И. Яковенко, "От империи к национальному государству", in Этнос и Политика, ed. А.А. Празаускас (Москва: Издательство РОУ, 1997), 107-109.

30 M. Emerson, "The Wider Europe as the European Union's Friendly Monroe Doctrine", CEPS Policy Brief 27, Centre for European Policy Studies (October 2003), available at <http://www.ceps.be>.

31 M. Cox, (supra note 22), 600.

The emergence of a global empire requires a hierarchical world order, which exists if there is a dominant power in the international arena that establishes and enforces order. Discussions of the current state of the international system point out that the international arena is dominated by the U.S., which has a monopoly over the use of force, and that the domestic order of states at the national level is also influenced by the global influence of the United States.[32] Therefore, the current structure of the international relations system is often called unipolar. Unipolarity impels creation of an empire but is not the only condition for the emergence of the global "imperial centre".

Thus, apart from the imperial ideology, the second basic characteristic of an empire is large concentration of power in one "centre" (not necessarily a physically defined territory) and its capacity for controlling the periphery.

Imperial ideology and the concentration of power create the conditions for the recurrent, although not essential, feature of an empire – a specific relationship between the state and an individual and a hierarchical (autocratic) imperial rule model. An empire does not have citizens but only subjects. Empires nurture the "ruler-ruled" political culture and autocratic (monarchical, sultanic) political regimes. This is not surprising. The *raison d'êtr*e of empires is the idea of which an empire is an earthly reflection. Therefore, an individual and the population of an empire are merely means for the implementation of the imperial idea. An empire is a perfect incarnation of the hierarchical principal – the supreme hierarch (it could also be a collective institution) is a mediator between the sacral transcendental truths and the inhabitants of the empire, qualitatively superior to all the other subjects of the empire.[33]

2.3. "Imperial periphery"

Thus the phenomenon of empires is not possible without the "imperial centre", and the latter – without the periphery controlled by such a centre. There is a dialectics of the imperial centre and periphery. Classical definitions of an empire indicate that the object of the relation between the centre and the periphery is state sovereignty or communal capacity for self-regulation. It is

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32 Ibid.

33 И. Яковенко, (supra note 41), 107-109.

emphasised that the peripheries may have their autonomous institutions and elites but without the possibility of independent government and decision-making. The level of subordination of the peripheries to the centre varies. On the basis of the historical analysis, some authors observe that ancient and medieval empires were characterised not by rigid hierarchy but by graduated political structures in which the influence of a hierarchically more organised centre was progressively lessening towards the deeper peripheries.[34] In comparison to past empires, contemporary proto-imperial subjects (e.g., the United States) are able to control the "periphery" much more effectively due to globalisation and the speed of communication. The periphery may thus be much larger and more readily accessible by means of the new forms of control. The latter are related to the second aspect – the increasing importance of soft power.[35] According to J. G. Ikenberry, in shaping the world order, power and liberalism provide a much more potent mixture than the usual use of crude material power. Therefore, it is maintained that the liberal empire is far more attractive and its control would not be resisted (furthermore, such control would be less noticeable as well).[36] The periphery of contemporary proto(neo)empires consists of a network of client states and other political subjects. The cost of administration of such a network is substantially lesser than the annexation of territories and a more favourable image of the "imperial" state can be created.[37]

In discussing past colonial empires, the rule over territories is particularly important. Empires were created by annexing the territories of others and appointing vicegerents to positions of authority. There was a belief that "there has to be some sort of direct rule over the dominion for a power to

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34 O. Weaver, "Europe's Three Empires: A Watsonian Interpretation of Post-Wall European Security", in International Society after the Cold War, eds. R. Fawn and J. Larkins (Basingstoke: Macmillan, 1996), 220-260.

35 G. J. Ikenberry, "Liberalism and Empire: Logics or Order in the American Unipolar Age", Review of International Studies 30, 3 (2004), 617.

36 J. N. Pieterse, "Neoliberal Empire", Theory, Culture & Society 21, 3 (2004), 119-140.

37 D. Sylvan, S. Majeski, "An Agent-Based Model of the Acquisition of U.S. Client States", Paper prepared for presentation at the 44th Annual Convention of the International Studies Association, 2003, available at <http://hei.unige.ch/sections/sp/courses/0304/sylvan/docs/hostile/agentbasedmodel.pdf>, last visited 25.02.2005.

be classified as an empire."[38] On the other hand, control was not necessarily implemented directly: for example, "the British imperialism pursued formal annexation and informal domination, direct political government and indirect economic control."[39]

The neo-classical concept of the empire emphasises new forms of the manifestation of imperial influence:

- the expansion of military bases – it is based on the expansion and control of military bases, rather than the occupation of territories. It is suggested that the U.S. is consolidating its Cold War military power and re-arranging it bases according to the new global imperial rule system[40];
- temporary territorial imperialism – intervention to a foreign state, regime change and withdrawal after the establishment of a friendlier regime;[41]
- the current debates about empires emphasise greater disposition towards the rule of territories through informal control and not through annexation (i.e. the formal rule of territories is replaced by control through economic dependency, etc.).

3. Imperial dynamics

When the international system is viewed as hierarchic by nature, the history of international relations appears as cycles of the formation and collapse of empires, and the strategy of building an empire is considered by the new imperialists to be the strategy of national and international security. "While the Westphalian state system always made a claim to permanency, empires were always limited in time, emerging and disintegrating."[42] According to A. J. Motyl, "degeneration is typical to the very system of imperial government"

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38 D. Lieven, "The Concept of Empire", available at <http://www.fathom.com/feature/122086>, last visited 03.04.2005.

39 J. Gallagher and R. Robinson, "The Imperialism of Free Trade", Economic History Review 6, 1 (1953), 1-25, quoted in Cox (supra note 22), 599.

40 Ch. Johnson, The Sorrows of Empire: Militarism, Secrecy, and the End of the Republic (Metropolitan Books, 2004), quoted in Ikenberry (note 47), 610.

41 D. Frum and R. Perle, An End to Evil: How To Win the War on Terror (New York: Random House, 2003).

42 M. Coward, (supra note 25).

and, therefore, they can be considered to be self-destructive systems.[43] The preconditions for the collapse of an empire are:

- Disintegration from within. The constant friction between the centre and the periphery gradually leads to an inevitable conflict and the joining of the forces of peripheries against the centre may result in the disintegration of an empire.
- Imperial overstretch. It is conditioned by, firstly, the hypercentralisation of an empire, which means a less effective accumulation of information and use of resources that encourages the socio-political fragmentation of the empire. Secondly, the excessive economic cost of the maintenance of an imperial regime increases the appeal of nationalism to regional elites and hampers the capacity of the empire to compete on the international arena with the less fragmented states.[44]
- Growing power of hostile forces. Empire building always prompts formation of counter-alliances. The emergence of blocs of adversarial states either stops the expansion of an empire and increases the cost of its preservation (which eventually leads to its disintegration – (see the second precondition) or destroys its power altogether.

Thus the hierarchical international system, the concentration of power at the "centre" through the subordination of the "periphery", and the imperial ideology creates conditions for the emergence of an imperial state. Imperial rule manifests itself in the control of other units of the international system. The conditions of the collapse of an empire are inbuilt in the imperial rule itself and the capacity of the units of the international system to form balance against an imperial power. Therefore, the dawn of the new age of empires is inseparable from the new age of anti-imperial revolts.

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43 A. J. Motyl, "From Imperial Decay to imperial Collapse: The Fall of the Soviet Empire in Comparative Perspective", in Nationalism and Empire: The Habsburg Empire and The Soviet Union, eds. R. L. Rudolph and D. F. Good (St. Martin's Press, 1992), 40.

44 Ibid., 27-28.

Imperiography (identification of empires)

As already mentioned in examining the theoretical debates regarding the formation of empires, they are essentially incited by the ongoing changes in the domestic and foreign policies of the U.S. under the conditions of increasing unipolarity. Therefore, the natural course to begin the identification of empires would be to examine the existence of the main attribute of empires – the imperial ideology in the U.S. (without disregard to the other two attributes as well). Analyses of this and the other attributes of empires in the cases of the EU, Russia and China indicate the empire building processes in these countries as well.

1. The United States of America

At the moment, the United States may not yet be called a full-fledged empire. However, among all the contemporary great powers, the U.S. has the greatest potential to become a global empire. The U.S. has a messianic imperial vision and sufficient power to implement it, which after the terrorist attacks on September 11, 2001, is upheld by an influential political force – the neoconservatives. The neoconservatives essentially understand the U.S. global rule as the "Empire of Freedom", which primarily aims to build peace in the world through the spread of freedom and democracy based on the U.S. military superiority.

Scholars analysing events in the international arena agree in principle that the U.S. is the only global hegemon after the end of the Cold War. With the collapse of the Soviet Union, there is no state that could match the U.S. in its power. Naturally, a state or an alliance capable of challenging the U.S. may emerge in the medium term, i.e. in the next 10-15 years. Nevertheless, the United States substantially surpasses all its closest competitors claiming the status of a global hegemon both in terms of its military capacity and in terms of economic potency, as well as the level of technological development and the global reach of its culture.

As mentioned, a certain vision is required for building an empire. It seems that the U.S. has such a vision. It is a messianic universalist world vision, in which the American nation (as a civic nation) performs the divine mission related to the spread of "freedom" and "democracy" in the world.

The universalisation of democratic liberal values creates the conditions for the qualitative transformation of the global hegemony of the U.S.

Apart from the unprecedented dominance of the U.S. power in various areas, some episodes of concentration of power in the "centre" can already be observed. After September 11, activists of the administration of President G. W. Bush initiated the establishment of several new intelligence, security and strategic planning institutions that are accountable only to the president or his close subordinates: a new special service – the Homeland Security Department; a new analysis and planning unit – the Office of Special Plans under the Ministry of Defence[45]; the Office of the Coordinator for Reconstruction and Stabilization under the State Department, which is responsible for co-ordination of the activities of the Pentagon, the State Department, the CIA and other U.S. institutions in stabilising Iraq and other collapsed states and conflict regions. Moreover, a draft bill has already been registered at the Senate regarding the establishment of the Office for International Reconstruction and Stabilisation, which would be responsible for full-scale international implementation of the functions of the said co-ordinator for reconstruction and stabilisation.[46]

The main characteristic of an empire is political domination. Political domination means that "the periphery does what the centre commands it."[47] All the empires that have existed so far (e.g., Roman, Chinese, British empires) had a clear hierarchy of authority. While the current political domination of the U.S., which manifests as political influence, in some states (e.g., Iraq) may remind of the political control of peripheral zones by past empires, this obviously does not yet give a reason to talk about a full-fledged global American empire. Nevertheless, the problems encountered by the U.S. in the implementation of foreign policies remind of those that were troubling past empires.[48] As America ensures control over a certain number of states and

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45 J. N. Pieterse, "Neoliberal Empire", Theory, Culture & Society 21, 3 (2004), 119-140.

46 D. Ignatius, "A Quiet Transformation", Washington Post (May 18, 2005), available at <http://www.washingtonpost.com/wp-dyn/content/article/2005/05/17/AR2005051701327.html>, last visited 18.05.2005.

47 J. Schell, "America's Vulnerable Imperialism", YaleGlobal Online (2003), available at <http://yaleglobal.yale.edu/display.article?id=2873>, last visited 19.03.2005.

48 E. A. Cohen, "History and Hyperpower", Foreign Affairs 83, 4 (2004), 49-63.

societies and with the corresponding changes in its domestic political-administrative structure, the implacable logic of the resolution of these problems may force the United States into becoming a full-fledged global empire.

The U.S. currently has the largest network of client (satellite) states in the world. According to S. Majeski and D. Sylvan, at least sixty states in the world are currently dependent on the U.S., i.e. their patron state.[49] Many of the geostrategically most important states are clients of the U.S.; the indirect control of these states allows talking about the potential creation of a global system of governance based on American values. A significant increase in the control exerted from Washington over the domestic and foreign policies of client states and the growth of the number of new satellite states could be considered to be a clear-cut criterion of the formation of the U.S. empire.

2. The European Union

The current European Union has features of both the neo-classical and the postmodern empire. First, the EU functions as a governance regime characterised by a unified set of rules. Second, a power relation exists, in which the peripheries accept and conform to the decisions of the "centre". Third, the enlargement of the EU conditions the absence of clear boundaries and the internal mobility of the governance regime, as well as a weak hierarchical structure. However, the problems of the "centre" of the EU empire result in the uniqueness of the European Union as an emerging empire.

The idea of *Europeanisation* is the European Union's analogue to the U.S. ideology of "liberal globalisation". In our opinion, Europeanisation can most usefully be defined as the deepening of the European integration and the impact of this process on the states outside the EU, as well as the adjustment of these states to the EU. Europeanisation is essentially the process of synchronisation and harmonisation of the domestic and foreign policies of the member states, the candidate state and the neighbouring states. Europeanisation takes place through the adaptation of the business conditions to the norms

[49] S. Majeski and D. Sylvan, "An Agent-Based Model of the Acquisition of U.S. Client States" (Geneva: Graduate Institute of International Studies, 2003), available at <http://hei.unige.ch/sections/sp/courses/0304/sylvan/docs/hostile/agentbasedmodel.pdf>, last visited on 21.06.2005.

functioning in the EU, the democratisation of domestic political systems, the implementation of obligations in the area of human rights and freedoms, and the introduction of European values, beliefs and identity. Therefore, in our opinion, Europeanisation is a complex historical phenomenon that characterises the potential imperialism of Europe, the spread of cultural values, norms, traditions, as well as political and economic practices [50], while promotion and propagation of Europeanisation serves as the Pan-European ideology.[51]

The governance system of the EU and its comparisons to the nation-state system has been one of the main puzzles of leading EU scholars for quite some time now. The mainstream approaches conceptualise the EU as a multi-level governance system.[52] The more critical ones see the EU as network governance, while others specialise in more narrow analyses of decision-making processes. However, all these approaches share the view that the EU has already become a governance system in which the competencies of the main decision-making actors – the national governments and the supranational EU institutions – are intertwined. The EU has already become a governance system in which the centre – the supranational institutions of the EU – create rules that are mandatory for the peripheries – the member states.[53] The position of peripheries in relation to the centre, largely determined by the close integration and "voluntarism", is being replaced by dependency. Some states

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50 N. Diamandouros, Cultural dualism and political change in postauthoritarian Greece (Madrid: Centro de Estudios Avanzados en Ciencias Sociales, 1994), quoted from K. Featherstone, "Introduction: In the Name of 'Europe'", in The Politics of Europeanization, eds. K. Featherstone and C. Radaelli (Oxford University Press, 2003), 3-27.

51 Motieka E., Statkus N., Jonas Daniliauskas, "Globali geopolitinė raida ir Lietuvos užsienio politikos galimybės", Lietuvos metinė strateginė apžvalga 2004. Vilnius: Lietuvos karo akademija, 2005, 1, p. 39-80.

52 G.M. Marks, F.W. Scharpf, P.C. Schmitter, W. Streeck, Governance in the European Union (London: Sage Publications, 1996); T. Christiansen, "Reconstructing European Space: From Territorial Politics to Multilevel Governance", in Reflective Approaches to European Governance, ed. K. E. Jørgensen (Basingstoke: Macmillan, 1997).

53 On the regulatory state in the functional sense, see G. Majone, Regulating Europe (London: Routledge, 1996); J.A. Carporaso, "The European Union and Forms of State: Westphalian, Regulatory or Post-Modern?", Journal of Common Market Studies 34, 1 (1996), 29-52.

agree to implement voluntary "imperisation" in the areas of "high politics" as well (the "last sanctuary of states"); however, other states have different visions of the EU. The discrepancies between the visions, variations in the integration to the EU structures, and the different coalitions of the member states determine the European Union's movement towards a postmodern empire.

The imperial power relation of the EU is also manifest in the enlargement policy. As old member states attract third parties like a gravitation centre, the EU policies towards these states turn into the domination of the centre and the control of the peripheries. By setting the conditions of membership, the centre sets and controls the reforms and adjustment in the peripheries. The result is that "external" peripheries become "internal" ones. The membership negotiations of Central and Eastern Europe illustrate this process.

Various geopolitical factors and the European Union's reputation as a guarantee of democracy, prosperity and welfare in third countries turned the EU club into a centre of gravitation. Through its enlargement policies, the EU functions as an integral imperial centre that directly and indirectly influences the peripheries – the states seeking to join the EU. The membership conditions that must be met by the candidates in order to achieve full membership in the EU function as a mechanism of domination and control.[54]

The new European Neighbourhood Policy has already become a compromise that reconciles the deceleration of enlargement with the further projection of the EU power to third countries without giving a clear promise of membership. Action plans devised for each particular state participating in the Neighbourhood Policy are used by the EU to exert indirect influence – they determine the progress, assess the state and the technical analysis of relations with the EU, and encourage reforms financially. Thereby the EU creates buffer zones of stability in the East, the Caucasus and the Mediterranean Sea region. This new European Neighbourhood project contributes to the EU's evolution towards the imperial model by softening the boundaries between the inside

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[54] J. Böröcz, "Empire and Coloniality in the 'Eastern Enlargement' of the European Union", in Empire's New Clothes: Unveiling EU Enlargement, eds. J. Böröcz and M. Kovacs, (Central Europe Review, 2001), available at <http://www.rci.rutgers.edu/~eu/Empire.pdf>.

and the outside of the EU. Agreements at various levels between the EU and the "neighbourhood" countries that are likely in the future will form additional overlapping structures. The Barcelona Process for the Mediterranean Sea region and the Stability Pact supporting the Balkan countries perform essentially the same function as the European Neighbourhood Policy.

Thus the EU enlargement process obscures the boundaries between the inside and the outside that are characteristic to the classical state. Shifting borders is a typical feature of medieval empires. The enlargement of the European Union is becoming a form of colonialism, whereby the "Other" is incorporated into the population of the empire but does not fully become part of the "Self". The complex structure of the EU is characterised not by hierarchy but rather by overlapping, graduated structures. The Euro-zone and the Schengen area provide the best example of the formation of overlapping circles-coalitions, which create the "inside-outside" effect – the core states inside and the peripheries outside.

The postmodern EU empire as a geopolitical entity does not have a future in the Westphalian international system. Further enlargement and the lack of unity will paralyse the EU as a unitary agent in foreign policy. In the event of the Post-Westphalian international system (the "new middle ages"), the development model of the EU empire would become the model. Institutionalised interdependency, an integrated system of multiple policies and unified rules, obscure boundaries between the inside and the outside, and the voluntary movement towards the dissolution of state sovereignty are the defining features of the Post-Westphalian international system. In an ideal case, the evolution of the Post-Westphalian system would culminate in a global "voluntary" empire without the sovereign subject at the centre.

3. Russia

Russia is not merely a state or a distinct society – it is an individual and unique civilisation. The defining characteristic of the Russian civilisation is the constant fear for its survival. This fear finds its expression in messianism and the "missionary" imperialist state created and constantly recreated by it. Over the centuries, only the names of "missions" and the ideological grounding changed.

The duchy of Moscow *liberated* itself as well as other Russian duchies from the Mongol Tartars. Later, Muscovy *liberated* the Orthodox lands of Kiev Russia captured by Catholics and Muslims. Then the Russian empire *liberated* "brother Slavs" and other nations from the yoke of the Ottoman Empire and the Germans. Finally, the Soviet Union *liberated* "the proletariat of the entire world." In actual terms, *liberation* usually meant incorporation in Russia and the imposition of the Russian civilisation, which was supposed to result in increasing the security of both the incorporated ones and Russia. This mission of *liberation* indicated the indeterminacy of Russian identification. On the other hand, the mission of *liberation* concealed the intertwined aspirations of security and imperialism, the Machiavellian realism and the Campanilian idealism.[55]

At present, Russia no longer has any particular mission of liberation but the general disposition of the *disseminator of the good* still remains. This disposition is noticeable in the daily ideological propaganda in Russia in relation to, for example, the countries that once belonged to Moscow's sphere of influence and, especially, that were part of the USSR. The propaganda reveals a tendency to emphasise that the population ("the people") of one or another state favour Russia and express desire to integrate with it and that, seemingly, only the ruling elites of these countries divert them from Russia. This is a typical symptom of latent imperialism.[56] Currently, the ruling elite of the Russian Federation propagate an idiosyncratic set of symbols and values composed of individual components of Soviet ideology, the ideas of Zapadniks (Westernisers), and elements of the Eurasian perspective. True, it must be noted that the ideological schizophrenia is characteristic to Russia's transitions from one political and social order to another.

During the presidency of V. Putin, a closer political and economic integration of the former republics of the USSR with Russia as well as the centralisation of the administration of the Russian Federation itself has become a priority for the president's administration.[57] In this way, Putin seems to have returned the state to the traditional domestic and foreign policy course of Russia.

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55 Ibid., 313-314.

56 J. Bugajski, Cold Peace. Russia's New Imperialism (Westport: Praeger, 2004), 29.

57 Ibid., 32-49.

In order to achieve control over the post-Soviet space (including the Baltic States), Russia uses the instruments of diplomatic pressure, economic and energy dependence, and information conditioning. Moreover, Russian foreign policy-makers take advantage of ethnic tensions and conflicts in the former republics of the USSR, as well as connections with criminal organisations and special services of the USSR.[58]

In domestic politics, Putin strengthened and expanded the powers and the apparatus of the president's administration, thereby creating the so-called "vertical of authority". The president's administration duplicates the work of the government and other state institutions. The administration and presidential representatives in federal districts essentially perform the functions of the apparatus of the former Communist Party.

Putin's administration supplements the power monopoly of the central authorities with economic state monopolies. Current plans are to form a multiprofile mega-concern of raw materials on the foundation of *Gazprom*. The logic of central state control would inevitably spread to other strategically important areas of the economy as well. In other words, the oligarchic monopolies of the times of B. Yeltsin are gradually being replaced by the monopolies of state "apparatchiks" (a large number of whom consists of former and present members of special services).[59]

Russia still has imperial ambitions and its relations with the "near abroad" possess the character of the relations between the imperial "centre" and the peripheries. However, these ties are weakening and the ambitions are not supported by effectively co-ordinated actions of the governmental and non-governmental structures in mobilising the required resources. Russia's attempts to control the states of Central and Eastern Europe, the Caucasus and Central Asia were not successful. Thus the project of the restoration of the "new USSR" may at best be implemented within the bounds of the territories of Russia, Belarus, Eastern Ukraine and Northern Kazakhstan.[60] Essentially, this corresponds to the boundaries of the geostrategic continental zone – *the heartland*. This re-imperisation of Russia would be based on ethnic

58 Ibid., 32-49.

59 L. Shevtsova, "Russia in 2005: The Logic of Backsliding", New Europe Review 2, 3 (2005), available at <http://www.neweuropereview.com/English/Shevtsova.cfm>.

60 Ibid.

and cultural commonalities, the existing integration of economies and the energy dependence on Russia. Russia's influence in other post-Soviet states is waning and there are no convincing indications that Russia could restore control over these states in the medium term.

Russia is currently undergoing a crisis of realisation of its imperial potential. The Russian Federation faces a set of external and internal problems that are ruining the remains of the former empire. *Internally*, Russia faces the social and economic backwardness of regions and the growing extremism of the Muslim subjects of the Federation. The case of Chechnya shows that Russia encounters difficulties in controlling the situation inside the state and the Chechen tendencies threaten to engulf neighbouring Dagestan, Ingushetia, North Ossetia, as well as Tatarstan and Bashkortostan that are experiencing crises of regional government and growth of the Islamic factor. *Externally*, the Russian Federation encounters the problem of making a geopolitical choice between the Eurocontinentalist and the Eurasian perspectives. In the event of a choice, Russia will be treated as a "junior" partner that has energy resources and a well-developed military industrial base as its main advantage.

4. China

The imperial traditions of China go back to two thousand years before Christ. The strategic and political culture of China is essentially imperial. They affect every aspect of life in China.[61]

The traditional Chinese strategic and political culture has profound influence on the modern Chinese state and geopolitical identity, as well as its foreign policies, and encourages Sino-centrism and Chinese imperialism in East Asia. The modern imperialist ideology of China focuses on the concept of the "peaceful ascension" in international politics. The so-called fourth generation of China's leaders (Hu Jintao, Wen Jiabao) replaced China's strategic foreign policy goal of creating a multipolar world with the aim of "peaceful ascension". "Peaceful ascension" is primarily based in the supposedly mutually beneficial co-operation in economic, social and military areas with

61 Jiyi Tao, "Chinese Tradition on Foreign Policy", Chinese American forum 19, 4 (2004).

neighbouring countries. The provision of good neighbourhood policies is meant to resolve disputes with the neighbouring countries and strengthen economic ties with other East Asian states, as well as provide for the peaceful expansion of China's influence in the region and help China integrate into the global economy.[62]

However, Chinese strategists discuss the necessity for China to create a "survival space" around it (i.e. essentially turning the neighbouring states into buffers and controlling the South and East Chinese seas). Thus, the concept of "peaceful ascension" is basically supposed to help China create in the medium term a regional system and economic co-operation in East and Southeast Asia under the leadership of China, which would exclude the U.S.[63] China's aspiration to become the leader of East and Southeast Asia is based on a long historical tradition of Sino-centrism.[64] Moreover, the global and regional position of China determines that continental China understands itself not as the only legitimate Chinese state (in the dispute between China and Taiwan) but as the defender and promoter of the entire Chinese civilisation – as the state of all the Chinese of the world.

The growth of Chinese power is a long-term historical process. In the course of the last two thousand years, China has more than once reached the status of a regional power*. The idea of the revival of China's influence was used in the rhetoric of both Mao Zedong and Deng Xiaoping, as well as Jiang Zemin. The concept of the "recovery of power" involves a psycho-

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62 E.S. Medeiros and M.T. Fravel, "China's New Diplomacy", Foreign Affairs, 82, 6 (2003), 22-35.

63 N. Statkus, E. Motieka, J. Daniliauskas, "Globali geopolitinė raida ir Lietuvos užsienio politikos galimybės", Lietuvos metinė strateginė apžvalga 2004 (Vilnius: Lietuvos karo akademija, 2005), p. 39-80.

64 Peter Van Ness, "China's Response to the Bush Doctrine", World Policy Journal 21, 4 (2005), 38-47.

* During the rule of the Chan (206 BC-220 AD), Tang (618-907) and early Ming (1368-1643) dynasties. According to the calculations of historical political economy, China's GDP in 1820 (29 years before the Opium Wars) constituted approximately a third of world GDP. The defeat in the Opium Wars substantially weakened the Chinese Empire ruled by the Cin dynasty and paved the way for its collapse in 1911.

logical understanding of power, which is manifested in China's aspirations to reclaim the former global status of the country and the concept of "peaceful rise". In 1978, the Communist leadership of the country made decision to implement four radical modernisations of the country's industry, agriculture, science and technology, as well as its military force. The Programme of Four Modernisations aims of integrating China into the global economy, creating a viable modern socially-oriented market economy and a defence system corresponding to the status of a superpower.[65]

The surprising continuity of China's domestic and foreign policies was ensured by the stability of the Chinese Communist Party's rule. The party basically performs the role of a traditional monarchical dynasty. The structure of the party is characterised by strict hierarchies, distribution of functions and centralisation of authority. The functions performed by the chairman of the party may be seen as analogous to the traditional functions of the Chinese emperor. Although lately China has been placing more emphasis on its economic growth as the foundation of overall national power, China seeks to strengthen its military power and its strategic position as well. The programme for the modernisation of the national military forces of contemporary China states the aim of the Chinese political and military leadership to strengthen its influence on the sea, as well as its view of the east and the south as the main source of threats to China. Regaining influence over the neighbouring states is an important indicator of China's rebirth as an empire. China's relations with Mongolia and Myanmar (Burma) are particularly important in this regard. The rapid economic growth of China, the programmes for the modernisation of the armed forces, and its increasing political and economic influence over the countries of the ASEAN worries the foreign policy elites of the U.S.[66] Therefore, the U.S. is creating a system of preventive alliances against China in East Asia.[67] The U.S. is strengthening military co-operation

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65 A. D. Barnett, "Political Overview", in Reform and Development in Deng's China, ed. Shao-chuan Leng (Virginia: University Press of America, 1994), 1.

66 R. Sutter, "Why Does China Matter?" The Washington Quarterly 27, 1 (2003), 75-89.

67 "How ASEAN can hold its own against China", The Straits Time, available at <http://straitstimes.asia1.com.sg/home/0,1869,,00.html>.

with India and has reinforced its strategic ties with Japan, Australia[68], and Singapore[69].

Thus, as in the case of the imperial ambitions of the EU and Russia, the future of China's empire in the long term depends on its ability to resolve its domestic problems and create (as well as preserve) a bloc of satellite (peripheral) states (a certain buffer zone of its own). The creation of such a bloc would be favourable to the implementation of China's concept of "peaceful rise". In building a bloc of exclusive influence, China would reduce the strategic superiority of other powers, primarily the U.S. and Russia.

Opportunities for small states in the imperial structure

The imperiographical analysis presented above reveals that the great states of the world – the U.S., Russia and China – are evolving towards the formation of neo-classical imperial structures. The formation process of the EU as a postmodern empire is taking place in Europe. Naturally, questions arise regarding the impact of these processes on the foreign policies of small states (including Lithuania) and the eventual opportunities for their international action.

The definition of small states is not universally accepted in the academic literature and depends on the criteria selected by each scholar. There are two approaches in describing small states and, correspondingly, two groups of definitions: those based on quantitative parameters and those based on relational characteristics.

Quantitative definitions list the measurable characteristics of states, such as territory, population and GDP, and assign various values to these criteria, according to which a state may be described as a small state. Relational definitions are based on the results of mutual relations between states, as well as ideational factors (identity, etc.). According to these definitions, small states are those which do not have independent policies and are under the influence (tutelage) of larger states. It is clear that both groups of

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68 S. Blank, <http://www.carlisle.army.mil/ssi/about/2004/feb/feboped.pdf>.

69 "The U.S. and Singapore establish new strategic defense and security ties", Radio Singapore International (October 22, 2003).

definitions use state power as an essential criterion in distinguishing states as small and large, only definitions of the first group value the relative power of states and definitions of the second – the structural power.[70] In our opinion, both types of power are important in describing the status of states in the international system. It is important both how a state assesses itself and how it is assessed by other subjects of the system, as well as the material parameters of power.

However, it must be stated for the purposes of this article that the existence of small states, however defined, depends on and acquires meaning only in the context of the interests of large states.[71] Small states in multipolar or bipolar international relations systems may perform a number of useful functions: they may serve as buffer states, barriers, outposts, geopolitical gateways, resource-rich peripheries, diplomatic mediators, etc.[72] In the context of the problems examined in this article, it is important to examine and historically compare the roles of small states in hierarchical (imperial) structures of the international relations system.

The results of comparative historical studies of the role of small states in imperial international relations structures show that:

- First, small states in strictly hierarchical (imperial) international relations structure survive if they are sufficiently far from imperial centres and have geostrategic importance;
- Second, small states in international systems dominated by land empires more often perform three main roles – buffers, barriers, and outposts;
- Third, small states in international systems dominated by sea empires are more often performing the role of outposts and geopolitical nodes (protection of communication nodes).

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70 N. Statkus, E. Motieka, Č. Laurinavičius, Geopolitiniai kodai (Vilnius: Vilniaus Universiteto leidykla, 2003), 84-87.

71 See "Background notes on the notion of weak state as employed in International Relations Studies", Central European University: Notes made in preparation of the Florence Blue Bird Overcoming State Weakness: An Agenda for State Reform in Eastern Europe Conference, available at <http://www.ceu.hu/cps/bluebird/pap/aligica3.pdf>, last visited 15.01.2005.

72 Č. Laurinavičius, E. Motieka, N. Statkus (note 73), 15-16.

1. Opportunities for Lithuania

According to the mentioned scenarios of the imperial world order, Lithuania's opportunities will be determined by two circumstances.

First, the decision of the large states regarding the eventual functions of Lithuania as the state at the junction of geostrategic zones. Geostrategically, Lithuania and other Baltic States are located at the fringe of the discontinental geostrategic zone. This essentially delineates the range of particular functions: a barrier of maritime states or an outpost against the continental states; a barrier of heartland states or an outpost against maritime states.

Second, the resolution of Lithuania itself regarding the functions provided for it by the geopolitical codes of the large states. At the moment, as a result of its political initiative and civilisation belonging, Lithuania orients itself towards sea states.[73] The orientation is based on the historical experience and the belief grounded in the realist paradigm that Russia's political and military power in the region can only be counterbalanced by the U.S. This creates tension with both Russia and the core states of the European Union that attempt to use Russia in acquiring strategic independence from the U.S.

If the key global power centres are evolving towards empires, Lithuania will soon doubtlessly face the necessity to reconsider the consequences of its choice. Essentially, the number of choices is limited: continuing orientation towards the U.S., aligning with the continental core of the EU, or benefiting from the growth of Russia's influence. Each of these choices entails different correlations of threats and opportunities in the short and in the long term.*

Orientation towards the U.S. With regard to short-term threats, the cost required by the U.S. imperial project of global democratisation should first be mentioned: financial and human resources for the peacekeeping, peace enforcement and democracy promotion operations initiated by the Americans. This could decrease Lithuania's possibilities of ensuring smooth socio-economic development and create tensions in domestic politics. The situation

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73 Č. Laurinavičius, E. Motieka, N. Statkus (note 67), p. 80.

* Threats and opportunities are assessed from the viewpoint of the general national interests: political autonomy, territorial integrity, and material welfare of citizens.

would be aggravated by Russia's attempts to take advantage of the domestic problems of the country, as well as the diplomatic pressure of the EU core states with regard to joining the Eurozone, delays in European projects, reduction of support from structural funds, etc. In the long term, the client status of Lithuania, as well as other states continuing similar orientation, would strengthen. Eventually, multilateral institutions under the exclusive control of the U.S. would not fulfil their purpose as they would not ensure the political autonomy and, even more, if there were exchanges of the spheres of interests between great states.

On the other hand, Lithuania's opportunities resulting from orientation towards the U.S. are already apparent. Tensions with Russia and the core states of the EU have been overcome, albeit with some difficulty. Lithuania receives support in positioning NATO and the EU towards the East (Kaliningrad Oblast of the Russian Federation, Belarus, Moldova, and South Caucasus). In other words, Lithuania is regarded as an effective implementer of democratisation projects that reasonably aspires to distinctiveness in the region. In the long-term perspective, the acquired experience and the accumulated human potential would allow Lithuania to achieve the role of an expert on Eastern Europe and Northern Russia and diplomatic mediator (an outpost of the spread of U.S. influence), transformable into the role of the barrier against Russia's imperial reintegration. Implementation of the U.S. plans aiming at strengthening transatlantic co-operation (e.g., the creation of a transatlantic free trade zone, the transatlantic summit council, etc.) would allow expecting both economic benefits and political dividends for Lithuania.

To conclude, it may be argued that the long-term benefits of this choice would outweigh the threats and their costs.

Alignment with the continental states of Europe. The short-term threats of this strategy are lesser but the long-term benefits are dubious. Full integration of Lithuania into the functioning EU mechanisms, the introduction of euro, and so forth, should result in social stabilisation and economic development, although at the likely price of reduced political autonomy. If Lithuania manages to integrate with the economic nucleus of the EU and perform economic or political functions that are useful for the large EU states, Lithuania would become a safe, "golden" province of the EU. On the other hand, alignment with the core of the EU would be one of the factors

strengthening the federalisation of the European Union, i.e. its becoming a full-fledged geopolitical subject, which would melt the autonomy of states. In regaining its strategic independence, the EU may be forced to enter into exchanges of the spheres of influence with Russia. This would be particularly felt at the eastern borders of the EU, "liberated" from the imperial influence of the U.S., where Russia would gain dominance.

Elements of these event scenarios may be observed in the current situation as well. The core states of the EU are sometimes rather indulgent towards Russia's efforts to increase Lithuania's dependence (e.g., energy dependence) and to ostentatiously point to its continuing presence within Russia's sphere of influence. Russia motivates its actions by both short-term (social stabilisation, development of communications transport and energy, as well as agricultural sectors) and long-term benefits, cultural affinities and the important geopolitical function of Lithuania in bringing Russia closer to Europe. Such motivation has the following implications – turning Lithuania into an "agent of influence" in the Western transatlantic and European institutions and strengthening shared cultural (linguistic) basis. Doubtlessly, the implementation of this projection would eventually turn Lithuania into an outpost of the renovated Russian empire in Europe.

Concluding remarks

Obviously, the projection of Lithuania's capabilities is based on a pragmatic cost-benefit analysis. It illuminates the range of available options. However, this analysis alone may not serve as the basis for making decisions. Primarily, because the so-called imperial tendencies discerned in the international system lack any definitiveness. Apparently, only the third – the Russian option – does not raise questions. Yet, even in this case, the pragmatic allurement of stability could be stronger than the other two options that presuppose more freedom but greater risks as well. In other words, further political analysis of these issues is futile because the choice will be finally determined by the values dominating in the Lithuanian political community.

Naturally, Lithuania's resolution regarding one or another foreign policy strategy will not have a decisive influence on its international position. The context of global geopolitical processes is particularly important in this regard.

The growing imperial tendencies in international relations should neither be perceived as only threatening nor ignored. The tendencies of imperialisation indicate efforts to minimise the possibility of global turmoil by increasing control over global processes. If this process accelerates, the basis for the survival of small states will be their ability to find specialised niches in the imperialist international environment (e.g., administration of the territories of "failed" states, development of market economy mechanisms and democratic institutions, etc.). In the particular case of Lithuania, global management needs must be identified and corresponding capabilities must be created for the fulfilment of these needs. A pragmatic cost-benefit analysis seems to indicate that, in the long term, the global (imperial) governance project nurtured by the U.S. is superior and more advantageous for Lithuania. Among other things, this would mean a serious revision of G. Beresnevičius' idea – we have already been invited to "forge" an empire.

THE BALTIC STATES: PICKING REGIONS, SHEDDING MYTHS, DECODING ACRONYMS*

Kęstutis Paulauskas

Introduction

Although the Baltic authorities saw membership in the EU and NATO as the only possible long-term solution to all their security concerns, they also pursued an active regional cooperation agenda as an "interim" remedy. The "interim" solution consisted of two essential components: 1) close trilateral cooperation among Baltic states; 2) embedding the Baltic states into the wide network of regional organisations and cooperation frameworks. The Baltic governments saw this cooperation primarily as a tool to achieve their ultimate goals. For their partners, it was a means to keep the Baltics happy without extending clear EU or NATO membership guarantees.

The double enlargement created an entirely new strategic situation in the region (or regions) inhabited by the Baltic states. The relevance of different sub-regional and regional organisations and cooperation frameworks has changed accordingly. The need for a major reassessment of necessity, value and importance of these various formats is long overdue. The Baltic governments face the challenge of reassessing their position in the "Europe of regions" and reordering priorities for participation in different regional cooperation settings.

With a new status within the region, the Baltic states will now be able to reallocate more of their energy outside the region. The EU could definitely benefit from their joint or individual efforts to promote cooperation and dialogue with the Eastern neighbours of the EU. The Baltic states have a keen interest in the success of the European neighbourhood policy (ENP) and are well placed to make a positive impact on Europe's new neighbours.

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* This article is a part of a larger project written at the European Union Institute for Security Studies in Paris during the course of visiting fellowship from April to July 2005.

However, first and foremost, the Baltic states must shed some of the myths about their tri-lateral relations that haunted them throughout the past fifteen years. The Baltic governments simply need to start afresh.

The myth of the Baltic unity

The Baltic states can claim several different regional dependencies. On various occasions and in different contexts, they are considered as belonging to the Central and/or Eastern Europe, Northern Europe, and the Baltic Sea region. The "Baltic" identity of Estonia, Latvia and Lithuania is arguably the best known and the most politically significant, but also the least appreciated among the Baltic states themselves. The term "Baltic states" is a modern political invention of the 20th century, which has little to do with the historical or cultural identity of the three countries. In the 1990s, the West has comfortably lumped Lithuania, Latvia and Estonia into one geopolitical entity, imposing the "Baltic unity" on the three historically and culturally diverse nations (see Table 1).

Table 1. **Historical and cultural diversity of the Baltic states**

	Statehood first established	Language	Dominant religion	Geographical (self-) identification	Major cultural influences
Estonia	1918	Finno-ugric (Uralic family)	Lutheran	Northern Europe	German, Danish, Swedish, Finnish
Latvia	1918	Baltic (Indo-European family)	Lutheran	Northern Europe	German, Swedish
Lithuania	13th century	Baltic (Indo-European family)	Roman catholic	Central Europe	Polish

Source: compiled by author.

Out of the three Baltic states, only Lithuania has a long-standing tradition of statehood dating back to the 13th century. The lands now known as Latvia and Estonia were under German rule throughout the Middle Ages, before the Swedes captured them in the 17th century. German and Nordic

influences are still evident in the culture, literature and architecture of both countries. Both Latvians and Estonians are also predominantly Lutheran. For Lithuania, a dynastic union with Poland established by the end of the 14th century became the gateway to Europe. Lithuania was the last European nation to convert to Christianity. Only at the end of 18th century did the destiny of the Baltic countries converge when Lithuania, Latvia and Estonia all became part of the Russian empire.

The historic record of Baltic cooperation during the interwar period was dismal at best. The "Baltic Entente" that was established in 1934 remained nothing more than a declaration, making it easier for the Soviet Union to swallow the three countries one by one. The term "Baltic" itself for Estonians, Latvians and Lithuanians is associated with the Soviet rule.[1] The years under the Russian empire in the 19th century and the Soviet empire between 1945-1991 are the only truly common experiences of the Baltic states.[2]

Despite their dislike of imposed unity, the three countries had to demonstrate a certain degree of close cooperation during the nineties. The Baltic states had at least two reasons to put some effort into the "Baltic dream": first, to show their socio-economic maturity and readiness to integrate with a larger entity – the EU; and second, to rebuff doubts about their "defensibility" and become eligible for NATO membership. With foreign assistance, the Baltic states launched a number of defence cooperation projects that played an important role in achieving NATO membership (e.g. BALTBAT - Baltic peacekeeping battalion, the Baltic Defence College etc.). Some of those projects were successfully integrated into relevant NATO military structures (e.g. BALTRON – Baltic mine countermeasures squadron, BALTNET – Baltic air surveillance network).

The downside of this cooperation was heated diplomatic battles among the three countries over the right to host a particular project. There also was

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1 Miniotaitė, Gražina, Convergent Geography and Divergent Identities: A decade of transformation in the Baltic states // Cambridge Review of International Affairs, Vol 16, No 2, 2003, p.212-213

2 Symbolically, probably the famous manifestation of the Baltic unity was the "Baltic Way" – a massive demonstration against the Soviet oppression that took place in August 1989 when the people of the three countries formed a human chain that ran from Vilnius through Riga to Tallinn.

a "beauty contest" over which country was best prepared for EU and NATO membership (Estonia was seen as the leader in the quest for EU accession, while Lithuania was considered as more advanced towards NATO membership). Although there has always been more competition than cooperation among the Baltic states, it was not necessarily a bad thing as they did eventually achieve their goals.

Today, the foreign and security policy agendas of the Baltic states still overlap considerably. The Baltic governments share similar concerns over Russia, coordinate their assistance efforts to the South Caucasus countries, have a common interest in preserving a strong transatlantic link, and ally on certain security and defence issues within the EU. However, Lithuania has a broader regional agenda and plays a more active role in the Eastern neighborhood than Latvia and Estonia. Relations with Kaliningrad, support for the European integration efforts of Ukraine and support for the democratisation of Belarus rank high on Lithuania's agenda. Latvia shares Lithuania's concern over the future of Belarus and seeks to assist Ukraine and the South Caucasus countries. Estonia seems to be less concerned about Kaliningrad and Belarus but does show interest in Ukraine and the South Caucasus.

The three countries should not put too much energy into preserving the myth of Baltic unity as something sacrosanct. The leaders of the Baltic states sometimes seem to be uneasy about voicing their differences in national interests and policies, including those towards Russia. This anxiety is reinforced by the stereotypes that still inform Western attitudes towards the Balts. For example, an article in the Economist dramatised Baltic disunity over the question of the Victory Day celebration in Moscow by maintaining that "inability to agree on a common line over going to Moscow highlighted lack of trust – and the success of Russia's policy of divide, and perhaps, rule again."[3]

In fact, such an externally imposed unity only constrains national decision makers and limits room for manoeuvre. At the same time, there are cases when the Baltic states would be better off standing firmly together – a common Baltic initiative would have better chances to succeed than an indi-

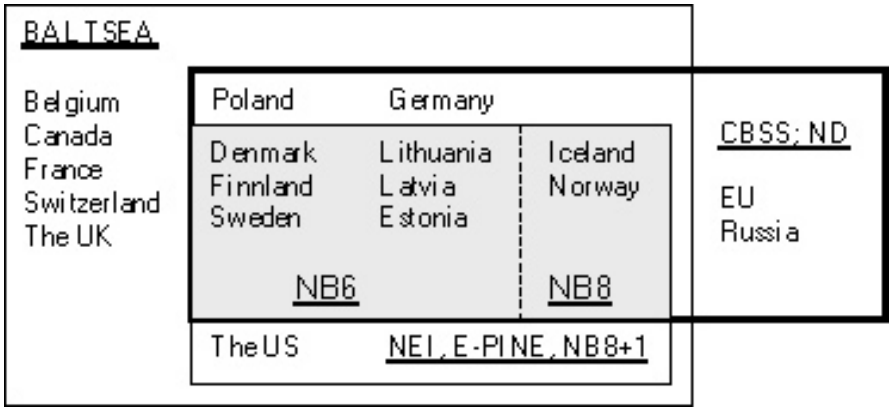
[3] 'The Baltic Borders and the War: Frontier Justice', The Economist, May 7-13 2005, p. 26

vidual initiative of Tallinn, Riga or Vilnius. But the criterion for evaluating the utility of trilateral cooperation projects should be the value added to the activities of the EU and NATO, not political symbolism. In order to reinvigorate Baltic cooperation, the political elites of the three countries have to acknowledge openly their existing differences, while pursuing together the interests they do have in common.

The regional cooperation: churning substance out of acronyms

Most of the international institutions that now operate in the Baltic Sea area stemmed from the need to anchor the three Baltic states and Russia to Europe at large via a web of transnational economic, social and cultural ties. This effort produced a broad albeit loose network of regional cooperation with quite a few overlapping intergovernmental and nongovernmental organisations (see Scheme 1).

Scheme 1. Frameworks of cooperation in the Baltic Sea region.



Different frameworks served different purposes for the Baltic states, as well as their partners. On the one hand, the importance of regional cooperation for the Baltic states has faded with membership of the EU and NATO. On the other hand, some of these formats became important venues for coordinating activities within both the EU and NATO. The challenge that the countries in the region as well as actors outside of it (primarily the EU and

the U.S.) now face is churning substance out of this soup of undecipherable acronyms (see table 2).

With the Baltic membership in the EU and NATO, the importance and relevance of some of the regional formats is changing. The Council of Baltic Sea States (CBSS) and the Northern Dimension (ND)[4] both encompass the same group of participants: eight EU members, the Commission, Iceland, Norway and Russia. Both aim at strengthening dialogue and cooperation on a variety of regional issues, such as economic and social development, environmental and nuclear safety and cross-border cooperation. However, given the comprehensive if general agreements on the four common spaces signed between the EU and Russia in 2005, the importance of the CBSS and ND for all parties concerned may wane. Northern European Initiative (NEI)[5] – an American initiative designed to showcase the U.S. interest in the stability of the Northeastern Europe – was already replaced by a new Enhanced partnership in Northern Europe (E-PINE) initiative, which has yet to show any value beyond a catchy acronym. Although the CBSS, ND and E-PINE could all be instrumental in fostering development of the Northwestern regions of Russia, including Kaliningrad, the centralising trends within Russia could severely undermine such prospects. The Baltic Security Assistance Forum (BALTSEA) was a Western creation of the 1990s to provide support for defence reforms in the Baltic states and the upgrading of their armed forces. Having acceded to NATO, today the Baltic military leadership sees little need for such assistance outside the framework provided by the Alliance itself. NB+1 format was a short-lived one and never transpired into anything substantial.

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4 More on the ND see: Aalto, Errki, Olavi, 'The Northern Dimension of the EU and the Trends in Security Policy in the Baltic Sea Region: A Finnish Point of View', available on-line: http://www.bmlv.gv.at/pdf_pool/publikationen/02_intinf24_aalto.pdf

5 Rhodes E. Rethinking the Nature of Security: the U.S. Northern Europe Initiative. – Copenhagen Peace Research Institute, June 2002

Table 2. Regional cooperation formats in the Baltic Sea area

FORMAT (year launched)	ORGANISATION	AGENDA	PARTICIPANTS
CBSS - Council of Baltic Sea States (1992)	Intergovernmental organisation	All areas of regional cooperation excluding defence	Baltic States, Nordic States, Germany, Poland, Russia, EU Commission
ND - Northern Dimension (1997)	Non-governmental cooperation	Most areas of regional cooperation excluding defence	Baltic States, Nordic States, Germany, Poland, Russia, EU Commission
NEI - Northern European Initiative (1997)	Non-governmental cooperation	Replaced by E-PINE	Baltic States, Nordic States, the U.S. and Russia
E-PINE - Enhanced partnership in Northern Europe (2003)	Non-governmental cooperation	Cooperative security, vibrant economies, healthy societies	Baltic States, Nordic States, the U.S.
NB + 1 – Nordic-Baltic and the U.S.	Intergovernmental cooperation (defence ministers)	Dormant since 2002	Baltic States, Nordic States, the U.S.
BALTSEA – Baltic Security Assistance Forum (1997)	Meetings of the defence officials	Coordination of assistance to the Baltic states	17 nations (inlc. all Nordic and Baltic States)
NB8 – Nordic – Baltic Eight (1992)	Intergovernmental cooperation	Cooperation in most sectors	Baltic States, Nordic States
NB6 – Nordic-Baltic Six	Intergovernmental cooperation	Coordination of policies within the EU	Baltic States, Sweden, Finland, Denmark

At the centre of all these frameworks has stood the Nordic – Baltic cooperation, which was initially based on a loose and non-binding formula of 5N + 3B but later developed into a more cohesive NB8 framework. For Baltic elites, association with wealthy and peaceful Northern Europe had clear merits. Nordic countries were instrumental in bringing the Baltic states back to European structures. NB8 and NB6 are the acronyms that will likely have a lasting impact on foreign and security policies of the Baltic states. Today,

the NB8 is a microcosm of Europe itself: there are members of both the EU and NATO (Estonia, Latvia, Lithuania and Denmark), there are non-aligned countries (Finland and Sweden) and there are non-EU countries (Iceland and Norway). In addition, they are all relatively small and share geographic proximity to Russia. It is obvious that all parties concerned can benefit in one way or another if the NB8 group becomes more cohesive and coordinates their foreign and security policies more closely. The NB6 format, encompassing the EU members, already seems to be working – it has become a routine for Prime Ministers of the six to meet before the European Council meetings.

The Nordic Council (inter-parliamentary body) and the Nordic Council of Ministers (inter-ministerial body) have been reluctant thus far to open their doors to full-blown participation of the Baltic states in their activities. Although the Nordic Council and the Nordic Council of Ministers hold joint sessions with the Baltic Assembly and the Baltic Council of Ministers respectively, the Baltic states still fall under "the Adjacent Areas Programme" together with Russia and the Arctic area. If the NB8 cooperation is to deliver, the Nordic countries will have to accept the Baltic states as equal partners, not apprentices. By the same token, the Baltic states will have to prove some proficiency in areas of utmost importance to their Northern neighbours, such as environmental protection and gender equality.

Beside the Northern European identity, the Baltic states are often mentioned among the Central and/or Eastern European countries. Out of the three, Lithuania presumably has the strongest affiliation with Central Europe. The majority of the Lithuanian public would more likely identify with Central rather than Northern Europe due to historical and cultural reasons. In 2000, with the creation of the Vilnius group to coordinate NATO integration efforts, Lithuania did earn some visibility as a Central European state. The Central European identity is especially reinforced by the country's strategic partnership with Poland. In early nineties, the two countries managed peacefully to bury their interwar hostilities. Currently, Lithuania and Poland share the same interests in fostering democratic trends in Belarus and turning Kaliningrad region from a grey zone into "a window of opportunity". In the defence realm, Lithuania and Poland have a common battalion (LITPOLBAT); Lithuanian troops serve with Polish contingents in Kosovo and Iraq; Vilnius has also decided to join the Polish Battle Group.

Apart from the challenges posed by the Kaliningrad Oblast and Belarus, the Baltic Sea area seems to be an island of peace and stability amidst an ocean of trouble brewing around. The major hotspots of the world are relatively far away, and major military conflicts in the closest vicinity are also highly unlikely. The region is not immediately exposed to potentially large inflows of illegal migration in contrast to some southern European countries. In comparison to Western Europe, there have been no major terrorist attacks in any of the countries surrounding the Baltic Sea. In other words, the efforts to desecuritise the agenda of regional cooperation in the Baltic Sea area and in particular the Baltic-Russian relations were to a large extent successful. However, the countries of the region (especially the small ones) should mind the trap of the "golden corner" mentality - no region or country should feel completely safe in the era of unpredictable, uncertain, unidentifiable and increasingly transnational threats.

Making a difference in the European neighbourhood

With the accession of the new member states, the neighbourhood agenda of the EU became more complicated than before. The new neighbours – Ukraine, Belarus, Moldova, the South Caucasus countries - are still in the process of transition towards democracy (with a varying degree of success), they are poorer and less stable, and ultimately, they are far from fulfilling EU membership criteria. All of this means the EU will be unable to offer them a membership promise anytime soon. The European Neighbourhood Policy (ENP) was to a great extent designed as a response to this challenge.

Arguably, the EU's relations with the Eastern neighbours are the area of the CFSP in which the accession of the new member states has had the greatest impact. The keen interest of the new members in the stability, economic and social development of the Eastern neighbours prompted the EU as a whole to pay more attention to and put more energy into this area. The new members brought a critical mass of knowledge and expertise about the new EU's neighbours. It still remains to be seen if this increased attention will transpire into substantial financial support for the new neighbours when the decisions on the 2007-2013 financial perspectives are made. It is clear that the EU member states will have to find a balanced approach

towards allocating financial aid among the Mediterranean countries, the Balkan countries and the Eastern neighbours.

Despite the active participation of the Baltic states in deliberations over the ENP, the actual success of their initiatives is constrained by their lack of experience in procedural matters. Even good initiatives are doomed to fail if presented in the wrong, amateurish way. It is a malaise common to most new member states. Their initial stance of "we know better" how to deal with Russia, Ukraine or Belarus did not fare well with the old members, but it taught the new members "a lesson in humility". Yet, the Baltic states have a natural interest in trying to "make a difference" in the closest neighbourhood and in some cases they have already delivered. First of all, these countries are now responsible for the safety of the Eastern borders of the EU.[6] Curiously, Lithuania is the only European country bordering Russia to the West (Kaliningrad region). Latvia and Lithuania both border Belarus to the East. Safeguarding these borders is no easy task given the smuggling, human trafficking, trafficking of drugs and guns, organised crime, illegal migration and other challenges that could hit the EU ever more heavily if the development gap between the wealthy club of the West and the rest widened further. Stability, peace and economic prosperity in the Eastern neighbourhood should therefore be the top priority of the foreign and security policy of the Baltic states.

Lithuania, together with Poland, claims to have put Belarus, Ukraine, and the Kaliningrad region on the EU agenda long before they themselves became members. Even more remarkably, the three Baltic states already for a few years have been supporting and promoting democratic transformation and defence reforms in the South Caucasus countries, whereas the EU only in 2004 extended the ENP to Armenia, Azerbaijan and Georgia. Such activities help to diversify the foreign policy of the Baltic states away from focusing

[6] It should be noted that the border issues between Russia and Latvia and Estonia remain unsettled. The Russian government signed the border treaty with Estonia in May 2005, only to renounce it in June 2005 objecting to the way the Estonian parliament carried out domestic ratification procedure. Russia also cancelled the singing of the treaty with Latvia objecting to the unilateral declaration that Latvia wanted to add to the treaty, which mentioned the Latvian-Russian peace treaty of 1920. The Russian side interpreted the declaration as a "territorial claim" on the part of Latvia.

solely on Russia, while, at the same time, helping their major interest to see Russia becoming a normal democracy.

What make the Baltic states well placed to pursue an active policy is first and foremost the experience, expertise and credibility gained during their own transformation period. Estonia, Latvia and Lithuania share the same past as former Soviet Socialist republics with Ukraine, Belarus, Moldova and the countries of the South Caucasus. However, thus far, only the Baltic states managed to become established democracies and members of the EU and NATO. Their experience is particularly valuable to their Eastern neighbours in two regards: first, they know how to shake off the Soviet legacies and transform centrally planned economies into free market economies; second, they know how to adapt their legal and political systems and meet other EU and NATO demands in order to become eligible for membership. Another somewhat subjective factor is knowledge of the Russian language. The Baltic states could well play the role of interlocutors for day-to-day and people-to-people contacts between the EU and the Eastern neighbours. The challenge now for Vilnius, Riga and Tallinn is to "sell" these advantages to the rest of the EU, and the EU has to find a way to exploit the strengths of individual members to the benefit of all.

The Baltic states individually and together are too small to assist, for example, Ukraine in its complex agenda of cooperation with the EU. Given the constraints of diplomatic weight, human and financial resources, they inevitably must coordinate their endeavours not only among themselves but also with other interested parties. The Nordic-Baltic cooperation provides one such opportunity, which has not yet been exploited in any significant way. Cooperation with other new EU members in the Central Europe and in particular Poland provides another opportunity. The key role of the Polish president Alexander Kwasniewski and the Lithuanian president Valdas Adamkus in the crisis resolution during the Orange Revolution in Ukraine provided an especially convincing example of the possible benefits of such cooperation. The presence of the High Representative of the EU Javier Solana in Kiev with the two presidents provided the EU clout and guaranteed the success of the whole affair.

Although the activism of the Baltic states towards such difficult cases as Belarus or the South Caucasus may seem venturesome, the rationale behind

it is sound. Some politicians in the Baltic states tend to argue in favour of the "golden corner" mentality, which would entail a policy of self-restraint and general passivity towards any sensitive security issue that could draw their countries into unnecessary meddling with other nations, especially Russia. In their view, respective Baltic governments should focus exclusively on domestic problems. However, mainstream political thought seems to favour international activism, on the assumption that only an active foreign policy, even if risky, can ensure security for small states.

New EU members and the Baltic states have two alternative ways to proceed with their efforts towards European neighbourhood. On the one hand, there could be a certain informal specialisation among the Central European countries. For example, Poland would focus on Ukraine, Lithuania – on Belarus, while Latvia and Estonia – on South Caucasus providing a contact point for the rest of the members. Obviously, these individual efforts should only be complementary to those of the relevant EU institutions, especially if the post of the EU foreign minister is eventually established.

Another way is to focus on certain functional aspects of the ENP: conflict resolution, border control, or institutional reforms. In any case, the Baltic states will have to be as pragmatic as possible in order to avoid spreading their resources too thinly. Lithuanian decision makers in particular face such a danger, as they picture Lithuania as a regional leader pursuing a very ambitious agenda of foreign affairs.[7] Lithuanian ambitions to be among the leading EU members in all crucial areas related to CFSP – relations with Russia, the transatlantic link and the ENP – outstrip the capabilities of the country, creating a potentially dangerous overstretch, which could diminish rather than strengthen the influence of Lithuania within the EU. After all, being a "regional centre" cannot be a goal in itself – the strengthening of democracy and the rule of law in Lithuania's Eastern neighbourhood should be the key strategic aim for Lithuania.

Summarising the current position of the Baltic states in the Europe of regions, several important conclusions can be drawn. First, with membership

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7 For example, see: 'Lithuania's New Foreign Policy', Speech by Artūras Paulauskas, Acting President of the Republic of Lithuania, at Vilnius University, 24 May 2004, available online: http://www.urm.lt/data/2/EF51153536_Paulauskasspeech.htm

goals attained, they should reinvent their tri-lateral cooperation by focusing on pragmatic interests, rather than political symbolism. Second, the Baltic authorities must reassess the utility of participation in different regional frameworks – they cannot devote equal attention to all possible forums and must be choosier towards the "alphabet soup". Third, they have a natural interest in devoting more of their resources to the Eastern neighbourhood, which could well become their greatest value added to the EU's CFSP. All in all, the importance of regional cooperation to the Baltic states has not diminished since their accession to the EU and NATO. Despite the new international status gained by Estonia, Latvia and Lithuania, the foreign and security interests they pursue, the challenges and problems they face, and the tools they have to tackle those problems will continue to be regional in nature.

Conclusion: sorting out priorities of regional cooperation

Whatever merits the various regional cooperation formats that were set up during the 1990s had for the success of the Euroatlantic integration efforts of the Baltic states, their utility after double enlargement has to be reassessed.

- Prioritising Nordic-Baltic cooperation. It is crucial for Vilnius, Riga and Tallinn to sort out their priorities of regional cooperation. The membership in the EU and NATO is requiring a growing amount of time, people and energy from the three capitals. Due to objective constraints of resources, the Baltics will be unable to give the same level of attention to all the regional frameworks they were actively engaged in during the past decade or so. They will inevitably have to concentrate on priorities. Their cooperation with the Nordic countries in NB8 and NB6 formats should top the list as best-suited frameworks to coordinate policies and pursue interests they have in common within the EU and NATO.
- Making a difference in the Eastern neighbourhood. After having ensured their long-term security and prosperity, the Baltic states are now well placed to make a difference in regions further East. They need to shake off the image of "security consumers" and become contributors. The

Baltic states should further strengthen their efforts in the immediate Eastern neighbourhood and beyond: Belarus, Ukraine, Moldova and the South Caucasus. They have the expertise that new Eastern neighbours of Europe could use to pursue democratic transformation. In order to compensate for the lack of resources, the Baltic states should seek for ways to combine their efforts among themselves but also more actively involve the Nordic countries. The Baltic states should also continue to work with Poland which shares the same interest of reaching out to the Eastern neighbours.

- Exploiting the weight of the EU. The Baltic states should exploit the tools available within the EU. While the EU does not yet consider it an important priority amidst the heated debates over the constitutional treaty, the question of the future EU relations with the Eastern neighbours will not go away. Sooner or later, the EU will have to decide whether they want to see Belarus, Ukraine, Moldova and the South Caucasus as part of the European project. Nobody would dare to forecast when these countries could become eligible for EU or NATO candidacy, but without these countries being anchored to the key European institutions, Europe's security architecture would remain incomplete. With the democratisation and integration of these countries, the Western community would help Russia to shed its imperial past once and for all.
- Keeping the U.S. involved. The Eastern European neighbourhood is not on top of the agenda for the U.S. At the same time, having no direct stakes in the region makes it easier for Washington to take a relatively tough stance vis-a-vis Russia. It is important for the Baltic states and Poland, as well as the whole EU, to keep the U.S. interested and involved in regional developments. In the case of Belarus, it is of particular importance to develop a common transatlantic strategy that would encompass sticks to the authoritarian leadership of the country and carrots to its fledgling civil society.

THE ORGANISATION FOR SECURITY AND CO-OPERATION IN EUROPE OF THE "BALZAC AGE"

Rytis Paulauskas, Aleksandras Matonis*

There were no big festivities organised on 1 August 2005 to celebrate the 30th anniversary of the Helsinki Process and at the same time of the Organisation for Security and Co-operation in Europe (OSCE), which now has 55 members. No summits have been held since the OSCE's 1999 Istanbul Summit, some of the decisions of which have not been implemented so far.

The OSCE started its fourth decade experiencing some difficult times. Some countries are accusing the OSCE for its allegedly double standards and interference with internal affairs of other countries. Prior to leaving for Brussels, former Russian Vice Minister of Foreign Affairs Vladimir Chizov, known in Lithuania for his controversial remarks on the Molotov-Ribbentrop pact, described the situation in the Organisation as follows: if the OSCE is not reformed in the short run, it shall "simply have no future."

Is the OSCE going through a "midlife crisis"? Or maybe it was struck with paralysis of raison d'etre and goals, just like many other organisations from the Cold War period? Or maybe the OSCE was drawn into a whirl of geopolitical games against its own will with somebody persistently trying to weaken this international institution having quite an influence on democratic development of states? Is the OSCE still of strategic importance for Europe?

Former Polish Foreign Minister Prof. Adam Rotfeld claims that by initiating the Helsinki Process three decades ago the Soviet Union sought not only to consolidate its political influence and territorial control but also to le-

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galise the single-party system in countries dominated by the Soviets. Former U.S. Secretary of State Henry Kissinger shared similar thoughts. According to Kissinger, the Soviet leaders most probably hoped that the newly created structure – the Organisation for Security and Co-operation in Europe (OSCE) – would weaken NATO or even strip the Alliance of its significance.

However, these hopes did not come true. Contrary to the aspiration of the Soviet Union, the OSCE not only stirred the foundations of the totalitarian system but also provided the conference members with a vote in solving political issues of Eastern Europe." One of the activities chosen by the OSCE was the protection of human rights, which led to the establishment of human rights protection groups of the Helsinki Charter in Russia, Lithuania, Ukraine, Armenia and Czechoslovakia, and the rise of the *Solidarnosc* Movement in Poland. Many factors destined the erosion of the Soviet Union and the fall of the Warsaw Pact. However, Prof. Rotfeld has no doubts that decisions made in Helsinki in 1975 "played the role of the catalyst."

The Lithuanian emigration was not unanimous in assessing the Helsinki Process. However, it did not miss the chance to use the events of the Organisation for Security and Co-operation in Europe to demand the continuation of the policy of not recognising the Soviet occupation of the Baltic States. In these events it was publicly spoken on human rights violations in Lithuania, Latvia and Estonia.

Lithuania made use of the influence of the OSCE after the restoration of Independence. Once Lithuania joined this forum in September of 1991, it started demanding the withdrawal of the Soviet Army from Lithuania, Latvia and Estonia. Paragraph 15 of the OSCE Summit Declaration adopted in Helsinki in 1992 urging immediate and complete withdrawal of foreign armed forces from the Baltic States was one of the major diplomatic accomplishments of our states.

Unfortunately, the collapse of the Soviet Union and Yugoslavia not only liberated Eastern Europe but also opened way for conflicts in Southern Caucasus, the Balkans and Moldova. After a truce was called in South Ossetia, the Trans-Dniester region and Nagorno-Karabakh, the OSCE became actively involved in the political settlement of conflicts and post-conflict rehabilitation.

In 1995, the OSCE was transformed into an organisation covering the geographical region from Vancouver to Vladivostok. The OSCE established its missions in Balkan, East European and Central Asian states. The main goal of such missions is to promote mutual trust of nations and states, also democratic reforms and the development of the civil society. These goals are also shared by the Lithuanian experts currently engaged in OSCE missions in Bosnia and Herzegovina, Croatia, Kosovo, Tajikistan and Georgia.

The OSCE Istanbul Summit held in November of 1999 approved (by consensus) obligations for Moscow to withdraw Russian troops and remove ammunition from Moldova and to reach an agreement with Georgia regarding the closure of its military bases in this Caucasian country. Almost six years have passed and the Russian troops and ammunition still remain in the Trans-Dniester region of Moldova. However, the dialogue with Tbilisi is showing the first signs of hopes of reaching an agreement.

The OSCE made an especially big contribution to democracy building by organising the observation of elections in "young" democracies. In 2004 alone more than 5,000 election observers from different OSCE member states, including 44 election observers from Lithuania, observed elections in different countries. In general, the geographical boundaries of Lithuanian "missioners of democracy" stretched from the Balkans to the Caucasus.

The OSCE had a memorable role in the recent events in Georgia, Ukraine and Kyrgyzstan. Lithuanian and Polish presidents as well as the EU High Representative went to Kiev in the atmosphere of huge political tension at the end of 2004. They were also joined by OSCE Secretary General Jan Kubis. After reaching the agreement on repeat voting, the OSCE sent 1,372 observers representing 46 countries to Ukraine. It was an unprecedented campaign prepared in a short period of time. Provided assistance for a peaceful transformation of such crises shows benefits of the Helsinki Process, and strengthens stability and security of the trans-Atlantic area.

Over the 30 years the OSCE region has changed beyond recognition. The military confrontation of the bipolar world has been replaced with new dialogues between NATO and Russia as well as the EU and Russia. However, "dividing lines" of those times have not been completely erased. Some OSCE member states resent that they receive so much attention and criticism for insufficient progress in cherishing democracy, human rights and the freedom of

speech. Most of the severe criticism goes to the OSCE Office for Democratic Institutions and Human Rights, which is in charge of the election observation missions and human rights monitoring in OSCE member states. The urging to implement a "serious and thorough reform of OSCE structures" and to review its "political agenda" is becoming louder and louder.

In this context, events that took place more than a decade ago come to mind. During the Stockholm meeting of CSCE foreign ministers the Russian Foreign Minister Andrey Kozyrev stated: "CSCE standards cannot be fully applied in the area of the former USSR. It is the post-imperial area in which Russia has to defend its interests. We are ready for positive work in the CSCE Council; however, we shall be cautious in considering initiatives that would permit interference with internal affairs." After a pause the Russian Foreign Minister stressed that it was only "rhetoric" used earlier by those who lost to democratic forces; however, the political scientists still remember this woeful episode while analysing statements of Russian officials regarding Georgia, Moldova, Ukraine and other neighbouring countries.

Presidential and parliamentary elections will soon be held in Russia, Belarus, Ukraine and other OSCE member states. The OSCE Office for Democratic Institutions and Human Rights will have to ensure the required assistance to these states in holding elections and at the same time to assess how the states meet the requirements of democratic elections.

Many politicians emphasise that the OSCE is experiencing a value crisis. They give different reasons for that – from the decrease of political solidarity as a result of the disappearance of the threats of the Cold War to the fight for the spheres of influence, the weakness of the member states, the lack of democracy, intolerance, etc.

On the other hand, all debaters agree that the OSCE is a unique regional organisation, the sole organisation that unites Euroatlantic and Eurasian areas. The OSCE is more active in co-operation with Mediterranean as well as Asian countries.

It is also agreed that the OSCE has unique experience in fields such as ensuring democratic elections and the freedom of the press, protection of human rights and minorities, the fight against discrimination, anti-Semitism and intolerance. The OSCE hasn't abandoned its role in consolidating democracy in the Balkans, preparing solutions on the future of Kosovo province,

strengthening stability in Southern Caucasus or Moldova. The international community together with the OSCE will continue seeking the complete withdrawal of Russian troops from Moldova and Georgia according to the Istanbul 1999 OSCE obligations. The OSCE Minsk office works under conditions of self-isolation of Belarus and remains one of few international measures that protect and strengthen the civil society in Belarus.

The Helsinki spirit, especially its provisions on the promotion of security, democracy, regional co-operation, mutual trust and openness in the neighbouring countries, also is a part of the Lithuanian foreign policy. Lithuania, which took a lead of the Provincial Reconstruction Team in Ghor province of Afghanistan, would benefit from the OSCE experience in organising free and democratic elections in Afghanistan.

Even though currently the attention of European and U.S. leaders is focused on the fight against terrorism, stabilisation of the Middle East, democratisation of Iraq, the future of the Constitution for Europe and the development of the EU institutions, the OSCE should also claim to attract greater permanent attention of politicians and public leaders. The reform of the Organisation must not be self-oriented. The OSCE reform must nurture the political will of the states to solve the key stability problems in the Eurasian region, especially the "frozen conflicts" in the Trans-Dniester region, South Ossetia and Nagorno-Karabakh, and to encourage democratic changes in our eastern neighbours and Central Asian countries.

Given globalisation and the fact of the changing structure of power and growing role of China in Eurasia, political scientists forecast new visions and objectives of future co-operation.

Maybe the implementation of these visions will become one of the objectives of Lithuania, a candidate to chair the OSCE in 2010?

PERMANENT INSTABILITY OF UKRAINE'S POLITICAL REGIME

Živilė Šatūnienė

Introduction

An unambiguous assessment of the results of changes in the post-Communist political regime of Ukraine is hardly possible. The political system of this country has experienced both periods of democratic expectations and democratic setbacks during the last fifteen years. For example, in 1990-1994, before the first competitive parliamentary elections, there was a clear fragmentation among the old (communist) political elite in Ukraine; the country's first democratic constitution was adopted in 1996. However, after Leonid Kuchma was elected President in 1994, authoritarian tendencies gradually recrudesced, "oligarchic" clans took hold of the country's political system, and the elections were increasingly blatantly manipulated and rigged to the advantage of the ruling elite.

This cycle of political development recurred ten years later. Manipulations of the results of the 2004 presidential election raised a massive protest among the inhabitants of Ukraine, which was symbolically dubbed the "Orange Revolution". A new influx of democratic expectations forced the ruling elite to concede to re-running the second round of Ukraine's presidential election, which was won by the opposition. However, the political crisis which struck the new government in September 2005 and the mutual accusations of corruption raised by the former "revolutionary" comrades-in-arms – President Viktor Yushchenko and former Prime Minister Yuliya Tymoshenko – raised new questions regarding the vitality of the democratic forces in Ukraine.

The question is therefore whether the vacillation of Ukraine's political regime is not a regular, permanent condition.

This article will test the hypothesis that Ukraine's political regime is characterised by a zero-sum game situation, where two mutually incompatible factions of the political elite are competing in the country's political system.

Consequently, a relative advantage gained by one of the faction results in the push of the political system towards democracy, while a relative gain by the other group results in the temporary retroversion of democracy and the preponderance of authoritarian tendencies in the political system. Therefore, it may be suggested that neither democracy nor authoritarianism have long-term prospects in Ukraine and that the current political system of Ukraine should be viewed as a consolidated instability, i.e. as a permanent zero-sum game.

Theoretical model for analysis of the political development of Ukraine

Political regime change theories receive perhaps most criticisms for generally viewing the transformation of an authoritarian system into a democratic one as a linear process. For example, G. Sørensen claims that the democratic transition period is over when free elections take place and a new government is formed on their basis[1]. Other authors, such as J.J. Linz and A. Stepan, claim that a system becomes democratic when free elections are organised in a country and the government formed in their result escapes from the shade of the so-called "authoritarian enclaves" – the interest groups (the military, etc.) inherited from the past[2]. Moreover, there are those who believe that democracy prevails when a new (democratic) constitution is adopted by the country[3].

All of these approaches are based on the premise that there is a clear point of departure (an authoritarian regime) and a final result (a democratic

1 Sørensen, G. (1993): Democracy and Democratisation. Boulder, Westview Press, p. 40.

2 Linz, J.J. and Stepan, A. (1997): "Toward Consolidated Democracies", in Consolidating the Third Wave Democracies, ed. by L. Diamond, M.F. Plattner. London, John Hopkins University Press, p. 14.

3 See Shin, D.Ch. (1994): On the Third Wave of Democratisation: A Synthesis and Evaluation of Recent Theory and Research, in World Politics (47), p. 144; as well as Linz, J. J. (1994): "Presidential or Parliamentary Democracy: Does It Makes a Difference?", in The Failure of Presidential Democracy, ed. by J.J. Linz and A. Valenzuela. Baltimore, John Hopkins University Press, pp. 3-87; Power, T.J. and Gasiorowski, M.J. (1997): "Institutional Design and Democratic Consolidation in the Third World", in Comparative Political Studies 30(2), pp. 123-155.

system). Thus, even a partial liberalisation of an authoritarian regime is considered to be a progressive process[4].

However, the experiences of Ukraine and other CIS countries (Russia, Belarus, the South Caucasian countries) show that free elections and a formally democratic constitution do not necessarily create a viable democratic system. Even consistent adherence to democratic procedures does not indicate consolidation of the liberal democracy in those countries.

Secondly, traditional political regime change theories focus mostly on the analysis of the behaviour of the main political actors (the political elite) and their decisions (agreements). The historical and structural conditions which have an impact on the development of a new political system (e.g. the level of economic development, institutional background, ethnic composition, etc.) are not taken into account. The post-Communist democratisation process is often viewed as the opening "window of opportunity" in a certain geographic area, which merely needs to be filled with a properly constructed democratic regime[5]. Some authors (for example, T.L. Karl) even argue that democracy itself creates the conditions for its continuity[6]. This approach has often determined unreasonably optimistic findings about the prospects of democratic development in post-Communist countries.

Thirdly, the analysis of elites and their agreements is sufficiently developed in political transformation theories but the democratic consolidation stage is neglected. It remains unclear why and when democracy becomes (or doesn't become) a viable political process – "the only game in town"[7]. Theoreticians fail to provide arguments that would enable accurate determination of when the old political regime (or the political elite groups representing it) accepts the new political system and the reasons or conditions for this.

These "defects" must be corrected. First, political transformation theories should have a shared concept of democracy, irrespective of the number or type

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4 See Carothers, T. (2002): "The End of Transition Paradigm?", in Journal of Democracy 13(1), pp. 6-7.

5 See Sørensen, C. (1996): Social Classes and Democracy: Different Trajectories. Aarhus, Department of Political Science, University of Aarhus, p. 2.

6 Karl, T.L. (1990): "Dilemmas of Democratisation in Latin America", in Comparative Politics 23(1), pp. 1-21.

7 Linz, J.J. and Stepan, A. (1997): op. cit., p. 15.

of the stages of democratisation distinguished. The experience of post-Communist countries shows that formal procedural democratic criteria are insufficient in order to characterise a political system as democratic. For example, a self-proclaimed democracy may hold regular competitive elections open to all political forces but ignore or manipulate popular expectations. This illusion of a democracy may be created using very subtle methods, mostly by utilising the "administrative resources" of the ruling party (raising salaries, subsidising loss-making public enterprises, usurping the attention of the media, etc.).

Another example – the formal "rules of the game" in post-Communist countries are often accompanied by the unwritten (informal) ones (personal relations between politicians and businessmen, employees' fear of resisting dubious instructions from managers, various corruption schemes, etc.).[8] These unwritten rules are sometimes even more influential than the laws officially in place. Therefore, in examining political regime changes in post-Communist countries, the democratic achievements should not be evaluated only on the basis of the formal, procedural criteria.

It cannot be excluded that a political system may get "stuck" in the transitional stage (neither democratic, nor authoritarian) after holding the initial democratic elections and adopting a new constitution. In other words, the collapse of an authoritarian regime and the appearance of democratic procedures do not necessarily indicate a positive process. Instead of a liberal democracy, a "controlled" or some other version of "democracy" may be entrenched and this may not be a transitory phenomenon.

In order to explain the conditions of democratic consolidation, an assumption should probably be made that the behaviour of political elite factions competing in the political system is always rational and self-interested, i.e. that they are seeking to maximise their influence on political decisions in every way possible. Whether or not democracy will become "the only game in town" depends on whether the democratic "rules of the game" are acceptable to the political elite functioning in the political system[9]. Following this

[8] See Gel'man, V. (2003): "Post-Soviet Transitions and Democratisation: Towards Theory Building", in Democratisation 10(2), pp. 89-91.

[9] See Clark, T.D. (2002): Beyond Post-Communist Studies: Political Science and the New Democracies of Europe. Armonk, New York, M.E. Sharpe, Inc., p. 67.

assumption, it may be argued that the democratic form of political regime may be replaced by any other ("transitional") one as "the only game in town", if it is advantageous for the political elite functioning in that system.

L.G. Field, J. Higley and M. Burton distinguish three ideal types of the political elite structure which, correspondingly, condition the final form of a political system[10]:

1) Consensually unified elite – a pluralist elite structure when there is no political elite faction dominating the system. Political groups communicate with each other, negotiate and agree upon the fundamental principles of state government (the rules of the political game). Political competition in such a system is understood as a positive-sum game and political decisions are made by means of compromises. According to the authors, this elite configuration determines the establishment of a stable democratic political regime.

2) Disunified elite – political elite structure when two elite factions of comparatively equal influence are competing against each other, communication between them is limited or absent, and mutual trust and common agreements are virtually impossible. Disagreeing about the "rules of the game" and the weight of institutions in the political system, competing groups use them as an instrument of political fight, while the political fight is perceived as a zero-sum game. According to the authors, this configuration facilitates the establishment of an unstable political regime, which may be democratic but very fragile. Even formal agreement regarding the "rules of the game" cannot ensure that the competing elite factions will follow them, which increases the risk of the failure of democracy.

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10 Field, G.L., Higley, J., and Burton, M.G. (1997): "National Elite Configurations and Transition to Democracy" (excerpts from "A New Elite Framework for Political Sociology", in Revue Européene des Sciences Sociales 28 (1990): 149-182), in Classes and Elites in Democracy and Democratisation (A Collection of Readings), ed. by E. Etzioni-Halevy. New York and London, Garland Publishing, Inc., p. 176, 179.

3) Ideologically unified elite – ideological and systemic domination of a single elite faction. The ruling elite controls all government institutions and uses this influence to "reward" or "punish" the incomparably weaker political elite groups for their ideological (dis)loyalty. In this case, the formal "rules of the game" are usually ignored and, thereby, the conditions for the establishment of an undemocratic regime are created.

According to T. Clark, democratic consolidation requires two preconditions: clear formal "rules of the game" (the rule of law) and an abundance of competing political forces in the system, so that political outcomes are not known in advance[11]. Thus, a system which lacks clear rules on how elites should compete against each other and in which the number of competing political groups is limited, may not be called democratic.

It must also be taken into account that political elite factions will seek to maximise political influence:

- by attempting to reduce the number of actual political competitors;
- by changing the "rules of the game" to their own advantage.

In this case, this includes both formal and informal "rules of the game" which are often tightly interrelated in post-Communist countries, as has already been mentioned.

In order to apply the said model with two variables (elite structure and the "rules of the game") to the analysis of countries like Ukraine, it must be supplemented with some elements that are characteristic to the post-Communist space.

1) Two subtypes should be distinguished in the consensually unified political elite structure: one, in which the influence of all competing political elite groups is more or less equal, and another, in which there are more than two competing elite factions that agree upon the fundamental principles of the functioning of the system but in which one of them is comparatively stronger than the others. In the second case, there is a higher possibility that the dominant elite faction will seek to impose its own "rules of the game" but this threat may not necessarily materialise.

[11] Ibid.

2) The analysis of the development of post-Communist political systems may not be limited by the quantitative (the number of competing factions, etc.) or qualitative (the ability of elite groups to communicate and agree upon the "rules of the game", etc.) studies of elite structures. It is also necessary to study elite "arrangements" regarding the distribution of influence in the political system. As mentioned, the informal "rules of the game" that exist alongside the formal ones in post-Communist systems significantly expand the choices of action available to elites and create additional incentives to maximise their influence.

3) The elite structure and "rules of the game" model should be supplemented with the third variable – the analysis of the external mobilisation strategies of elites seeking to increase their influence in the political system. As the experience of post-Communist countries indicates, elite configuration in transitional period systems is unstable. It may be fundamentally changed following one of two mobilisation strategies:

   - by making an alliance with business (for example, the "loans-for-shares" deal made with big business before the 1996 presidential election strengthened the positions of Russia's "liberals" and enabled B. Yeltsin to remain in power);

   - by mobilising the society (actually, the "masses") irrespective of its economic, ethnic or cultural structure for the fight against real or imagined flaws of the political system (for example, during the 2003 Lithuanian presidential election, R. Paksas mobilised the mass support in Lithuania to fight against the "corrupt elites" which had allegedly lost the confidence of the people).

It must be emphasised that successful implementation of a strategy of mobilisation may have crucial influence on further development of a political system: the consensually unified, pluralist elite structure may transform into a system dominated by one or two groups and characterised by a higher degree of pressure and mutual mistrust. This leads to more favourable conditions for non-democratic consolidation.

Business and (or) mass mobilisation strategies are also used in Western countries but in the post-Communist system they encounter an entirely different

social environment. For example, since political and economic reforms are concurrent in post-Communist countries, business structures often function not as autonomous power centres but as political influence agents related to politicians and dependent on their protection. This leads to the establishment of long-term relations between businesses and politicians (usually those who were in power when the reforms began). This in turn reduces other elite groups' chances of competing in the political arena.

Correspondingly, the level of political organisation of the working class determines the effectiveness of the mass mobilisation strategy. In Western democracies, the large working class capable of protecting its social and economic interests forms the structural foundations of a stable democratic system[12]. However, while this class is particularly large in post-Communist countries due to the intensive industrialisation implemented during the Communist times, it is poorly organised, under-represented (because of the weak tradition of party representation) and often disenchanted with the results of democratic reforms. This creates good conditions for other (non-leftist) political groups to organise mass movements that are essentially incompatible with the establishment of a stable democracy.

Upon systematising these three variables – the political elite structure, the "rules of the game", and the mobilisation strategies of elites – into one model, we obtain at least four possible outcomes of transition from an authoritarian to a democratic system: (1) democracy; (2) "democracy with adjectives"; (3) a zero-sum game; and (4) authoritarianism.

The first option – democracy – is understood as an evolution of a post-Communist regime into a real, i.e. not just procedural, democratic political system. The second one – "democracy with adjectives" (this term is used by D. Collier and S. Levitsky[13]) – includes all formally democratic regimes that nevertheless fall short of the full implementation of all the political rights and civic liberties. The third option – zero-sum game – is distinguished as an independent trajectory of the transformation of a post-Communist political regime in which there is constant balancing between a procedural democracy and an

12 Rueschemeyer, D., Huber Stephens, E., and Stephens, J.D. (1992): Capitalist Development and Democracy. Chicago, IL, University of Chicago Press, pp. 58, 270-273.

13 Ibid.

authoritarian regime. This balancing may be "chronic", long-term, and have its internal dynamics. The fourth option – authoritarianism – is understood as the evolution of a post-Communist political regime into a condition in which even the procedural requirements of a democracy are no longer followed.

All four post-Communist political regime change scenarios distinguished in Scheme 1 describe separate models of interrelations between three variables – the elite structure, the "rules of the game", and the strategies of mobilisation. Thus, in contrast to the traditional political transformation theories, not only democracy and authoritarianism may be "consolidated" political regimes (i.e. relatively stable, unquestioned by either individual political forces or the society) but also "democracy with adjectives" and zero-sum game which were previously considered to be transitional (see Scheme 1).

On the other hand, none of the four above-mentioned scenarios may be considered fully completed because political regime change is a continuous process and the so-called "consolidation" denotes nothing more than a longer-term equilibrium in the political system, which may be upset as a result of changes in the elite structure and the "rules of the game" or upon implementing new strategies of external mobilisation.

The following variables must be distinguished in seeking to apply this model to the Ukrainian case:

1) The structure of Ukraine's political elite[14] in the early post-Communist period (the number of effective political elite groups, i.e. those organised groups that are realistically competing for political influence, their ideological differences, etc.)[15] and changes in this structure after each parliamentary election;

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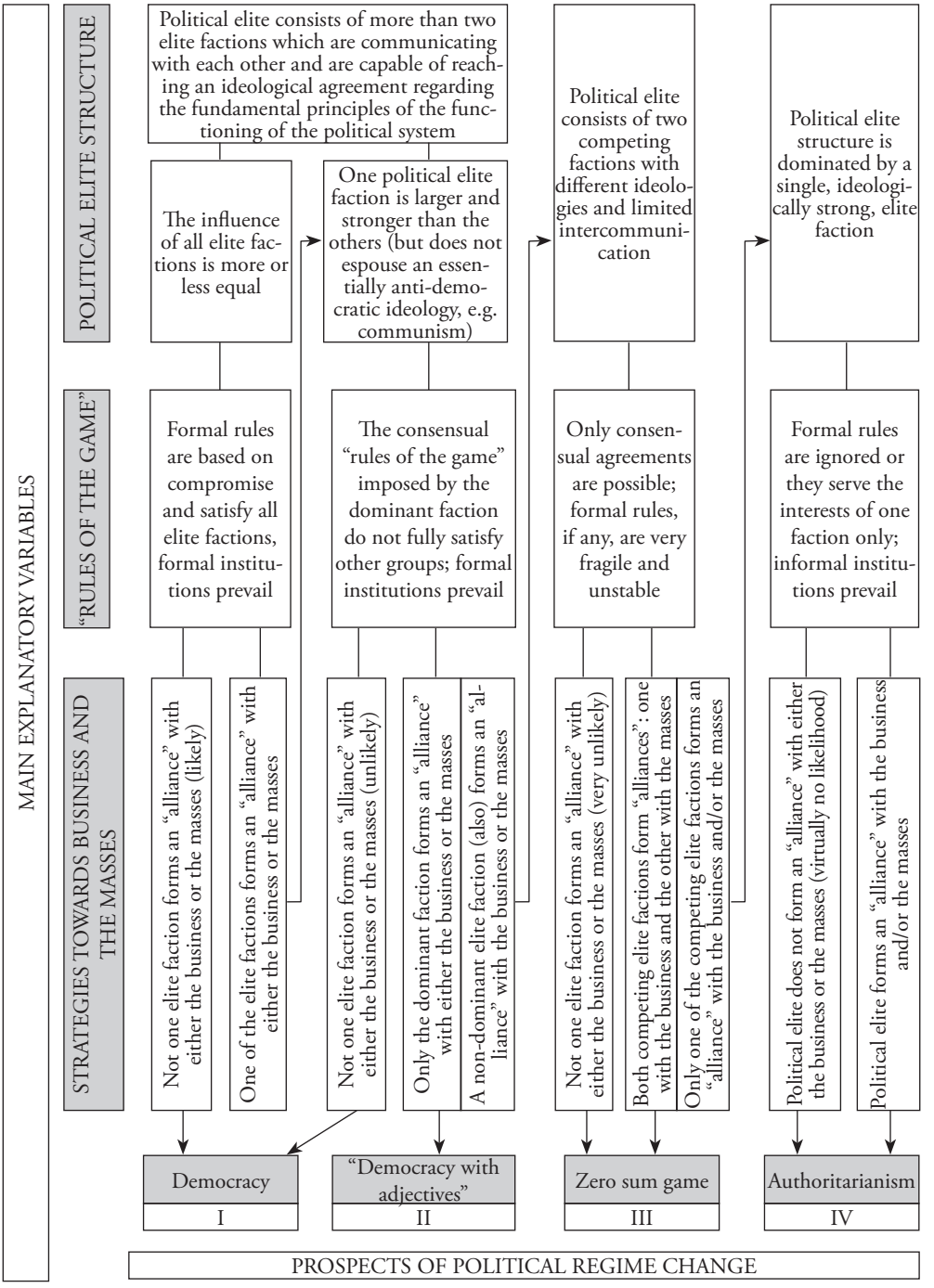
[14] This article takes a formalised approach to the "political elite", i.e. its members are individuals or their groups that control state government organisations (the organisational resources of the state government and public support (political resources) – see Etzioni-Halevy, E. (1997): op. cit, p. xxv.

[15] It is should be noted that, according to the elite structure concept of L.G. Field, J. Higley and M. Burton, which is basically accepted in this article (with certain additions), the structure of the political elite is not and should not be considered to be identical with the party system. The structure of the political elite is conceived as consisting of relatively independent, unique ideological factions, which may be represented by one or more ideologically similar parties.

Scheme 1. Prospects of post-Communist political regime change



2) The "rules of the game" which were agreed upon by political elites for the distribution of influence in the political system. It is considered that the formal rules are set by the Constitution and other laws regulating the access to power and its distribution, while the informal rules are tentatively defined by the political elites' opportunities to exercise indirect power (government share in the economy, government control of the media, the course of public service reforms, etc.);

3) The incentive created by the "rules of the game" for the competing political elite groups to seek "external" support of business or the masses (the instances of the use of such mobilisation strategies and their effectiveness).

Other parts of this article will also examine the structural characteristics of Ukraine which limit (facilitate) political elites' opportunities to gather business and mass support and influence the establishment of one or another type of political regime.

Political elite of Ukraine and its changes

Although Ukraine formally declared its independence only on August 24, 1991, i.e. after the failed Soviet Putsch, the Communist Party lost its power monopoly much earlier. The reforms initiated by the General Secretary of the CPSU M. Gorbachev in 1985 prompted the creation of various informal groups and movements aiming at political changes, greater autonomy of the Soviet Union's republics, partial liberalisation of the economy, etc. These so-called "democrats" received approximately 25-30 per cent of seats in the first partially competitive parliamentary elections in 1990[16]. Thus, already in 1990 there emerged a somewhat chaotic but essentially bipolar political elite structure of "democrats" and Communists. The exact identification of individual political factions and their relative weight in the political elite structure of Ukraine in 1990-1994 (before the first parliamentary elections after the declaration of independence) is difficult for several reasons:

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16 Wolczuk, K. (2001): The Moulding of Ukraine: The Constitutional Politics of State Formation. Budapest, CEU Press, p. 67.

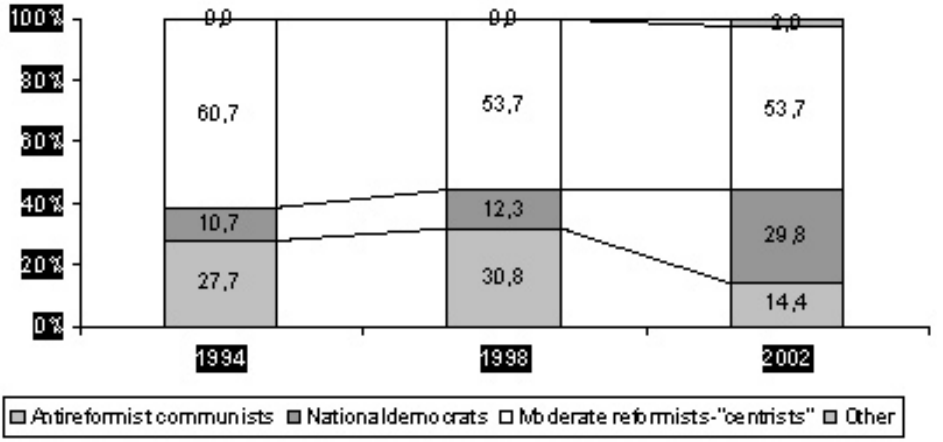
1) Most of the so-called "democrats" did not discontinue formal membership in the Communist Party. Prior to the 1994 parliamentary election, eighty-five per cent of all elected deputies of the Supreme Council were formally members of the Communist Party, even though approximately one-third of them identified themselves as "democrats"[17];

2) When Ukraine became an independent state, the Communist Party was fragmented and its former members joined not only the "democrats" but also the emerging "camp" of the political forces of the centre;

3) With the collapse of the Soviet Union, the so-called "democrats" of Ukraine gradually transformed into several rather radical nationalist movements that gave priority to securing independence from Russia, rather than the development of the democratic political system in Ukraine[18].

Thus, prior to the election of the Verkhovna Rada in 1994, three relatively independent ideological segments may be distinguished in the structure of Ukraine's political elite: 1) the Communists, who were speaking out against reforms and against the independence of Ukraine; 2) the "centrists", who were seeking limited economic and political reforms; and 3) the nationalists, who considered themselves to be "democrats".

Diagram 1. Changes in the political elite structure of post-Communist Ukraine



17 Ibid.

18 For more on this see ibid, pp. 105-107.

Diagram 1 (see also Appendix 1) presents the changes in the relative influence of the said factions in the political system of Ukraine after the declaration of independence, i.e. after the Verkhovna Rada elections of 1994, 1998 and 2002:

Perhaps the most problematic in terms of political integrity and the affinity of views is the ideological faction of moderate reformists-"centrists" distinguished in Diagram 1. This group includes not only those Ukrainian political parties that promoted moderate reforms (for example, the Labour Party and the Social-Democratic Party) but also all the independent deputies of the Verkhovna Rada, as well as political parties that are called "oligarchic" (the Green Party, Ukraine's Social Democratic Party (United), the Labour Ukraine, the Regional Revival Party, and others)[19]. Although this faction has always been very diverse and divided, it consciously avoided identifying with the left-wing (Communists) or the right-wing (nationalists). The "centrists" showed their power in 1996 when only the active mediation of the leader of the Socialist Party O. Moroz managed to reconcile the radically divergent views regarding the Constitution of Ukraine[20]. True, the role of the Socialists in the centre faction was significantly reduced as the centre of the political spectrum was occupied by the so-called oligarchic parties – political structures founded and financed by big businessmen of the country which were very successful in the 1998 election of the Verkhovna Rada.

As indicated in Diagram 1, until 1998 Ukraine's political elite structure could be characterised as pluralistic, with one dominant (centrist) faction, which at that time controlled approximately 3/5 of the seats in the Verkhovna Rada. This political elite structure was favourable for the establishment of the second option of post-Communist political regime changes – "democracy with adjectives" (see Scheme 1).

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19 For more about "oligarchic" political parties in Ukraine and the attempts of business clans to participate in the political decision-making process directly, especially after the 1998 election of the Verkhovna Rada, see Puglisi, R. (2003): "The Rise of the Ukrainian Oligarchs", in Democratisation 10(3), pp. 108-115; see also Åslund, A. (2003): "Left Behind: Ukraine's Uncertain Transformation", in National Interest (73), pp. 109-110.

20 For more on this, see Wolczuk, K. (2001): Op. cit., pp. 204-206.

It must be noted that, although the Communist ideology is essentially incompatible with the principles of the functioning of a democratic political system, this party could not yet be viewed as anti-systemic in 1994 because the rules defining the system (the Constitution) were approved only in 1996. There could have not been any anti-systemic forces before the creation of the system. However, after the Constitution was adopted, Ukraine's Communists who promoted the restoration of the USSR and state (or collective) property became an anti-systemic group, with which it was not possible to reach an agreement regarding the basic principles of the functioning of the state government and political system. Therefore, after the 1998 parliamentary election, the structure of Ukraine's political elites transformed from a pluralistic system with one dominant faction to a competitive system of two elite groups – nationaldemocrats and "centrists", in which the former had a much stronger position (53.7 per cent and 12.3 per cent of votes respectively). This structure is favourable for the zero-sum game option (see Scheme 1). Even if we excluded the Socialists or distinguished them as a separate group, their votes (7.6 per cent) would not be sufficient for a significant change of the established equilibrium of political power.

As indicated in Diagram 1, the situation in the Ukrainian parliament remained essentially the same after the 2002 elections, only the power of the nationaldemocratic wing was further strengthened (from 12.3 per cent to 29.8 per cent of seats in the Verkhovna Rada). This indicates a clear tendency of Ukraine's political system to follow the scenario of the zero-sum game.

Formal "rules of the game": permanent instability

In comparison to other post-Communist countries, the process of the creation of basic formal rules was rather protracted in Ukraine: the new Constitution was adopted only in 1996. The influence of political elite groups prior to this was determined by a host of random factors (the political conjuncture, the ambitions of leaders, etc.). In 1991-1996 five drafts of Ukrainian Constitution were discussed which included various modifications of the semi-presidential or presidential system[21]. Compromise versions of the distribution of political influence were not discussed at all. From the formal point of view, the institutional framework established in the 1996 Constitution may

be described as a semi-presidential system with quite extensive presidential powers[22]. The President appoints the Prime Minister with the consent of the Verkhovna Rada, decides on the candidacies of other ministers, has the sole right to dismiss the Cabinet of Ministers, and possesses wide rights in legislation and the appointment of other officials[23].

However, despite the long process of the adoption of the Constitution, the strength of its provisions remains questionable. Individual political elite factions were initiating constitutional amendments in practically every term of the Verkhovna Rada and attempted to evade the agreed rules. For example, in late 1999, when the Verkhovna Rada rejected the candidacy of the Prime Minister put forward by President L. Kuchma, who was representing the "centrist" faction, Kuchma declared that "a parliament that is not capable of forming a majority has no use at all"[24]. Supported by oligarchic parties, the President initiated a referendum on the expansion of the presidential powers[25]. However, in summer 2002, after the parliamentary elections, Kuchma began proposing entirely different constitutional amendments which would significantly limit the presidential powers and strengthen the Prime Minister's authority[26].

The position of the nationaldemocrats – the competing political elite faction – regarding the basic "rules of the game" defining the principles of the separation of powers was equally inconsistent. For example, in spring 2004, Y. Tymoshenko's party "Fatherland" and V. Yushchenko's "Our Ukraine" boycotted the second vote in the Verkhovna Rada regarding the constitutional amendments proposed by Kuchma (limiting the presidential powers) because

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21 See Matsuzato, K. (2005): "Semipresidentialism in Ukraine: Institutionalist Centrism in Rampant Clan Politics", http://www.findarticles.com/p/articles/mi_qa3996/is_200501/ai_n13640822

22 See Elgie, R. (2004): "Semi Presidentialism: Concepts, Consequences and Contesting Explanations", in Political Studies Review (2), p. 317, 325.

23 Constitution of Ukraine (1996), http://www.rada.kiev.ua/const/conengl.htm

24 Wolczuk, K. (2001): op. cit., p. 272.

25 Ibid, pp. 272-277.

26 More on this in Protsyk, O. (2003): "Troubled Semi-Presidentialism: Stability of the Constitutional System and Cabinet in Ukraine", in Europe-Asia Studies 55(7), pp. 1087, 1090-1091; Matsuzato, K. (2005): op. cit.

they expected Yushchenko's victory in the 2004 election[27]. However, during the political crisis at the end of 2004 the nationaldemocrats agreed to the constitutional amendments proposed by Kuchma in exchange for the re-run of the second round of the presidential elections[28]. In mid-2005, opinions were split inside the nationaldemocratic camp: "Our Ukraine", which supported Yushchenko, who had become the president, decided to initiate the suspension of the said constitutional amendments[29], and the former political comrade Tymoshenko, who was seeking the Prime Minister's post, became a very active proponent of constitutional reform.

The inability of Ukraine's political elites to agree upon the permanent formal "rules of the game" is also manifested in the area of the regulation of the election system, i.e. access to power. In this regard, the rules were also constantly changing. In 1994, the Supreme Council was still elected according to the Soviet system – all 450 members were elected in single mandate districts, where they had to collect at least 50 per cent of all the votes at the attendance of at least 50 per cent of all voters. In 1998, the Verkhovna Rada was already elected according to a mixed election system, applying a four per cent barrier to the political parties. Later, the nationaldemocrats negotiated, in exchange for their support for the constitutional amendments proposed by Kuchma, that beginning in 2006 the Verkhovna Rada would be elected

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27 See Ukraine: Verkhovna Rada Fails to Pass Constitutional-Reform Bill (RFE/RL Reports), http://www.rferl.org/reports/pbureport/2004/04/13-130404.asp; Pogrebinsky, M. (2004): "Constitutional Reform and Presidential Elections in Ukraine", http://www.analitik.org.ua/eng/publications/pogrebinsky/40a0d3719795d/.

28 See European Commission for Democracy through Law (Venice Commission). Opinion on the Amendments to the Constitution of Ukraine Adopted on 8.12.2004, Adopted by the Commission at its 63rd Plenary Session (Venice, 10-11 June 2005), http://www.venice.coe.int/docs/2005/CDL-AD(2005)015-e.pdf

29 Sidorenko, S., Strokan, S. (2005): "Yushchenko Has Nothing to Change", in Komersant (137), p. 9, http://www6.lexisnexis.com/publisher/EndUser?Action=UserDisplayFullDocument&orgId=574&topicId=100009214&docId=l:310757648&start=34; Ukrainian Ex-Premier Breaks up with President, http://eng.maidanua.org/node/397

according to the proportional election system, applying a three per cent barrier of minimal representation[30]. However, after the "Orange Revolution", the nationaldemocrats (and especially "Our Ukraine") began proposing to raise the minimum representation barrier up to seven per cent. True, these proposals were dropped with the political crisis inside this elite faction.

Informal "rules of the game": an enviable stability

The following main areas may be distinguished in examining the possibilities for the flourishing of informal "rules of the game" in Ukraine:

1) the dynamics of government intervention in the economy (the less property is owned by the state and the less the government consumes the goods and services created by the private sector, the fewer the opportunities for political elites to take advantage of the resources of public enterprises and seek the support of private business in exchange for government contracts). Privatisation was launched comparatively late in Ukraine (around 1994) and proceeded at a much slower pace than in most other post-Communist countries (Russia, Lithuania, and elsewhere). Thus, the government's role in the economy (income from property directly owned by the government) remained rather significant even a decade after the declaration of independence. For example, in 2004 the Ukrainian government's income from privatisation of property was larger than at any other time during the country's independence[31]. The intention of the nationaldemocrats to review the privatisation deals made during the period of Kuchma's rule suggests that the government's withdrawal from the economy will remain slow in Ukraine in the future as well. According to the *World Heritage Foundation*, the government was most actively involved in the economic processes in 1999-2002 (when the "centrist" faction was clearly dominant) and later its role was constantly decreasing (see Table 1). However, even in 2005, government income from

30 See Maksymiuk, J. (2004): "Analysis: Verkhovna Rada Moves Proportional Election Law", in The Ukrainian Weekly 11(LXXII), http://www.ukrweekly.com/Archive/2004/110405.shtml

31 Martynenko, D. (2005): "Privatisation Programme for 2004-2006: What to Expect in the Coming Years.", http://www.pwcglobal.com/extweb/pwcpublications.nsf/docid/B854A29C76A0D72080256F6D004CB0E0

property owned and other state property remained comparatively large and still comprises approximately eight per cent of the GDP.

Table 1. Government Intervention in the Economy: Ukraine, 1995-2005

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Ukraine	4.0	4.0	4.0	4.0	5.0	5.0	5.0	5.0	3.0	3.0	2.5
In comparison to:											
Lithuania	-	2.5	2.0	2.5	2.0	2.0	2.5	2.5	2.0	2.5	2.0
Latvia	-	3.0	2.5	2.5	2.5	2.5	2.5	2.0	2.0	2.5	2.5
Estonia	3.0	2.0	2.5	4.0	3.0	2.5	2.5	2.5	2.5	2.0	2.0
Poland	4.0	4.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0

Source: prepared according to the assessment of the *World Heritage Foundation* – see World Heritage Foundation, Index of Economic Freedom, http://www.heritage.org/research/features/index/search.cfm

Notes: World Heritage Foundation determines the economic freedom in any country of the world on the basis of 10 factors, one of which is the Government Intervention in the Economy presented in this table (see W.W. Beach, M.A. Miles, "Explaining the Factors of the Index of Economic Freedom", *World Heritage Foundation*, http://www.heritage.org/research/features/index/search.cfm). The grading scale of each factor may run from 1 to 5, where 1 signifies the best situation according to a certain indicator, while 5 signifies the worst. The factor Government Intervention in the Economy is determined with regard to two objective criteria: 1) the level of government consumption (as a percentage of the GDP), and 2) government revenues from state-owned enterprises and other property owned by the government (as a percentage of the GDP). Possible values of this factor (Government Intervention in the Economy): 1 – government revenues from public enterprises and other government-owned property comprise less than five per cent of the GDP; 2 – 5%-10% of the GDP; 3 – 10%-20% of the GDP; 4 – 20%-40% of the GDP; 5 – more than 40% of the GDP.

2) The reduction of government monopoly of the media and the tendencies in the area of media control (the less media outlets are owned by the government and the less the government controls it, the fewer opportunities for the political elites to manipulate the information provided by the media and thereby increase its influence in the political system). Laws that prohibit censorship and guarantee freedom of speech, etc. were passed during the first

years of independence and there seems to be an agreement that they fully meet the requirements posed for a democratic country[32]. During the first years of independence in Ukraine, as in other post-Communist countries, there was a noticeable spread of periodicals that were not controlled by the state. However, most of them did not withstand competition and only a few kept a regular large circulation. In 1996-1998, the publication of virtually all national daily newspapers was taken over by the so-called "oligarchs" – leaders of the big business clans of Ukraine occupying the leading posts in the political parties established by them, as well as in some government institutions[33].

The privatisation of the main TV channels in Ukraine was launched only in 1996; however, three out of the four national channels ("Studio 1+1", "Inter" and ICTV) became private in 1998. On the other hand, although the government formally withdrew from the media, TV channels (as well as largest newspapers) were acquired by "oligarchs" that were closely related to Kuchma[34].

Therefore, the government's ability to control the media in Ukraine is directly dependent on which political elite faction dominates the political system in any given period. For example, during Kuchma's rule (1994-2004), the national media of the country was totally controlled either directly or through the owners of the media who belonged to his political group. Moreover, the journalists or media outlets criticising the regime were often subject to various repressions (inspections, seizures of accounts, physical attacks against journalists, impediments of normal activities, etc.)[35]. The case of journalist

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32 Wächter, E. (2001): 'Truth' and 'Politics' – The Mass Media in Independent Ukraine 1991-2001, http://www.ferkel.co.uk/pub/dissertation.html#Developments

33 Ibid.

34 Ibid.

35 For example, during the presidential election crisis in 2004, journalists of the Channel 5, which broadcast for the audiences of Kiev and other larger cities of the Ukraine and was the only channel that did not support the political elite faction of "oligarchs"-"centrists", were beaten several times, their cameras were taken, the TV headquarters were set on fire, accounts were arrested, etc. See Press Freedom Barometer for October 2004, http://eng.imi.org.ua/barometr/october.html, as well as Diuk, N. and Gongadze, M. (2002): "Post-Election Blues in Ukraine", in Journal of Democracy 13(4), p. 165.

G. Gongadze, who was murdered in 2000, allegedly for the constant criticisms of Kuchma in the internet newspaper "Ukrainska Pravda", had a particularly wide resonance.

When the nationaldemocratic faction acquired relative superiority in the political system of Ukraine in 2004, the government lost control over the main media outlets. However, the media did not become either independent or unbiased – there were simply more criticisms towards the authorities, which had been virtually absent during Kuchma's rule. Moreover, the public declarations concerning the work of the media, direct addresses and a certain political pressure on the national television of the nationaldemocrats demonstrated that their understanding of the relations between the government and the media were hardly different from those of the previous regime[36]. For example, in 2005 the Channel 5 conveniently became the property of a representative of the nationaldemocratic faction and a close associate of Yushchenko – P. Poroshenko.

According to Freedomhouse, Ukraine had a "partly free" media in 1994-2002 but experienced consistent degradation in this area between 1997 and 2004 and was even assigned to the group of "non-free" countries in 2003-2004. The situation somewhat improved in 2005 but the country still balances on the verge of "non-free" media (see Table 2).

Table 2. Freedom of the Press in Ukraine, 1994-2005

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Ukraine	44	42	39	49	49	50	60	60	60	67	68	59
In comparison to:												
Lithuania	30	29	25	20	17	18	20	20	19	18	18	18
Latvia	29	29	21	21	21	21	24	24	19	18	17	17
Estonia	28	25	24	22	20	20	20	20	18	17	17	17
Poland	30	29	21	27	25	25	19	19	18	18	19	20

[36] Maksymiuk, J. (2005): "Ukrainian Government Sends Mixed Signals over Media", Radio Free Europe/Radio Liberty 17/03/05, http://www.coe.int/T/E/Human_Rights/media/1_Intergovernmental_Co-operation/Min_Conf/MediaCoverage_en.asp

Sources: Freedomhouse (2005): Freedom of the Press 2005: A Global Survey of Media Independence, p. 12-13, http://www.freedomhouse.org/research/pressurvey/fop05.pdf; Freedomhouse (2004): Press Freedom Rankings 1994-2004 in Excel Format, http://www.freedomhouse.org/research/pfsratings.xls
Notes: Following the methodology of *Freedomhouse,* the opportunities for the functioning of independent media in every country are graded on the scale of 1 to 100. Countries that score 1-30 are considered to have "free" media, 31-60 – "partly free", and 61-100 – do not have free media. See Freedomhouse (2005): Freedom of the Press, Survey Methodology, http://www.freedomhouse.org/research/pressurvey/methodology2005.pdf.

3) The civil service reform and local self-government (political elites have more informal opportunities to accumulate power in the system in those post-Communist countries that did not carry out civil service reforms and did not ensure the local self-government). The civil service reform has been and continues to be the most "neglected" area of state government in Ukraine. In 1994-1999, the administrative apparatus of the state swelled from 146,000 to 181,000 employees, and its maintenance cost – from 1.5 per cent of the GDP in 1996 to 3.1 per cent of the GDP in 1999. However, the social welfare of the inhabitants deteriorated in the same period, and potential investors usually point out that the biggest handicap of Ukraine is the exceedingly complex tax system, a multitude of controlling institutions, the corruption of bureaucrats, etc.[37] This reveals the huge problems of the unreformed civil service.

The first initiatives to begin the civil service reform in Ukraine appeared in 1997, when the concept of administrative reform was approved. However, as the 1998 election of the Verkhovna Rada and the 1999 presidential election approached there was a lack of political will and other resources to implement this reform. True, President Kuchma subsequently issued several

[37] See The Ukrainian Centre for Economic and Political Studies Named after Olexander Razumkov (2000): Administrative Reform in Ukraine: Will the Closed Circle Be Broken? (Analytical Report), pp. 4-5, 10, http://www.uceps.org/additional/analytical_report_NSD5_eng.pdf; see also Krawchenko, B. (1997): Administrative Reform in Ukraine: Setting the Agenda (Discussion Papers, No. 3). Budapest, Local Government and Public Service Reform Initiative, pp. 5-7, 14.

decrees aimed at rationalising the work of the executive and the structure of administrative institutions of the state but these initiatives contradicted what is considered as a model of unbiased, competent bureaucracy in the West. For example, the positions of deputy ministers were abolished in the ministries in 2001 and state secretaries were appointed in their place, which were supposedly entrusted with the co-ordination of the entire technical administrative work of each ministry. However, since these officials were appointed directly by the President, this innovation only further increased the subordination of the civil service to the ruling political elite[38].

The resolve to depoliticise the civil service and create local self-government at the communal and the regional levels was demonstrated by the nationaldemocrats after the 2004 presidential elections – the position of extraordinary Deputy Prime Minister for the civil service and territorial-administrative reform was created within the Cabinet of Ministers[39]. However, these reforms are opposed by many political forces of Ukraine (including Tymoshenko's "Fatherland") who are afraid of losing the support of the inhabitants of the regions and the local authorities, which was up to now earned to a large extent by the specially awarded government subsidies and other measures. Thus, the future of the civil service reform and local self-government remains uncertain in Ukraine.

4) The reform of the court system and the resilience of the court system to the pressure of other branches of the government (the more reformed and relatively independent the court system, the fewer opportunities for the political elites to abuse the judicial process in order to increase their influence in the political system). The implementation of the court system reform in Ukraine was started in 2001-2002 when the Verkhovna Rada passed several laws (the "minor court reform" package) which aimed at increasing the independence of courts from the executive branch, creating courts with different competences for the examination of different cases, changing the procedures

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38 More on this in Kutuev, P. (2003): "Administrative Reform and Presidential Power in Ukraine", in Russia and Eurasia Review 2(13), http://www.jamestown.org/publications_details.php?volume_id=16&issue_id=625&article_id=4537

39 Lymar, Y. (2005): "Special Vice-Premier or 100 Days of Roman Bezsmertnyi", http://www.razom.org.ua/en/news/6488/

for the appointment of court chairmen, etc.[40] However, although the judges of local courts were granted the right to elect their own court chairmen, their appointment remained with the Ministry of Justice (in 2004). International human rights organisations criticise Ukraine for the expansive rights accorded to the Prosecutor's Office[41].

According to the assessment of international experts, Ukraine's court system is particularly corrupt and non-resistant to outside influences, including government institutions[42]. In comparing property rights protection and the resistance of courts to corruption in individual countries, the *World Heritage Foundation* found that there was no progress in Ukraine even after the "minor reform" in 2001-2002 (see Table 3):

Table 3. Assessment of the Effectiveness of Property Rights Protection: Ukraine, 1995-2005

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Ukraine	4.0	4.0	3.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
In comparison to:											
Lithuania	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Latvia	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Estonia	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Poland	3.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	3.0	3.0

Source: prepared according to the assessment of the *World Heritage Foundation* – see World Heritage Foundation, Index of Economic Freedom, http://www.heritage.org/research/features/index/search.cfm

40 Commission of the European Communities (2004): Country Report: Ukraine (Commission Staff Working Paper, European Neighbourhood Policy), p. 7, http://europa.eu.int/comm/world/enp/pdf/country/Ukraine_11_May_EN.pdf

41 Ibid.

42 See Central and East European Law Initiative (2002): Judicial Reform Index for Ukraine, p. 26-27, http://unpan1.un.org/intradoc/groups/public/documents/UNTC/UNPAN017578.pdf; Freedomhouse (2005): Nations in Transit: Ukraine, pp. 19-22, http://www.freedomhouse.org/research/nattransit/2005/ukraine2005.pdf

Notes: Following the methodology of the *World Heritage Foundation*, for the purposes of the property rights situation assessment, grade 2.0 means that private property is guaranteed by the government, the court system may suffer delays, corruption is possible but rare, and expropriation is unlikely. Grade 3.0 means that the court system is inefficient and subject to delays, corruption may be present, the judiciary may be influenced by other branches of government, and expropriation is possible but rare. Grade 4.0 means that property ownership is weakly protected, the court system is inefficient, corruption is present, the judiciary is influenced by other branches of government, and expropriation is possible.

In summarising the "rules of the game" and their transformation in post-Communist Ukraine, it may be stated that Ukraine has developed a system in which the political faction that wins the President's post simultaneously obtains a substantial "additional" influence in the system (the right to issue decrees, real opportunities to directly control the work of the Cabinet of Ministers, etc.). Regardless of these formal rules, the withdrawal of the government from the economy and the media was minimal in 1994-1998 and the problems of the reform of the civil service, local self-government and courts did not even make their way into the official agenda; therefore, the political elite had almost unlimited opportunities to take advantage of informal means for the accumulation of influence.

In 1998, when the Communists became a clearly anti-systemic force, the confrontation of two ideological factions emerged in the Verkhovna Rada and instances of ignoring the formal "rules of the game" began occurring, as well as attempts to unilaterally change these rules or their interpretations to the advantage of one of the competing elite groups (for example, the referendum organised by Kuchma in 2000). Therefore, the informal "rules of the game" acquired special importance for the accumulation of power in the system. Formally, the government monopoly in the economy and the media decreased in 1998-2002 because a large part of property that was previously owned by the government was transferred to private owners. However, taking into account that most of the new owners were directly involved in politics as representatives of parties established by them, the potential for the government to manipulate these resources was not reduced at all. Moreover, an unreformed and subservient administrative system of the state (including

all coercive institutions), as well as a court system non-resistant to political pressure, "helped" the ruling elite to garner influence on the basis of the media and the economic resources controlled.

This structure of disunified, ideologically heterogeneous political elite was preserved after the 2002 election of the Verkhovna Rada as well. During this term, as before, the competing political factions more than once attempted to alter the formal "rules of the game" to their own advantage; however, even if agreements were sometimes reached, they were often transitory. In other words, in 2002-2005 the competing elite groups were obviously seeking to reach an exact formal agreement on the rules for entering the political elite and the distribution of power but neither group was prepared to provide guarantees that they would honour these agreements.

In this situation, which is particularly typical to the scenario of the zero-sum game (see Scheme 1), it should not be surprising that all the main reforms in the state are frozen – neither of the competing groups wants to forsake the possibility of making use of the informal opportunities for the accumulation of influence (by means of controlling the media, the courts, the bureaucracy, etc.).

Business and government: an irreplaceable duet

Examination of the relationship between the political elites and business in Ukraine is awkward for methodological reasons alone, since some authors claim that such a relationship cannot be found at all: politics and business is one and the same thing in Ukraine[43]. If, for example, in Russia the political and the economic elites were separated (albeit not entirely) in the course of privatisation, in Ukraine this separation never took place. The business class in this country was not only formed at the initiative of the state ("sanctioned" and controlled by the political elite), it was also allowed to directly participate in the government of the country from the very beginning of independence.

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[43] See, for example, Kalman, A.G. (2001): "Organised Economic Crime and Corruption in Ukraine: The Problem of Countermeasures", in Trends in Organised Crime 6(3/4), pp. 69-72.

It became entirely "normal" after the 1994 elections that the businessmen who helped a certain politician or political party win the elections were appointed to top positions in the institutions controlled by their political "clients", so that they could pass decisions beneficial for their companies. For example, Kuchma became the President of Ukraine in 1994 after he secured the support of business in his native Dnipropetrovsk region (where he managed the world's largest rocket factory "Juzmash" until 1992) by promising speedier privatisation of state property, the implementation of the necessary restructuring of the economy, etc.[44] More than 200 persons moved to Kiev from Dnipropetrovsk to take up various positions in the executive institutions after Kuchma's victory[45]. Twenty-five businessmen from the region were appointed to the top political trust positions in the President's administration and the Government of Ukraine – for example, the former deputy director of Dnepr Commercial Bank S. Tyhypko became the First Deputy Prime Minister responsible for economic reforms[46]. In the subsequent years of Kuchma's presidency, the personal entourage of the President would change as one business clan or another gained more strength and the President had to manoeuvre between various business clans. However, in any case, the direct participation of the representatives of the business in the activities of the President and the government has remained a stable tendency during the entire period of Ukraine's independence.

The specific characteristic of the relations between business and the government in Ukraine is that big businessmen not only seek to acquire control of the executive power but also participate directly or through the parties controlled by them in parliamentary life. At the outset of the 1998 election of the Verkhovna Rada, big businessmen of Ukraine became very active in founding their own parties and putting forward their candidacies in the elections. Former businessmen comprised as much as 28 per cent of the newly elected Rada (in total – 127 members of the Rada)[47]. According to R. Puglisi,

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44 Before moving into politics, L.Kuchma was managing one of the enterprises of Ukraine's military industry which is concentrated in Dnipropetrovsk Region. This region was therefore traditionally considered to be his base region.

45 Puglisi, R. (2003): Op. cit., p. 111.

46 See ibid, pp. 108, 111-112.

47 Ibid, p. 109.

49 bankers took part in the 1998 election of the Verkhovna Rada under the banners of various political parties, 14 were elected, and one of the then largest banks of Ukraine – "Privatbank" – even established its own political party[48]. The foundation of "personal" oligarchic political parties further intensified before the 2002 parliamentary elections. Each of the three largest business clans of Ukraine – Dnipropetrovsk, Donetsk and Kiev – founded their own political parties, while nine parties considered to be "oligarchic" won 220 seats (out of 450) in the 2002 elections and, together with several "independent" deputies formed the majority in the parliament and controlled the government until Kuchma left the President's post.[49]

Thus, as in many other post-Communist countries, the privatisation process in Ukraine became the basis for the formation of clientelist relations between the then ruling elite (the "centrist" faction that dominated the system) and the business community. From 1994 until the "Orange Revolution" in 2004, Ukrainian business had the whole institutional structure of the country's government involved in the fulfilment of their interests. Although the new government of Tymoshenko, formed after the "Orange Revolution", publicly declared its anti-oligarchic attitude and promised to review around three thousand privatisation deals of Ukrainian public enterprises in the nearest future[50], the possibilities of the emergence of the political elites independent of business remain limited in Ukraine.

State and society

There have been few noteworthy attempts to mobilise the support of the masses in post-Communist Ukraine. The "centrist" ("oligarchic") camp that dominated the political system for almost a decade since 1994 did not

48 Ibid.

49 See Åslund, A. (2003): op. cit., p. 110.

50 See Re-privatization Needs to Be Carefully Thought (ICPS Newsletter 6(265), 21 February 2005), a Publication of the International Centre of Policy Studies, http://www.icps.com.ua/doc/nl_eng_20050221_0265.pdf; see also Kiselyov, S. (2005): "Orange Crash", http://eng.globalaffairs.ru/engsmi/883.html. True, later, as a result of the negative international reaction, President V.Yushchenko declared that only 30 Ukrainian enterprises will be re-privatised – Ibid.

actually require the support of the masses – it was simulated by rigging election results, presenting tendentious information through the media outlets controlled by the "oligarchs" close to the regime, etc.[51] Considering that the space for the use of informal "rules of the game" has not significantly decreased during the entire period of Ukraine's independence, the "centrist" faction had good opportunities to remain in power even without the support of a substantial part of the society.

Only the so-called "nationaldemocratic" faction managed to win mass support at the end of 2004 after the results of the presidential election were particularly blatantly falsified. Thousands of Ukrainian inhabitants responded to the call of the nationaldemocrats to take part in a peaceful protest action against the licentiousness of the regime of Kuchma and the oligarchs. A similar protest action had already taken place in 2001 after the death of journalist Gongadze, who had criticised Kuchma's politics, but did not yield the expected results due to insufficient political and organisational co-ordination. Meanwhile, the so-called "Orange Revolution" in Ukraine possessed all the characteristics of mass mobilisation: a well-developed organisational structure, charismatic leaders (Yushchenko and, particularly, Tymoshenko), slogans of the fight against the system, speaking and acting "in the name of the nation" (for example, the symbolic swearing in of Yushchenko as President of Ukraine in the Verkhovna Rada even before the re-run of the second round of elections), etc.[52] The "Orange Revolution" did not transform the political elite structure in Ukraine – the same competing and ideologically incompatible elite camps remain (oligarchs-"centrists" vs. nationaldemocrats). However, the nationaldemocrats have gained a certain advantage over the "centrists" for the first time: they obtained the President's post, the right to form the government, and unstable support of the majority in the parliament.

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51 See, for example, Karatnycky, A. (2005): "Ukraine's Orange Revolution", in Foreign Affairs 84(2), http://www.foreignaffairs.org/20050301faessay84205/adrian-karatnycky/ukraine-s-orange-revolution.html

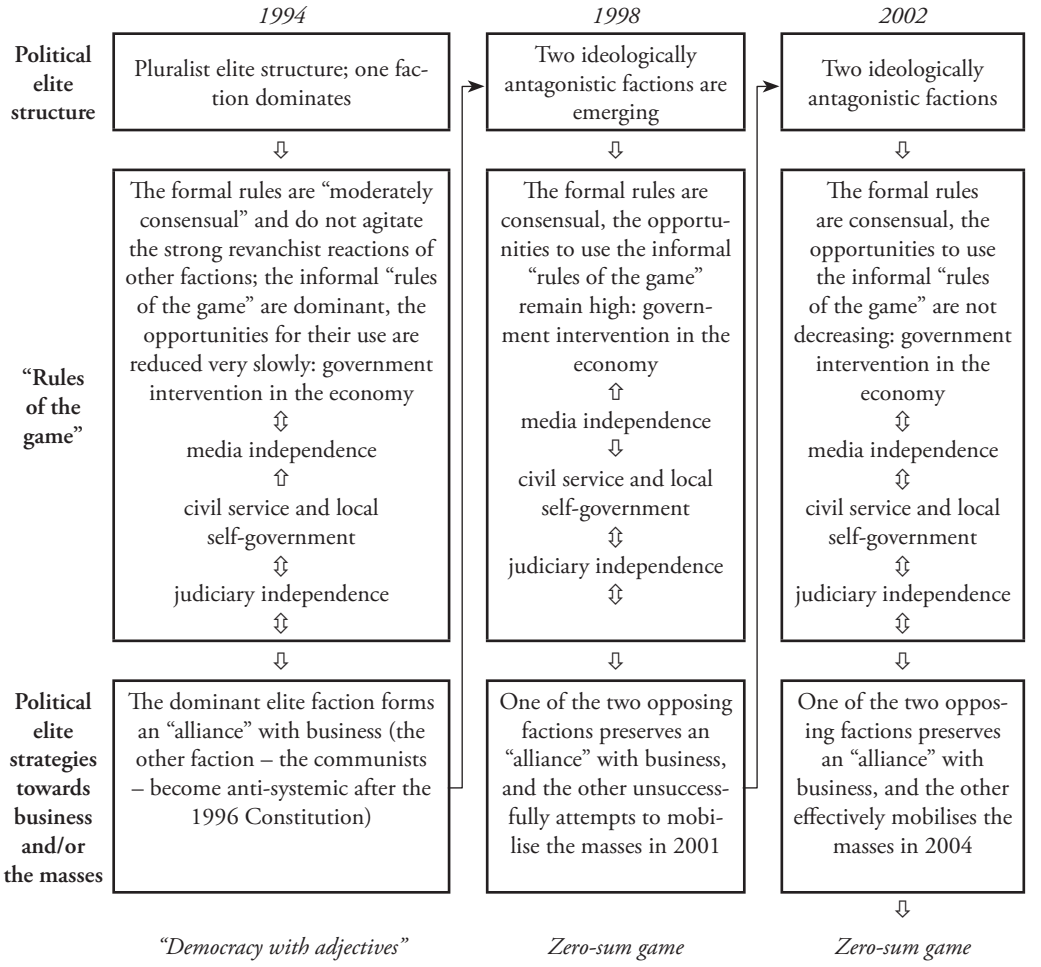
52 See Kuzio, T. (2005): "Kuchma to Yushchenko: Ukraine's 2004 Elections and 'Orange Revolution'", in Problems of Post-Communism 52(2), p. 39-40; Rubchak, M.J. (2005): "Yulia Tymoshenko: Goddess of the Orange Revolution", in Transitions online, http://web19.epnet.com

Trajectory of transformations in Ukraine

When the above-discussed transformations of post-Communist Ukraine's political elite structure and the "rules of the game", as well as the strategies used by the political elites for the mobilisation of the support of business and the masses are placed in one scheme (see Scheme 2), we obtain a rather comprehensive picture of how and why the political regime has been changing in independent Ukraine. In 1998, the political regime moved from the second perspective ("democracy with adjectives") to the third one – the situation of the zero-sum game – and remains there until now. The zero-sum game in Ukraine was particularly lucidly manifested in the 2004 "Orange Revolution" and afterwards.

The transition from the second perspective of political change – "democracy with adjectives" – to the zero-sum game was conditioned by the fact that the dominant political elite group (the "centrists") formed a clientelist "alliance" with business in 1994-1996, while the Communist camp, which occupied an important, although not the most important place in the political elite structure in 1994-1998, became an anti-systemic political force after the adoption of the 1996 Constitution. For these reasons, only two opposing elite factions (oligarchs-"centrists" and nationaldemocrats) remained in the political system of Ukraine after the 1998 elections of the Verkhovna Rada, the ideological confrontation of which was constantly increasing and became particularly acute at the outset of the "Orange Revolution" in 2004. At the end of 2004, the nationaldemocrats gathered mass support and became virtually equal or even more influential than the so-called "centrists", who traditionally draw support from business structures.

Scheme 2. Trajectory of political regime change in post-Communist Ukraine



Notes: In summarising the tendencies in the area of the possible use of informal "rules of the game", the sign "⇧" means that the situation in a certain area during the term improved or changed in an increasing manner (e. g. state intervention in the economy increased, media independence increased, etc.), "⇩" – decreased, "⇳" – remained unchanged.

Zero-sum game – a permanent condition of the political system of Ukraine?

As has already been mentioned, the possibilities of the political elite to form an "alliance" with business and (or) to mobilise the masses and maintain their support for a longer time are mostly determined by the structural characteristics of the country. For example, the fact that the business class was forming in Ukraine with the "assistance" of politicians allowed the political elite to maintain relations with this class even after the privatisation period was over. The issues of state protection and the safety of the property acquired in dubious ways remained topical for business. Since the dominant political elite group skilfully used this opportunity, it may be suggested that in all those years the political system of Ukraine never really had any chances for consolidation as a liberal democratic regime.

The heterogeneity of the Ukrainian business class, its peculiar structure (large competing business clans) and the direct involvement into the political decision-making process, which was prompted by the internal competition and realised through personal political organisations, also had an important role. The aggressive desire to control public opinion through the media owned by business groups only accentuated the oligarchic features of the political system of Ukraine. They did not disappear with the change of government either: during the political crisis in the nationaldemocratic faction in autumn 2005, Yushchenko and Tymoshenko did not shun mutual accusations regarding the use of political positions for the protection of the interests of certain business clans.

In more than ten years of independence, the business groups of Ukraine have consolidated their positions in the Verkhovna Rada and accumulated control over almost all national TV channels and other media outlets, as well as separate industrial regions. Even anti-oligarchically disposed government cannot ignore this power. And the ruling elite that cares about its survival and political success is forced to co-ordinate its decisions with the interests of various business clans.

On the other hand, since Ukraine's business class consists of several competing clans, any government decisions that seek to limit the political influence of business groups immediately affect the interests of competing business

clans. The government cannot remain neutral in principal. This was merely confirmed by the former Prime Minister Tymoshenko's plans to review many of the previous privatisation deals. Such initiatives will not achieve "deoligarchisation" but will only result in provoking sharper disagreements between business groups because the curtailment of the positions of one clan will open new prospects for the strengthening of the influence of its competitors.

It may be argued that for these reasons there will always be at least one (and, most likely, the strongest one) oligarchic political camp supported by an "alliance" with business. In other words, Ukraine's political regime does not have any chance to be consolidated in the liberal democracy perspective (see Scheme 1).

Another structural characteristic of Ukraine is the politically unorganised working class. At least several competing political forces claim to represent the workers' interests – the Communist Party of Ukraine, the Socialist Party of Ukraine, and the Progressive Socialist Party of Ukraine[53]. The internal competition among the left-wing forces encourages at least one of them (the Communist Party of Ukraine, the Progressive Socialist Party) to take a radical, anti-systemic position in order that potential supporters may distinguish it from other leftist parties. Therefore, it is likely that the political system of Ukraine will preserve a left-wing segment that will not wield much power but will propagate an anti-systemic ideology without "communicating" with other political forces. Due to its anti-systemic nature it will not be able to participate in the government of the state and the votes of the left-wing voters (comprising the basis for mass support) will probably be collected by the nationaldemocrats. This circumstance enables predicting that the zero-sum game will remain very intensive in Ukraine in the future as well. This situation (the zero-sum game) may actually be considered to be the consolidated post-Communist political regime form of Ukraine.

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[53] For example, during the 1998 election to the Verkhovna Rada, the CPU was competing against the PSU in 111 out of 225 districts – see Wilson, A. (2003): "The Communist Party of Ukraine: From Soviet Man to East Slavic Brotherhood", in The Left Transformed in Post-Communist Societies: The Cases of East-Central Europe, Russia, and Ukraine, ed. by J.Leftwich Curry and J.B.Urban. Oxford, Rowman and Littlefield Publisher, Inc., p. 220.

APPENDIX 1. The influence of different ideological factions of the political elites of post-Communist Ukraine in the country's parliament (percentage of seats)

Election / ***Faction*** Political parties	1994	1998	2002
Antireformist communists	***27.7***	***30.8***	***14.4***
Communist Party	22.5	27.3	14.4
Peasant Party	5.2	-	-
Progressive Socialist Party	-	3.1	-
"Soyuz" Party	-	0.4	-
Nationaldemocrats	***10.7***	***12.3***	***29.8***
Rukh	5.4	10.2	-
Republican Party	2.5	-	-
Christian-Democratic Party	0.5	0.7	-
Democratic Party	0.7	-	-
Conservative-Republican Party	0.2	-	-
Ukrainian National Congress	0.7	-	-
National Assembly	0.7	-	-
National Front	-	0.7	-
"Reforms and Order" Party	-	0.7	-
V. Yushchenko bloc "Our Ukraine"	-	-	24.9
J. Tymoshenko election bloc	-	-	4.9
Moderate reformists – "centrists"	***60.7***	***53.7***	***53.7***
Socialist Party	*3.5*	-	*5.1*
Bloc of the Socialist Party and the Peasant Party of Ukraine	-	*7.6*	-
Labour Party	1.2	-	-
Democratic Revival Party	1.0	-	-
Citizens' congress	0.5	-	-
Social-Democratic Party	0.5	-	-
Party for the Democratic Revival of Crimea	0.2	-	-
Green Party	-	4.2	-
People's Democratic Party	-	6.2	-
Hromada	-	5.1	-
Social-Democratic Party (United)	-	3.1	5.3
Agrarian Party	-	1.8	-
Party of Regions	-	0.4	-
Election bloc "For One Ukraine!"		-	22.4
Self-nominated deputies	*53.8*	*25.3*	*20.9*
Other parties	-	-	*2.0*

Sources: see Wolczuk, K. (2001): The Moulding of Ukraine: The Constitutional Politics of State Formation. Budapest, CEU Press, p. 131, 263; Central Election Commission of Ukraine. Voting Results for Parties (Blocs) in the Multi-Mandate Constituency and Voting in Single-Mandate Constituencies, http://www.cvk.gov.ua/pls/vd2002/webporc0e; as well as Elections Around the World: Elections in Ukraine, http://www.electionworld.org/ukraine.htm

TOWARDS A UNION STATE OF RUSSIA AND BELARUS

Audrius Žulys*

Historical background

In recent centuries, Russia and Belarus have been closely interrelated with each other. Belarus was part of the tsarist Russian Empire until 1917. In October 1917, when the revolution in Russia was still going on, the Democratic Republic of Belarus was established, which was supposed to be an autonomous unit within Russia.

In early 1918, German forces pushed the Bolsheviks out from central Belarus and on March 25, 1918 the People's Republic of Belarus was established. When the German forces withdrew from Belarus, the Bolsheviks took power and established the Soviet Socialist Republic of Belarus on January 1, 1919, which became part of the USSR in 1922.

With the collapse of the USSR in 1991, Russia and Belarus regained their national sovereignty and became members of the Commonwealth of Independent States (CIS) – a vague and amorphous interstate structure.

The collapse of the USSR caused an economic and social upheaval in Russia, which was further complicated by the profound constitutional crisis that ended in firing on the Russian parliament in October 1993. Therefore, the union of two Slavic states was seen in Russia as a stabilising factor strengthening Russia's positions in the CIS and the "near abroad".

The political situation became somewhat more stable at the end of 1993 and a new constitution was approved and ratified by the Russian Duma on December 12, 1993.

Belarus was at that time engulfed by a deepening economic and social crisis and anxiously followed the events in Russia.

* The author is grateful to Laimonas Talat-Kelpša, Director of the Foreign Policy Analysis and Planning Department of the Ministry of Foreign Affairs, for his contribution to this article.

On July 10, 1994, Alexander Lukashenka was elected President of Belarus. 80.1 per cent of voters gave their voices to him in the second round of the elections. Lukashenka promised voters stability, order, jobs, fighting corruption, social guarantees and strong authority that would take care of people.

The summer of 1994, when Lukashenka became President of Belarus, may be considered the turning point in the process of the (re)integration of Belarus and Russia. The economic and systemic crisis of Belarus, its dependence on raw materials from Russia, Lukashenka's personal beliefs and election promises forced the leadership of Belarus to opt for integration with Russia.

At around that time it became clear that the countries of Central Europe and the Baltic States would seek membership in NATO, which was regarded by the people of Russia and Belarus as a hostile Cold War alliance directed against them.

On February 21, 1995, the Treaty on the Friendship, Good Neighbourhood and Co-operation between the Russian Federation and the Republic of Belarus was signed.

On May 14, 1995, a general referendum was organised in the Republic of Belarus. According to the official data, in response to the question "Do you support the actions of the President of the Republic of Belarus in seeking economic integration with the Russian Federation?" 83.3 per cent said "yes" and 12.5 per cent were against. Thereby, Lukashenka received a national mandate to continue the policy of alignment with Moscow.

In October 1995, the Russian Duma passed a special resolution where it was noted that the idea of the unification of Slavic states conforms to the basic interests and expectations of the Russian and Belarusian nations, contributes to the improvement of their welfare, promotes the development of the Slavic culture, helps in overcoming the manifestations of crisis in the societal development encountered by both countries, and increases the international standing of Russia and Belarus.

On April 2, 1996, the Treaty Establishing the Commonwealth of Russia and Belarus was signed. Following this document, the decision was made to institute a parliamentary assembly – the representative organ of the Commonwealth – in which both Russia and Belarus would be equally represented. The Commonwealth of Russia and Belarus established in 1996 was a more consolidated interstate structure than the CIS.

Already a year later, the Commonwealth was transformed into the Union of Belarus and Russia – a union which had the marks of a confederation. On April 2, 1997, the Treaty on the Union between Belarus and Russia was signed, the preamble of which declared that the parties act in accordance with their constitutions and the norms and principles of international law.

It must be noted that the provisions of the common agreements signed were not implemented. For example, attempts to create a common economic zone and a common transport and energy system as well as to resolve customs issues were unsuccessful in 1997-1998. During this period, economic reforms were not co-ordinated and there was no common legal base of the Union. The agreements and treaties signed regarding the acceleration of the processes of integration were not implemented. Unimplemented agreements were being replaced with new ones.

The 1998 financial crisis in Russia had a significant impact on the deceleration of the integration of the countries. As a result of the crisis, the Belarusian economy was dealt a massive blow and the Belarusian rouble was devalued almost tenfold.

In order to overcome the outcomes of the Russian crisis and strengthen political and economic relations, the presidents of Belarus and Russia signed the Declaration Regarding the Further Unification of Russia and Belarus, as well as a treaty on the equal rights of citizens and an agreement on the creation of equal opportunities for economic subjects on December 25, 1998.

On December 8, 1999, in commemorating the eighth anniversary of the signing of the Belovezh agreements and mostly at the initiative of President Lukashenka of Belarus, a treaty was signed in the Kremlin on the establishment of a Union State between the Russian Federation and the Republic of Belarus. The current relations between Belarus and Russia are defined by the provisions of this treaty.

The legal basis

Treaty on the Establishment of a Union State between the Russian Federation and the Republic of Belarus of 8 December 1999

The Treaty came into effect in Belarus on January 26, 2000, when it was ratified by the Parliament of Belarus, which is controlled by Lukashenka and not recognised by the international community. As is known, Lukashenka terminated the activities of the then Supreme Council and limited the power of the Parliament of Belarus in violation of the Constitution at the end of 1996.

The Russian Duma ratified the Treaty on December 22, 1999.

The provisions of the Treaty do not answer the main question: whether it concerns a confederation of two states or the creation of a Union State – a federation.

It may be argued that the Treaty provides for several rather than one model of the Union State of Russia and Belarus (confederation, federation), the choice among which would depend on the distribution of power at any particular period and, primarily, on the will of Lukashenka and President Putin and their mutual agreements.

Another significant shortcoming is the equivocal mechanism of the separation of national and union competences. It is unclear where and in which hands the highest authority of the Union State will actually be accumulated.

The Treaty stipulates that the highest authority of the Union State rests with the Supreme State Council (*Высший Государственный Совет*), which consists of the heads of states and heads of parliaments of the member states. The Supreme State Council is headed by the Chairman of the Supreme State Council. This position is occupied in turns by the presidents of the member states of the Union. Decisions of the Supreme State Council must be adopted following the formula "one state, one vote" and the principle of the unanimity of the member states.

According to the Treaty, the representative and legislative institution of the Union State is a two-chamber parliament that consists of the House of the Union and the House of Representatives.

The House of the Union consists of thirty-six deputies of the Russian Duma delegated by the Russian Federal Assembly and thirty-six deputies delegated by the National Assembly of the Republic of Belarus.

The House of Representatives is comprised of seventy-five Russian and twenty-eight Belarusian deputies elected for four years in general elections by secret vote in Russia and Belarus.

The House of the Union and the House of Representatives hold their meetings separately.

The Council of Ministers is the executive organ of the Union State. It consists of the chairman of the Council of Ministers, the heads of the Russian and Belarusian governments, the state secretary (with the rights of the deputy chairman of the Council of Ministers), the ministers of foreign affairs, economy and finance of the states, and the heads of the main government bodies of the Union State. The chairman of the Council of Ministers is appointed by the Supreme State Council by general agreement.

The Treaty provides for the judicial branch as well: the Court of the Union State consists of nine judges appointed for a term of six years. One state may not be represented by more than five judges.

The House of Audit (*Счетная палата*) were created to control the finances of the Union State, consisting of 11 persons. They may not have more than seven citizens of any one state.

It is provided that the Union State will have its coat of arms, flag, anthem and other attributes of statehood.

The Union State must introduce common currency and the member states form a common economic area. Unified and, later, common laws must regulate economic activities, as well as civil and tax-related legislature.

The Treaty has left the status of the Constitutional Act of the Union State undefined. Part 3 of Article 2 of the Treaty provides that "the adoption of the Constitution will be discussed in establishing the Union State" and, according to part 1 of Article 62, "upon coming into effect of the Treaty, the Parliament of the Union State (the House of the Union and the House of Representatives) will examine at the proposal of the Supreme State Council the draft of the Constitutional Act, which will establish the state constitution and its legal system on the basis of this Treaty". The place where the Constitutional Act would be adopted, its role in the legal system of Russia and Belarus, as well as its legal character and consequences were not clarified.

It may be argued that the 1999 Treaty was transitional and could not become the foundation of a deep and fully-fledged integration of Russia and Belarus.

The Treaty did not create conditions for the renewal of the legal base of Russia and Belarus, which would be required for deeper political and economic integration of both countries. Essentially, the Treaty is unrealisable.

The main provisions of the 1999 Treaty were transposed to the draft Constitutional Act.

Draft Constitutional Act

The joint committee of Russia and Belarus prepared the draft Constitutional Act in March 2003, on the basis of which the negotiations between the parties are continuing until now.

The most important issues discussed by the parties are presented below.

1. Federation or confederation?

The main issue which has not yet been addressed in the draft Constitutional Act (if further unification will be sought) is the choice of the model of the Union State. It is not clear what exactly is envisioned: a confederation, a federation, or a union tailored according to the EU.

During the negotiations, Belarus proposed that the draft Constitutional Act contains a provision that independent and sovereign states are joined into some sort of "Union" but in principle remain autonomous and independent from each other. Belarus seeks that the Constitutional Act is viewed as an international treaty between Russia and Belarus.

Meanwhile, Russia seeks that the Constitutional Act is defined as a normative legal act of the Union State.

Russia aims to transfer the Constitutional Act from international law to domestic law.

Thus, Russia views the Union State as an integral entity that has the attributes of a federal state, while Belarus sees the Union State as a modern confederation. There has been little success in reconciling these two divergent positions until now.

2. Sovereignty of the parties

The current draft Constitutional Act is not defined as an international treaty and contains some formal indications that this document will be treated as a domestic act of the state. For example, Article 1 of the Constitutional Act defined the Union State as a "state". According to Article 63, the Constitutional Act will be endowed with the highest juridical power on the entire

territory of the Union State. In contrast to the 1999 Treaty, which clearly established the sovereign equality principle of the participating states (Article 3), the draft Constitutional Act does not contain such provisions. The draft Constitutional Act is based on the concept of the Union State as a "state". Moreover, Article 1 characterised the participating states as "the subjects of the Union State".

On the other hand, Article 2 of the Constitutional Act provides that "with regard to the authority voluntarily transferred to the Union State, the subjects of the Union State shall preserve their sovereign rights, independence, territorial integrity, and international legal personality, independently decide on issues of their domestic order, have their own constitutions, state flags, state coats of arms and other attributes of statehood." The provisions of this article may not be assessed as limiting the sovereignty of the member states but the relation between the sovereignty and the voluntary transfer of certain authority to the government bodies of the Union remains unclear.

Article 3 of the draft Constitutional Act also repeats the provisions of the 1999 Treaty regarding the retention of the membership of the member states in the UN and other international institutions and establishes the superiority of international legal norms in relation to the acts of the government bodies of the Union State.

However, if closer integration is sought, the governments of Russia and Belarus will inevitably have to limit the sovereignty and autonomy of their actions because without it closer integration will be impossible.

3. Distribution of competences

The draft Constitutional Act retained the division of competences into "exclusive" and "shared". However, one substantial exception was made (Article 34): "in the absence of the normative legal document of the Union State regulating legal relations on issues assigned to the exclusive competence of the Union State or the shared competence of the Union State and the subjects of the Union State, the legal base of the subject of the Union State shall apply on the territory of that subject of the Union State." The draft Constitutional Act states that the Union State has the right to make international treaties within the bounds of the so-called "exclusive" competence.

Taking into account that the president of a member state practically has the veto right with regard to the Union's government bodies, the "exclusive" competence of the Union State should not be too great.

4. International status

Participation in an interstate entity, including such as the Union State, does not abrogate the international legal responsibility of the parties.

This means that if the Union State is granted the right to make international treaties, the respective government bodies of member states must perform a serious analysis of such treaties. It may be speculated that such analyses, as well as the inevitable difficulties in co-ordinating the efforts of the two states, could become a serious obstacle for the Union State to use its international legal personality.

If the states regard the Constitutional Act of the Union State as a domestic state act and it is not registered with the UN secretariat, the member states will not be able to rely on it in the UN institutions (as well as in the UN International Court).

Thus, so long as Russia and Belarus remain independent international legal subjects, they will be independently responsible for their obligations. Agreements between sovereign states must conform to international law irrespective of the name and content of these agreements.

5. Relationship with the national law

The issue of the relationship between the Constitutional Act and the national constitutions remains pertinent. The draft Constitutional Act does not address this issue directly.[1]

Therefore, the implementation of any version of integration would necessitate essential amendments in the constitutions of Russia and Belarus, as

[1] Article 59 – In case of collision between a norm of the law or a decree of the Union State and a norm of the constitutional subject of the Union State, the norm of the constitutional subject of the Union State shall be effective. http://www.belrus.ru/obshie/osnovy/konact/article.shtml?part6.shtml

well as in the national laws regulating the areas of defence, finances, banking, taxation and other activities.[2]

6. Institutional organisation

The government organisation of the Union State is transposed from the 1999 Treaty (see the Appendix) to the Constitutional Act under preparation. The Constitutional Act, as the 1999 Treaty, provides that the institutional system of the Union State consists of the following: the Supreme State Council (Высший Государственный Совет); the Parliament of the Union State (Парламент Союзного государства), composed of two chambers – the House of the Union (Палата Союза) and the House of Representatives (Палата Представителей); the Council of Ministers (Совет Министров); the Court of the Union State (Суд Союзного государства); and the House of Audit (Счетная палата). The competences of these institutions did not change in comparison to those provided in the Treaty.

Although the Parliament of the Union State is partly elected in direct elections, it is dependent on the presidents of the member states who, in mutual co-ordination, are entitled to approve or reject each law passed by the Parliament. Chapter VI of the draft Constitutional Act states that the government bodies of the Union State shall pass laws, decrees, decisions, directives and resolutions.

The government of the Union State is practically based on the "dictatorship" of the Supreme State Council under the leadership of presidents because almost the whole power is accumulated in this institution.

The provisions in the 1999 Treaty regarding property, common currency, symbols and official languages were transposed to the draft Constitutional Act.

The novelty of the draft Constitutional Act is the establishment of the legal status of the citizen of the Union State.

The Constitutional Act provides equal rights for citizens of the member states: the right to social security, the freedom of movement, business, private property, the protection of violated rights, etc.

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2 http://www.mpa.ru/files/sb1/7.doc

7. Adoption of the Constitutional Act

It is noteworthy that the institutions of the Union State participate only in the preparation of the Constitutional Act. Following the provisions of the 1999 Treaty, the Constitutional Act should be adopted by citizens of both countries through referendums in Belarus and Russia, which would take place in the member states according to the existing constitutional procedures and national laws. In this regard, the referendums in Belarus and Russia may have a different juridical force.

8. Amendment of the Constitutional Act

Unilateral amendments of the Constitutional Act will not be possible. However, the Constitutional Act may be changed in a standard way by a separate treaty co-ordinating, approving and formalising amendments or through a complex procedure involving consultations or other actions. In making amendments to the Constitutional Act, the positions of the member states will have to be co-ordinated. Any member state may demand amendments to the Constitutional Act.

Russian and Belarusian positions

Divergent positions of the countries regarding the model of the Union State

Lukashenka and Putin continue to differ in their views regarding the model of the Union State of Russia and Belarus (federation, confederation, or EU-type union).

On August 14, 2002, Putin presented the vision of the establishment of the Union State to Lukashenka in Moscow and suggested "the most straightforward and understandable" road of unification: to create a federal state and for Belarus to become part of the Russian Federation.[3] Putin's scenario was the following: referendums regarding the Union State were supposed to

[3] "Brief meeting – sensational outcomes", http://www.smi.ru/text/02/08/14/665705.html

take place in Belarus and Russia in May 2003, the joint parliament was to be elected in December 2003, and in March 2004 – the elections of the president of the Union State. Additionally, Putin outlined a plan on how to speed up introduction of a common currency – the Russian rouble. Both countries were supposed to have the common currency as of January 1, 2004.

However, Lukashenka categorically disproved and still speaks out against Putin's proposals to create a federation of states. The Belarusian president also rejected Putin's suggestion to stage a referendum in Belarus and Russia and consult the citizens on whether they want to live in a federation.

Lukashenka's argument is that the federation is unacceptable to Belarusians because it would mean the complete renunciation of national sovereignty. This is confirmed by the public opinion survey performed by the Independent Institute of Social, Economic and Political Studies (NISEPI) in September 2005, according to which 50.6 per cent of Belarusians said that Russia and Belarus should create a union of independent states closely interrelated politically and economically.[4] 28.9 per cent of the surveyed said that Belarusian relations with Russia should be the same as with other CIS countries. Only 13.2 per cent of respondents were in favour of creating a single state with a common president, government, armed forces, currency and flag.

Thus the larger part of the Belarusian society favours the process of integration with Russia but under the confederative model that preserves independence and sovereignty. Only the minority of Belarusians support the federative model of integration proposed by Putin.

Meanwhile, in Russia there emerged a consensual view among the ruling elites regarding the unification of Russia and Belarus: Russia wants to unify with Belarus as soon as possible on the basis of a federation or similarly to the EU.

This opinion of Russia's ruling political elites was best expressed by the former governor of Saratov D. Ayatskov (who was supposed to be appointed as the ambassador of the Russian Federation in Minsk), who publicly told Lukashenka: "either you integrate, or …"[5] Ayatskov's appointment to Minsk was cancelled after this pronouncement.

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4 "How is our integration going?", http://www.iiseps.org/press6.html

5 http://www.nmnby.org/pub/101005/minmos.html

On October 1-2, 2005, the Russian Public Opinion Research Centre (VCIOM) carried out a survey of Russian citizens with the following results: almost a third of Russian inhabitants (30 per cent) favour the unification of the two states on equal basis, 20 per cent of respondents voiced their support for a common state according to the EU model, and only 13 per cent of Russians would like Belarus to join Russia as one of the subjects of the Russian Federation. Twenty-three per cent of respondents claimed that unification is not needed at all and that maintenance of good mutual relations is enough.[6]

Another of Putin's proposals to Lukashenka was to integrate according to the EU model: the decisions and legal acts of the common parliament of the Union State would be transferred to the national laws and approved by the national parliaments of Belarus and Russia. During the Presidential meeting in Zavidov (Russia) on July 20-21, 2005, Putin suggested to Lukashenka that the integration should proceed according to the EU model.

However, the fashioning of the Union State on the model of the EU was also unacceptable to Lukashenka. In his view, "the establishment of the Union State according to the EU model would mean taking many steps back. <…>. We have accumulated more experience than the EU in creating a union state because we lived in a tighter collective – the Soviet Union."[7]

Lukashenka's current position is that the establishment of the Union State must accommodate the principles of sovereignty of the parties and the structures functioning according to the Constitutional Act. This indicates that Lukashenka stands for the confederative model of the Union State.

It is noteworthy that Belarusian authorities constantly emphasise the inviolability of sovereignty in discussing the establishment of the Union State, thereby turning the sovereignty issue into a certain ideology and value.

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6 Press release No. 321, "How Do We Want the Union of Russia and Belarus to Be?", http://www.wciom.ru/?pt=57&article=1890

7 "Lukashenka against the Union State Modelled According to the EU", Росбалт, 09/10/2005, http://www.rosbalt.ru/2005/10/9/229750.html

At the same time, Lukashenka claims that "the Union of Russia and Belarus has become a geopolitical reality that has an impact on the historical process."[8] Thus, "if the citizens of Belarus and Russia want to live together, this will happen sooner or later."[9] Such pronouncements are essentially part of public relations aimed at creating Lukashenka's image as the unifier of Slavic states and defending against Moscow's accusations that Lukashenka retards the process of integration.

However, this also indicates the inertia of the unification policy – the current ruling elites in both Moscow and Minsk find it difficult to abandon the rhetoric of unification through integration.

The issue of the president of the Union State

The possible institution of the Union State's presidency raised a lot of discussion in Russia.[10] Many see this post as the next step in Putin's political career after the end of his second term as president in 2008. However, in the current version of the Constitutional Act the institution of the president is not provided for because Belarus objects to it. It is obvious that, Putin being so strong, Lukashenka would get a secondary role in the Union State and he would not have much influence in making collective decisions.

It is noteworthy that Russian people support the institution of the president of the Union State.[11] Thirty-nine per cent of Russian people would like to see the Union State under the leadership of the president elected in direct elections in Russia and Belarus and only 27 per cent say that the highest institution of authority should be the Supreme State Council under the collective leadership of the presidents of both countries, as it is at the moment.

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8 http://www.soyuz.by/second.aspx?document=8720&type=Qualifier&uid=1&page=0

9 See ibid.

10 SMI: Belarus and Russia Quickly Unite In Order that Putin Stays for the Third Term, http://newsru.com/russia/21oct2005/putin.html

11 Press release No. 321, "How Do We Want the Union of Russia and Belarus to Be?", http://www.wciom.ru/?pt=57&article=1890

It is speculated that Lukashenka was offered to take the post of vice-president of the Union State, while Putin would be president.[12] It is also speculated that Lukashenka refused it.

During a meeting on domestic issues in July 2005, Lukashenka stated that the next stage of the integration of Russia and Belarus would not be "rushed" before the presidential elections in both countries.[13]

Lukashenka's refusal to take the post of vice-president of the Union State could probably be the main reason behind Putin's intentions to refuse to take the post of president of the Union State and thereby resolve the issue of his future career after the end of his second term in 2008.[14]

Another reason that could have prompted Putin to become warier with regard to the presidency of the Union State is the possible negative reaction of the EU and the U.S.[15] However, this would not be a strong argument if Lukashenka agreed to take the vice-president's post because then the West would regard it as a way of taming Lukashenka.

Lukashenka would probably be satisfied by two options: (1) becoming the president of the Union State, and (2) delaying the unification process

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12 Russian political expert Pavel Felgenhauer: I was told more or less the same thing by people who go there [to Kremlin] often enough (unrelated to each other): Lukashenka received a concrete proposal to implement full unification with Russia. He [Lukashenka] was offered the position of the vice-president of the state. And Vladimir Putin would become the President. Different people confirmed to me on several occasions that such an option was given to Lukashenka. But he is said to have refused it so far", Voice of America, http://www.voanews.com/russian/2005-07-28-voa8.cfm

13 http://www.naviny.by/ru/content/rubriki/0-ya_gruppa/tema/10-10-05/

14 Head of Duma's Committee on the Constitutional Legislation and State-building Vladimir Pligin: "The Constitutional Act does not provide for the position of the President of the Union and the procedure for the formation of the Supreme Council of the Union State will not permit that a former president heads it"; Head of the Press Office of the Secretary General of the Union Ivan Makushok: "The union of Russia and Belarus should not be viewed as an employment venue for Vladimir Putin", http://gzt.ru/politics/2005/09/20/220043.html

15 Deputy Director General of the Centre of Political Technologies Aleksey Makarkin argued that "finally, this would be disproved by Europe and the U.S.", while President of the Institute of Contemporary Politics Vladimir Lisenko said that "Putin does not wish to be compared to Lukashenka and called the last dictator in Europe", http://gzt.ru/politics/2005/09/20/220043.html

for as long as possible so that Russia accepts his conditions, thereby also preserving the sovereignty of Belarus and using Russia's energy resources and financial support on easy terms (which is what is actually happening at the moment).

If the Constitutional Act is approved in the referendum in Russia, this would theoretically open the way to the Kremlin for Lukashenka.

However, this requires several preconditions: first, Russia and Belarus amend the Constitutional Act to include the president's and the vice-president's posts; and second, Putin is replaced in the Kremlin by a more "malleable" and "softer" president whom Lukashenka could defeat in the presidential elections of the Union State.

During a press conference on October 28, 2005, Secretary General of the Union State P. Borodin mentioned that Putin and Lukashenka would discuss the issue of the inclusion of the president's and the vice-president's post into the Constitutional Act during the meeting of the Supreme State Council (scheduled at the beginning of 2006). He also mentioned that the referendum may be held on two issues: the presidential model of the Union State or the consolidation of the highest authority with the Supreme State Council chaired collectively by both presidents in turns.[16]

If the referendum were held on two projects of the Constitutional Act, it is possible that, under the influence of Lukashenka's arguments, Belarusians would reject the presidential model and this would lead to a crisis of the Union State, which would not be useful for Russia.

The introduction of the president's post under the strong leadership of Putin would signify movement towards a federal state because Putin would seek to strengthen the institution of the president of the Union State.

2006 elections in Belarus and the Union State

Russia views the March 19, 2006 elections in Belarus through the prism of the Union State: Lukashenka will need Russia to recognise the legitimacy of the presidential election in Belarus.

[16] http://www.naviny.by/ru/content/rubriki/1-ya_gruppa/politika/28-10-05-3/

Therefore, Russia's pressure on Lukashenka regarding the acceleration of the establishment of the Union State can be observed.

After the presidential elections in Belarus, Russia will have even fewer levers with which to pressure Lukashenka. The declaration of Russian Minister of Foreign Affairs S. Lavrov that beginning in 2007 *Gazprom* will supply gas to Belarus at global prices, which was announced in October 2005, may be seen as a form of pressure as well.[17] During the meeting of Lukashenka and Putin in Sochy on December 15, 2005, it was decided that Belarus will pay only USD 46.5 per 1000 m^3 of gas in 2006 (in comparison to *Gazprom's* offer to Ukraine to pay USD 220-230 and Moldova – USD 160 per 1000 m^3 of gas).[18]

However, the gas argument may not be as effective as expected. At the beginning of 2004, when *Gazprom* terminated the supply of gas to Belarus, Belarus refused to sign an agreement regarding the transit of Russian gas and stopped the supply of gas to Poland, Lithuania and Kaliningrad. This raised protests among the neighbours and Poland even sued *Gazprom*. Russia was forced to continue the supply of gas to Belarus at reduced tariffs.

It should also be noted that Russia does not have effective means to pressure Belarus without harming itself.

Since all the power is in Lukashenka's hands and the opposition is persecuted, Russia does not have a pro-Russian political base in Belarus favourable to it.

The threat of "orange revolutions"

Another factor that forced the leaders of both countries to support the unification project is the threat of an "orange revolution".

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17 See "Russia turns on the gas meter for its allies" on how the Government of the Russian Federation changed the preferences in the price of gas for the CIS countries (17 10 2005). Minister of Foreign Affairs of Russia Sergey Lavrov declared that, in the nearest future, Russia will set global energy prices for all countries, including its "allies". The official announced about this in the "Vesti" program of the RTR TV-channel, when commenting on his recent statements regarding relations with the CIS countries made at the closed session of the Federation Council, http://www.kommersant.ua/doc.html?docId=618826

18 "Cheap gas goes to Belarusians", http://www.utro.ru/articles/2005/12/16/504993.shtml

Today Belarus remains one of the few Russian allies that are in complete agreement with the foreign policies implemented by Moscow.

The event of an "orange revolution" in Belarus would be a serious blow to Russian defensive capabilities because the Russian military installations in Belarus constitute an integral part of the Russian defence system.

The supply of the newest weaponry to Belarus indicates that Moscow is inclined to continue supporting Lukashenka. On August 30, 2005, Russia obliged to station new antiaircraft missile defences C-300 in Belarus by autumn of 2006. These will be used to arm the antiaircraft missile brigade 115 stationed in Brest. Moreover, Russia will supply C-300PS antiaircraft missile launchers. Belarus will have to cover only part of the expenses related to repairs and relocation in Belarus, while all the other costs will be covered by Russia.

The Union State project is useful to Lukashenka also because it opens up an opportunity to escalate relations with the West since he will always be able to turn to Russia as a subject of the Union State for political support. It should be noted that Russia defends and justifies Lukashenka's actions when the situation in Belarus is discussed during EU-Russia meetings. Thus, for example, during the summit between Russia and the EU troika on October 26, 2005, Russian ambassador to the EU V. Chizhov denied that Putin would like to continue discussions with the EU regarding Belarus. Russia is thereby supporting Belarus, against which the West is conducting a "large-scale campaign", according to Russian Deputy Minister of Foreign Affairs G. Karasin.[19]

Economic integration

Belarus is dependent on Russian oil and gas. *Gazprom* seeks to privatise the state-owned company *Beltransgaz* and acquire control of the Jamal-Europe gas pipeline that crosses Belarus. Lukashenka is resisting it.

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[19] The Ministry of Foreign Affairs of Russia "continues its firm support of Belarus under the conditions of the large-scale campaign started against it". This was discussed in the letter of Deputy Minister of Foreign Affairs Grigory Karasin to Chairman of the State Duma Boris Gryzlov, http://www.naviny.by/ru/content/rubriki/0ya_gruppa/novosti/politika/03-11-05-24/

Control of the gas pipeline gives Lukashenka stronger positions in political negotiation with Russia regarding the Union State.

Lukashenka carries out centralised, state-controlled economic policies: prices and currency exchange rates are controlled; the state has the right to intervene into the operations of private companies. Structural reforms are not implemented – the state owns about 75 per cent of all of the country's companies. Privatisation was nearly stopped and there is little foreign direct investment. In 2004, foreign direct investment (net FDI) in Belarus comprised USD 100 million (in comparison to USD 426 million in Russia)[20].

From 1992 to 2002 Belarus managed to attract USD 160 of foreign direct investment per capita; however, without direct Russian investments into the Jamal-Europe gas pipeline, this number would be only USD 35.[21] (In comparison, Russian FDI per capita was USD 160 in 2000).[22]

According to the 2005 Economic Freedom Index prepared by the *Heritage Foundation* and the *Wall Street Journal*, Belarus occupies 143rd place among 161 countries, while Russia is 124th. The report claims that Belarus is economically the "least free" in Europe.[23]

According to official data, Belarusian exports to Russia decreased by 9.6 per cent and imports by 8.5 per cent in January-August 2005.[24] This indicates that Lukashenka wants to protect the Belarusian market from becoming over-dependent on Russia, whose economy is more open and structural reforms more advanced. It should be noted that Belarusian exports to non-CIS countries grew by 38.5 per cent and imports by 22.5 per cent in the same period.[25]

In order to attain full economic integration with Russia, Lukashenka would have to abandon the state-controlled economy and initiate the priva-

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20 http://www.heritage.org/research/features/index/

21 http://liberty-belarus.org/english/20040306160314.shtml

22 http://jec.senate.gov/_files/RussiaEconomy.pdf

23 http://www.heritage.org/research/features/index/

24 Press release: "On the results of international trade activities of Belarus in January-August 2005", October 17, 2005, http://www.embassybel.ru/press/soft/2005/10/17/5435/

25 See ibid.

tisation of companies that are currently owned by the state, which would be attractive to Russian businesses.

Perhaps for these reasons, Russia and Belarus have so far not managed to create a free trade area, although the agreement regarding free trade was signed on November 13, 1992. On the contrary, the internal market of Belarus is almost sealed to Russian goods.

In Putin's view, unification of the countries should proceed by first introducing the common currency and only then adopting the Constitutional Act. According to Russia, introduction of the common currency would lay the economic foundations for closer economic integration.

Lukashenka delays introduction of a common currency.[26] In his opinion, this would deal a blow to the Belarusian economy, reduce the competitiveness of Belarusian products, and make it difficult to support companies with budgetary funds. The result would be increased unemployment and social instability.

From the viewpoint of the economic integration of Russia and Belarus, the economic basis for the creation of an integrated Union State has so far been lacking.

Russia's accession to the World Trade Organisation (WTO) will not be favourable to the integration of the countries because the economic co-operation agreements that have been signed so far do not provide for the requirements raised by the WTO. Belarus is significantly lagging behind Russia in the negotiations for WTO membership.

Thus, the establishment of the Union State of Russia and Belarus remains a political project only.

Possible scenarios

During the joint meeting of the Russian and Belarusian commission for the preparation of the Constitutional Act on September 19, 2005, Russia conceded to Belarus and agreed that the issue of the Constitutional Act would be resolved before thinking about the introduction of the common currency.[27]

26 http://www.kommersant.ru/doc.html?docId=619764

27 "The USSR against the EU, http://www.naviny.by/ru/content/rubriki/0-ya_gruppa/tema/10-10-05/

If Putin is satisfied by the compromise draft Constitutional Act that does not provide for the presidential post and preserves the sovereignty of the countries, it is likely that the draft Constitutional Act will be approved in the forthcoming meeting of the Supreme State Council (scheduled at the beginning of 2006). True, the draft may have to be returned to the joint commission for improvement after the meeting of the Council. Obviously, the Constitutional Act will be a compromise document of transitional nature and will not yet complete the process of unification of the countries.[28]

On October 8, 2005, Lukashenka announced to journalists that "if the Union State holds a referendum, it will ask only one question – regarding the Constitutional Act."[29]

At the moment, the most possible scenario for the development of the Union State in the nearest period (the end of 2005 – March 19, 2006 presidential elections – to the end of 2006) is as follow:

Putin further pressures Lukashenka in order to obtain greater concessions – a federal or an EU type model, the introduction of the post of the president of the Union State and the introduction of the common currency – Russian rouble, tying it to support for Lukashenka in the presidential elections and afterwards. In this case, Lukashenka while keeping rhetoric of unification of

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28 In commenting the outcomes of the meeting of the Joint Russian-Belarusian Commission on the preparation of the draft Constitutional Act of the Union State which took place on October 20 in Moscow, Secretary General of the Union State Pavel Borodin said that "the Constitutional Act is a document of the transitional period which presupposes the delegation of part of the authority of the states to the Union State, http://bdg.by/news/news.htm?77978
See also: "A high-level source in Kremlin revealed that the text of the Constitutional Act 'is unsatisfactory for us', particularly, because of the 'absence of a document expressing a clear idea whether the model we are striving towards is that of full unification, Eurointegration or if we are leaving everything as it is. Minsk does not have the answer to this question'. Moreover, the situation is complicated by the presidential elections in Belarus in 2006", http://newsru.com/russia/21oct2005/putin.html

29 "The referendum on the Constitutional Act will take place in Russian and Belarus simultaneously", http://www.naviny.by/ru/content/rubriki/0-ya_gruppa/novosti/politika/08-10-05-13/

the Union State would continue delaying the process of unification and wait for the results of the presidential elections in Belarus and, later, in Russia (in 2008). It is likely that Lukashenka will not hasten the unification of Belarus with Russia under strong Putin. If Lukashenka wins the presidential elections, Putin's ability to pressure Lukashenka into making concessions regarding the Union State would be further reduced. After elections in Belarus Russia may use a "gas card" to make pressure on Belarus. It is likely that there is no presidential institution of the Union State, and the collective government of two presidents will be preserved. However, for the support in the presidential elections Lukashenka may promise something to Russia. Most likely, this may be a promise at some point to introduce the common currency, which would indirectly but substantially limit the sovereignty of Belarus.

Summary

Lukashenka's current position is that the establishment of the Union State must accommodate the principles of the sovereignty of the parties and the structures functioning according to the Constitutional Act. It is noteworthy that Belarusian authorities constantly emphasise the inviolability of sovereignty in discussing the establishment of the Union State.

Meanwhile, in Russia a consensual view has emerged among the ruling elites regarding the unification of Russia and Belarus: Russia wants to unify with Belarus as soon as possible on the basis of a federation or similarly to the EU.

Russia's pressure on Belarus to speed up the creation of the Union State according to the model proposed by Russia can be seen. In Russia, the union of two Slavic states is seen as a stabilising factor that strengthens Russia's positions in the CIS and the "near abroad". However, the ruling nomenclature of Belarus is not interested in establishing the Union State as this would put into question its future and position in the structures of the Union State that would be dominated by the Russian nomenclature.

The main issue which has not yet been addressed in the draft Constitutional Act (if further unification will be sought) is the choice of the model of the Union State. It is not clear what exactly is envisioned: a confederation, a federation, or a union tailored according to the EU.

The distribution of competences in the Union State remains an object of discussions. The draft Constitutional Act does not resolve the issue of the distribution of competences between the government bodies of the Union State and the national government bodies.

Russia seeks to introduce the institution of the president. However, in the current version of the Constitutional Act the institution of the president is not provided for because Belarus objects to it.

Most likely, the Constitutional Act will be a compromise document of transitional character and will not yet complete the process of unification of the countries.

At the moment, the government of the Union State is practically based on the Supreme State Council under the leadership of the presidents because this institution has accumulated almost all the power.

Participation in an interstate entity, including such as the Union State, does not abrogate the international legal responsibility of the states.

Russia views the 2006 elections in Belarus through the prism of the Union State – Lukashenka will need Russia to recognise the legitimacy of the presidential election in Belarus in 2006. Therefore, Russia's pressure on Lukashenka regarding the acceleration of the establishment of the Union State can be seen.

It should also be noted that Russia does not have effective means to pressure Belarus without harming itself. Since all the power is accumulated in Lukashenka's hands and the opposition is persecuted, Russia does not have a pro-Russian political base in Belarus favourable to it. However, Russia can threaten using the gas leverage to achieve concessions from Belarus.

The supply of the newest weaponry to Belarus indicates that Moscow trusts and supports Lukashenka. Russia is interested in stability in Belarus. For Russia Lukashenka is a guarantor of stability in Belarus able to protect the country from the western influence.

From the viewpoint of the economic integration of Russia and Belarus, the economic basis for the creation of an integrated Union State has so far been lacking.

The establishment of the Union State of Russia and Belarus remains a political project, the future of which largely depends on personal dealings of the two presidents, their preferences and interest.

U.S. AND LITHUANIAN INTERESTS IN PROMOTING DEMOCRACY IN BELARUS

Stephen D. Mull*

Earlier this year I made the relatively short drive by car from Vilnius to Minsk. Along the way I saw much that demonstrated the closeness of Lithuanian and Belarusian history – castles, towns and places associated with the common history of the Lithuanian and Belarusian peoples when they were part of the Grand Duchy of Lithuania as well as buildings and monuments reflecting the Soviet past both nations endured. But when I arrived in Minsk I could tell I was in a very different country. Although the city is clean and the people dressed like those in any European capital, I could immediately sense the far slower pace of commercial life and vitality compared to Lithuania.

On the political side, however, the differences between these geographically and historically close neighbors are like night and day. Whereas Lithuania has moved rapidly since independence to become a full-fledged democracy with a vibrant market economy, rejecting the Soviet values and practices that had been imposed on it, Belarus has taken a vastly different course under the long leadership of its first and only president Aleksandr Lukashenko.

The country only a thirty kilometer drive from Vilnius appears to be drawing further away from the trends now in full bloom in Lithuania. The regime appears to glorify Belarus' Soviet past, rejecting Belarus' European roots and values and bombards the Belarusian people daily with self-serving propaganda while denying the Belarusian people free access to any alternative views. The economy remains largely in state hands as most economic decisions and all political discourse are controlled by one figure rather than a democratic society with independent institutions and an economy governed by the market. While the Belarusian economy has grown, largely because of high oil prices, that growth is clearly not sustainable over the long term. The Belarusian economy is becoming less compatible with the outside world

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even with its great neighbor and "union state" partner Russia. Frankly it is astonishing – and quite sad – to see such a society, such an economy and such a government in today's Europe right next to the Lithuania's democracy and burgeoning market economy.

One can discuss at length the reasons why this has come about, but it is clearly abnormal. Many Belarusians say so as well and wish their country could become a true democracy with a prosperous economy integrated into the broader Europe. Probably many more Belarusians would agree if only they were exposed to true information and not state propaganda. As Secretary of State Condoleezza Rice said after she and the EU's Javier Solana met with representatives of Belarusian civil society in Vilnius earlier this year, the Belarusian people deserve better. They deserve to choose freely their course and not be forced by fear and intimidation to accept the dictates of a regime that manipulates elections and restricts information along with everything else.

Although far away and possessing minimal trade and politicial ties with Belarus, the United States nevertheless has always remained committed to promoting a free, independent, sovereign and democratic Belarus. A democratic Belarus can be a force for regional stability and bridge to a reforming east rather than being as it appears today a nagging regional problem, a disgrace to its talented people and a model of how not to integrate into the broader global community of nations.

The U.S. recognizes that Europe and especially Belarus' neighbors including Lithuania must take the leading role in promoting change in Belarus that will serve to integrate Belarus into the region lest its self-isolation and growing hostility to Europe lead to policies and actions threatening to regional security and stability.

The U.S. has no desire to force unwanted change on the Belarusian people. The U.S. simply encourages the legal and international rights of the Belarusian people to participate in a democratic political process that allows the Belarusian people to make their own choices freely and based on exposure to a wide range of information, not simply state propaganda.

Unfortunately the Minsk regime views such encouragement as a direct challenge to its values, its policies and its existence. The regime has responded by seeking to incite public opinion against the U.S. and the rest of Europe with a disinformation campaign reminiscent of the Cold War.

As in the Cold War struggle that required patience, unity, commitment and resources, the U.S. has been and will remain strongly engaged and committed in supporting the democratic process, free media and civil society struggling to survive in an increasingly authoritarian Belarus. For years we and the EU pursued in tandem a step-by-step/benchmark approach to encourage the regime to fulfill its OSCE commitments to restore democracy, only to have those efforts rejected as the regime has taken more steps backwards, conducting farcical elections, arresting opponents, closing independent media and universities, and oppressing civil society and religious minorities. In addition, the regime has passed laws and decrees whose only goal is to prevent the outside world from helping those in Belarus who seek democratic change. The regime has even started to cancel exchanges and restrict the participation of Belarusian officials in programs and seminars.

In response to the worsening situation in Belarus and the regime's increased hostility to democracy, the U.S. Congress in 2004 unanimously passed the Belarus Democracy Act to assist U.S. policy toward Belarus and encourage resources to aid those seeking democratic change. Subsequently the Congress has appropriated more funds to assist the political process, independent media and civil society in Belarus. On the diplomatic front, the U.S. continues to work closely with the European Union and with individual countries both to press the Belarusian regime to change its destructive course as well as to provide coordinated assistance to civil society and information media initiatives. The U.S. has been devoting almost $10 million yearly to these programs in Belarus as well as continuing humanitarian assistance and outreach efforts to the Belarusian people. The U.S. has also tried to enlist Russian support to encourage democratic development in Belarus as part of the overall discussion the U.S. conducts with Russia on the problems of democratic development in the area of the former USSR.

With presidential elections scheduled to take place in Belarus next year, the U.S. sees an opportunity to encourage the democratic process not only by supporting observation and voter education efforts but also by focussing international attention on the elections so that the regime will not think it can hide its efforts to deny candidates' access to the electorate, intimidate voters and falsify the vote. As Secretary Rice said in Vilnius the U.S. encourages the world to shine a bright light on Belarus to let the Belarusian people

know we care and let the regime know the world is watching and that there will be consequences to its actions.

The U.S. acknowledges and applauds the strong moral and material support other countries and especially Lithuania have given to the promotion of the democratic process and civil society in Belarus even at risk to Lithuania's bilateral relationship with Belarus. The U.S. particularly admires the criticial support Lithuania has given the European Humanities University after it was ruthlessly closed by Belarusian authorities in offering the university a home in Vilnius to continue educating Belarusian students in liberal values. The U.S. continues to provide concrete support to these projects along with Lithuania and other European countries and institutions.

As we witnessed in the Cold War, united support for freedom in the end prevails. Lithuanians in particular recall the U.S. support throughout the long years of Soviet occupation. We never gave up hope that Lithuania would some day be free. The U.S. continues its longstanding policy of providing all these forms of support, in unity with the EU and individual countries such as Lithuania, in addressing the situation in Belarus. Above all we join Lithuania in remaining committed to the Belarusian people. Like the Lithuanian people, the Belarusian people will find their respected place in Europe's house as they have long deserved. The Belarusian people will ultimately achieve this by themselves as the Lithuanian people did but like the Lithuanian people they can always count on committed real and moral support from America and the democracies of Europe.