

INSTITUTE OF WORLD ECONOMY AND INTERNATIONAL
RELATIONS (IMEMO), RUSSIAN ACADEMY OF SCIENCES
FRIEDRICH-EBERT-STIFTUNG

RUSSIA AND EAST CENTRAL EUROPE AFTER THE COLD WAR

A Fundamentally Transformed Relationship

Edited by Andrei Zagorski

HUMAN RIGHTS PUBLISHERS

Prague

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This book reviews and documents the transformation of bilateral relations between East Central European countries and Russia between the end of the cold war and the outbreak of the current Ukraine crisis. It proceeds from the overhaul of the fundamentals of these relations following the collapse of communism in Europe, including renegotiating basic treaties governing bilateral relations or negotiating border treaties by Baltic states, and Soviet/Russian troop withdrawal. It continues with assessing the effects of ECE countries' accession to NATO and the EU, and of the attempts at reconciliation and economization of bilateral relations with Russia. A general overview of the transformation of the relationship is followed by seven more specific countries chapters, and a review of the evolution of the trade and economic relations of ECE nations with Russia after the dissolution of the Soviet bloc.

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Foreword

This book is the result of a series of dialogues conducted in 2011 and 2012 with the support of the Friedrich-Ebert-Stiftung and involving experts from the Czech Republic, Estonia, Hungary, Germany, Latvia, Lithuania, Poland, Slovakia, Romania and Russia.

Those discussions concentrated on assessing the fundamental changes that have taken place in relations between Russia and East Central European nations since the end of the Cold War; examining the more recent efforts at revitalizing these relations; and developing an inventory of the most important issues that dominate the agendas of their bilateral relations.

Bringing project participants together in workshops and conferences in Moscow, Tallinn and Riga in 2011, in Bucharest and St. Petersburg in 2012, and in Berlin in 2013 proved extremely helpful in promoting the dialogue. It was also most instrumental in finalizing the work on this book by helping to determine whether the authors base their conclusions on the same facts, and by identifying the differences in the existing national narratives. The purpose was not, however, to seek to narrow or avoid addressing those differences but, rather, to identify them, as the first step in a process-oriented dialogue on the problems overshadowing relations between Russia and East Central Europe.

While the production of the book was designed to facilitate communication among the project participants through discussions of the draft chapters, this book represents a solid scholarly product

in its own right. It pioneers a comprehensive reconstruction of the profound transformation of relations between Russia and East Central Europe since the end of the cold war, revealing similarities and differences among the individual relationships.

This transformation not only followed its own logic following the collapse of communism and of the Eastern Bloc in Europe; it was also an important driver as well as an outcome of the no less profound transformation of the entire European landscape at the same time. As a result of those changes, the East Central European countries have become members of the North Atlantic Alliance and the European Union or, in a broader sense, of the Euro-Atlantic security community.

Their relations with Russia were and in many cases remain uneasy. The legacy of the past, controversies over NATO enlargement or energy security issues, and different and often diverging visions for the future still prevent a proper reconciliation between Russia and East Central Europe. The almost two and a half decades that have passed since the end of the cold war have witnessed mutual neglect and lack of dialogue, as well as both successes and failures in attempts to revitalize this uneasy relationship. The mission is far from being accomplished and requires renewed and sustained mutual engagement on all sides. Even so, Russia and East Central Europe still have a long way to go to reach a level of normalcy in their relations.

The Friedrich Ebert Foundation and the Institute of World Economy and International Relations of the Russian Academy of Sciences are proud to have been partners in promoting dialogue on these issues.

We are sincerely thankful to our partner institutions that have hosted various meetings and conferences over the past three years: the Moscow State Institute of International Relations (MGIMO-University); the International Center for Defence Studies in Tallinn, Estonia; the Advanced Social and Political Research Institute of the

School of Social Sciences, University of Latvia, Riga; the Institute of Political Science and International Relations of the Romanian Academy of Sciences and the Romanian Institute of International Studies – EURISC Foundation; the Center for International and Regional Policy in St. Petersburg.

We are also grateful to other partner institutions for their engagement within the project: the Institute for International Relations, Prague; the Hungarian Institute for International Relations, Budapest; the Institute of International Relations and Political Science of the Vilnius University; the Centre for Polish-Russian Dialogue and Understanding, Warsaw; the Research Centre of the Slovak Foreign Policy Association, Bratislava.

Our special thanks go to the offices of the Friedrich Ebert Foundation in all those countries in which project activities took place. Maintaining an intensive schedule of events and meetings would be a much more difficult task without the support of the personnel of all those offices.

Needless to say, the project would have been impossible without the engaged participation of a wider circle of experts who took part in discussions at the workshops and conferences, as well as the dedicated support from the staff of the partner institutions.

We hope that the collaborative network of experts and institutions that has emerged from this project will remain dedicated to the dialogue, and we look forward to further discussions and publications from all participants.

Reinhard Krumm, FES

Andrei Zagorski, IMEMO RAS

Steps towards a Pan-European Peace Order

The Role of Russia, East Central Europe and Germany

Karsten D. Voigt

I

In the first half of the last century, two World Wars destroyed vast swathes of Europe. For decades afterwards, the East and the West confronted each other as enemies. Since the beginning of detente and the end of the Cold War, the European states and nations have been seeking to overcome the old antagonisms and remove dividing lines. The confrontation of the past no longer exists. Nonetheless, in the mindset of far too many people it is still alive. The threat of a major war is no longer as acute as it was in the previous period. Europe is, in general terms, now safer than before, although the risk of minor conflicts still remains. On the other hand, the European states have not yet managed to develop a reliable and sustainable pan-European peace order.

A pan-European peace order requires Russia's integration into Europe as well. Russia and its neighbors should feel secure in their mutual relations. Instead of fearing each other, they should jointly

face the new threats to their security. This kind of cooperation already exists with respect to Afghanistan. But it is still lacking with respect to the threat of missiles that could be aimed at European targets from the Near and the Middle East.

Steps towards a pan-European peace order can be realistic only if they comply with the interests not only of the larger states but also with those of the majority of small nations. Large states possess more influence than small ones. Yet a reliable and sustainable peace order can be achieved in Europe only if the larger and the smaller states are prepared to establish a balance of their mutual interests.

II

The memories of former threats and domination are stronger in smaller states than in the larger ones: every nation in East Central Europe remembers having been dominated either by Germany or by Russia. This is why the major states, such as Russia and Germany, would be wise to enter into a dialogue with their smaller and medium-sized neighbors about their differing views of the past. Such a dialogue will prove difficult and painful. It will not lead to a fully like-minded point of view, even among countries who are friendly neighbors today. This is not yet necessary, however. There is no need for neighbors to have the exact same perception of history. But cooperation between them will be facilitated through attempts to at least understand their different historical perspectives. Empathy offers more chances for a better future, because the view of the past no longer impedes opportunities for cooperation.

Germany launched World War II as the aggressor. The Soviet Union defeated this aggressor in the Great Patriotic War, at the cost of an immeasurably vast number of victims. In Russia's recollec-

tion, the Great Patriotic War ensured not only their own liberation but also that of the nations of East Central Europe. This historical perspective significantly differs from the recollections of much of the population of these nations. To many citizens in this region, the liberation from Nazi terror simultaneously ushered in a new period of oppression. The dialogue between Polish and Russian historians is a particularly gratifying example of how differing recollections of a painful history can reveal a vision towards a common future.

International law teaches us that all nations are equal. Politics makes clear that power is not distributed equally among states. The US, for example, is more important for Germany than Germany is for the US. If the asymmetric distribution of power has such a strong impact on the perspectives even of such close allies as the US and Germany, this proves to be so much the more so for nations whose relations are burdened by the legacy of former crimes.

Historic recollections and asymmetries of power influence political awareness and the definition of interests. The geographic location and history of a country are predetermined. But policy can have a positive or negative impact on the relevance of respective factors. Those willing to establish a European peace order should limit their power in a reasonable way and use their geostrategic position for extended cooperation.

After World War II, Germany was surrounded, in East and West, by neighbors who, because of their experience, felt ill-disposed towards Germany and did not trust it. In the early 1960s, while studying in Copenhagen, I learned to better understand, through the eyes of a country which had been occupied by Germans, the history of my own home country. At that time I recognized that understanding our neighbors' perception of our history was an important precondition for improving relations with them. Several years later, working on assignments within the EU, I understood that cooperation among the European countries could enjoy long-term stability only if the interests of the smaller countries were

also taken into account and not if – as was previously the case – the group of larger states continued to treat the smaller nations merely as objects of European policy.

Considering the interests of one's neighbors is a sign of wisdom, not of weakness. It is only thanks to the fact that this insight became the leitmotif of Germany's post-war policy that united Germany is now surrounded by friends and partners.

III

The path towards a pan-European peace order is characterized by the juxtaposition of both cooperation and integration. Cooperation proves to be a reasonable goal if integration is not considered desirable or does not – yet – appear realistic.

A topical example: the complete integration of Russian and American missile defense systems is, for political and technical reasons, unrealistic. Hence, those seeking to prevent conflict over the issue of missile defense should request not a full integration of the Russian and the American systems but rather the maximum possible technical and political cooperation.

This pragmatic approach can be recommended for other areas as well:

The EU, an important part of the pan-European peace order, is already a reality. But parts of Europe, such as Russia, will remain outside of the EU for the foreseeable future. That is why, for a truly comprehensive European peace order, it is extremely important to strengthen cooperation between the EU and the European non-member countries. This requires the willingness on the part of the EU to adjust its concept of cooperation with Eastern Europe in a pragmatic manner to the respective political and economic conditions of each individual partner state.

Full EU membership for Russia would overburden the European

Union. But such membership is not even an issue at the moment, as Russia has no intention to access the EU. EU membership would hardly be consistent with Russia's self-image as an independent great power unfettered by any limits to its sovereignty. The EU's partnership with Russia should consider these aspects in a pragmatic fashion. As far as the Ukraine is concerned, the situation is different. The Ukraine is eager to attain the option of future EU membership. Yet due to its economic and political problems, such an option is unrealistic, at least for the time being. Given this situation, an association agreement between the EU and Ukraine would provide an optimal solution. To prevent this agreement from leading to new tensions and divisions, it should be complemented by the Ukraine's close cooperation with its most important neighbor, in addition to the Ukraine's membership in the Russia-initiated Customs Union: for both Russia and the Ukraine, a closer partnership with the EU is vital. Yet the content of this partnership will be different for each, due to the different self-images of these two countries.

A similarly pragmatic approach could be applied by NATO: the US and Canada are NATO members; Russia is not a member nor will it join within the foreseeable future. The present member countries are interested in reforming but not in disestablishing NATO. The planned enlargement through the inclusion of more Balkan states does not affect Russia's interests directly. Should NATO attempt to expand further East or towards the Caucasus it would be considered a threat by Russian official policy. The NATO member states reject any right of Russia to veto further expansion.

In the event of negotiations on a new legally binding common European security treaty, as proposed by the former Russian president Medvedev, it would be extremely difficult to overcome these fundamental differences. They do not appear to have any significant relevance for the near future, however, since, given the domestic situation in the Ukraine and in Georgia, NATO expansion to these regions is not currently feasible. It thus seems reasonable

to focus on extending and strengthening cooperation between the NATO countries and Russia even in the absence of any resolution of the disputed issue of NATO's openness towards new members.

A similar approach can be applied to the OSCE. The norms agreed upon by the OSCE create a solid foundation for a European peace order and the OSCE should be strengthened and developed further. Negotiations on Medvedev's proposals should not lead to a weakening of OSCE norms, procedures, and institutions. The OSCE is based upon the principle of equal participation of all European states as well as the US and Canada.

If Russia proposes a legally binding international treaty ensuring the security of all European nations, it will also have to respond to the question of whether and how within the framework of such a treaty Abkhazia and South Ossetia (as independent states recognized by Russia alone) and Kosovo (recognized by a majority of the European states but not, among others, by Russia) can be effectively included in keeping with international law. We should not forget that, before the CSCE Final Act could be signed, it was necessary to reach a consensus on the international legal status of the two German states, Berlin and the borders of Germany. Issues which are controversial under international law could complicate future agreements as well. Whilst Medvedev's proposal is chiefly aimed at achieving an agreement which is binding under international law, issues which are currently controversial would, logically, complicate and delay a settlement. That is why it would be advisable to look for ways to increase the level of common European cooperation, also in the area of security policy, that could be engaged before settling all controversial issues related to international law.

IV

Today, Germany is surrounded by friends and partners. It is threatened by no other state, particularly not by Russia. In this situation, Germany can, in a self-confident manner, push for more cooperation with Russia at the bilateral and multilateral level, building upon the projects of confidence-building and cooperation developed in the course of the policy of detente. Its goal is to use trade, investments, transnational infrastructure projects (e.g. in the energy and transport sector), intensive cultural exchange as well as additional security and disarmament-related measures to bind Russia as closely as possible to the EU and NATO member states. At the same time, it seeks to win Russia as a partner in struggling against the risks of nuclear proliferation, international terrorism and climate change.

The sustainability of a European peace order does not depend on arrangements in the field of security policy alone. The common basic concepts of the rule of law and the protection of human rights also contribute to the confidence-building of security policy. For this reason, it should be assessed as a positive fact that Russia maintains its membership in the Council of Europe and, despite numerous contentious points, basically accepts the remit of the European court in Strasbourg.

In its dialogue with Russia, Germany represents democratic values, human rights and the principle of the rule of law. Respecting these values is the aim but not the pre-condition of cooperation. It is quite likely that Russia will be prepared to respect those values in a satisfactory manner only after a long reform process accompanied with backlashes. Unlike some of its partners, most Germans do not believe that pressure from outside can replace the lack of an internal will towards reform. But Germany is also unwilling to accept any compromises in its goal of ensuring common values and principles as part of the European peace order. Germany criticizes others and is, in turn, also subjected to criticism if those values

and principles are infringed. Mutual criticism on faults in domestic policy promotes understanding of common European values and norms. Mutual criticism and growing cooperation are not alternatives. They are both parts of the pan-European process – involving governments, society, and the population.

V

Russia presents the most important opportunity and challenge for Germany to the east of EU and NATO borders. For the US, attempts to cooperate with China are of higher priority than cooperation with Russia in almost all global and many regional areas, as well as in the economy – excluding only the area of strategic nuclear weapons. Unlike with Germany, the volume of trade, mutual investments, cultural exchange, and tourism between the US and Russia is relatively small.

These differences influence their perspectives. They also explain why Germany keeps insisting on entering into a dialogue on Russia's proposals. The situation in the US is different: there is no public pressure on Congress or the President to take new steps towards a pan-European peace order. Apart from that, it would be difficult to win the necessary two-thirds majority in Congress for an agreement between the American and Russian governments on security policy.

As far as the East Central European countries are concerned, the relationship with Russia has an even higher priority than for Germany and much higher than for the US. Yet, unlike Germany and the US, many East Central European countries still feel threatened by Russia. They do not refuse on principle to cooperate with Russia or to negotiate Medvedev's proposals. But the awareness of controversies and the need for protection against Russia is often more pronounced than the desire to cooperate with Russia.

When Germany advocates a cooperative policy towards Russia within the EU and NATO, East Central European countries often express reservation. Germany will only manage to encourage the governments of this region to cooperate with Russia if it is able to protect Russia's smaller neighbors against threats and excessive criticism.

To exert more influence on the EU and especially on the decisions of NATO is how Russia defines its interests. This is also the aim of Medvedev's proposals. But where, from the EU and NATO countries' point of view, can one draw the line between legitimate influence and a non-acceptable veto power for Russia? The most difficult task of negotiating on Russian proposals will be to find a joint answer to this question.

Public opinion polls show that the German foreign and domestic economic elite soberly notes Russia's shortcomings in democracy and the rule of law. Critical questions related to Russia's foreign policy are raised as well. At the same time, however, the majority of the German elite as well as of the entire population supports closer cooperation with Russia. The concept of "Partnership for Modernization" with Russia can count on wide acceptance in Germany. The same is true for the attempts to tie Russia closer to the other European states through new agreements on security policy.

VI

A stable security structure presupposes a constructive role for Russia in Europe. It is up to Russia itself to decide which way to turn. Any attempt to force Russia to accept a role in Europe against its own will would be doomed to failure. But Russia's neighbors should know, from the tone and behavior of Russian policy, that their concerns and fears with respect to Russia are not justified.

Germany no longer has any fears in this respect. Bilateral relations are good. Germany is interested in improving Russia's bilat-

eral relations to its Western neighbors as well as to the EU and NATO for the following three reasons:

1. If bilateral relations between Russia and its Western neighbors improves, reservations against the deepening cooperation between Germany and Russia will increasingly lose their relevance.
2. An improvement in relations between Russia and its Western neighbors, as well as Russia's participation in dealing with unresolved problems, will contribute to overall stability in Europe and promote the chances of pan-European development.
3. Better relations between Russia and its Western neighbors will encourage Russia's closer cooperation with the EU and NATO. This is urgently required in view of the new challenges and threats from other parts of the world.

This kind of cooperation would promote cooperation within Europe without harming transatlantic collaboration. Russia's role in Europe would gain stability. This development would fit with its well-understood foreign and domestic policy self-interests. From having lost its leading role in the last century, through wars and ideologies, Europe can now, through cooperation between the old and new powers together, ensure that European culture and interests remain relevant at the global level.

The Transformation of Russia-ECE Relations

Andrei Zagorski

INTRODUCTION

Over the past decades, East Central Europe was conceptualized in terms of political geography in different ways following and reflecting the dynamic changes in the European political landscape. During the cold war, when countries of the region were captured within the Soviet Bloc, it was known as Eastern Europe. Since 1990, with the gradual erosion of the concepts of East and West and their mutual opening, the region was often referred to as Central and Eastern Europe (CEE). Other concepts surfaced at the same time – those of Central or East Central Europe – reflecting ongoing changes within the region.

Debates about the conceptualization of the region continue and are closely related to the political identities of nations concerned, i.e. to the way they identify themselves and are perceived by others. Four Visegrad countries – the Czech Republic, Hungary, Poland and Slovakia – continuously emphasized their *Central European-ness* as opposed to the concept of Eastern Europe dominated by the Soviet Union. The Baltic states – Estonia, Latvia and Lithuania –

emphasized their *Balticness* as opposed to the Soviet concept of “*Pribaltika*” which remains firmly rooted in the Russian political vocabulary. Romania, or such countries as Croatia or Slovenia preferred to be seen as part of Central Europe, too, rather than as part of South Eastern Europe or the Balkans.

Aware of the sensitivity of the issue, while seeking for a definition encompassing the whole region and not only parts of it, this book applies the concept of *East Central Europe* (ECE) which has recently emerged in scholarly literature and includes the Visegrad countries, the Baltic states, as well as Bulgaria, Romania, Slovenia and Croatia, which have acceded to the European Union and NATO during the last decade¹.

This concept serves the purpose of explaining which group of countries has been selected for this study and why. The Visegrad four, Romania and the Baltic states have all been part of either the Soviet Bloc and of its multilateral institutions – the Warsaw Pact and the Council for Mutual Economic Assistance (COMECON) – or of the Soviet Union proper. With the collapse of the communism in Europe, the end of the cold war and the demise of the Soviet Bloc and of the Soviet Union, those countries embarked on the path of abandoning the Soviet/Russian orbit and of “returning to” or “reintegrating with” Europe”. Over the past twenty years, they acceded to the Council of Europe, the North-Atlantic Alliance and the European Union after accomplishing a complex and painful domestic political and economic transformation.

This dramatic shift implied a complete overhaul of relations between ECE countries and Russia as well as fundamental reshaping of the whole European political landscape. The outcome of this development is seen differently in ECE and Russia. For ECE countries, it meant dismantling communist regimes imposed after

1 Tulmets, Elsa. Introduction: Identity and Solidarity in the Foreign Policy of East Central European EU Members: Renewing the Research Agenda. In: Perspectives. Vol. 19. 2011. No 2. P. 21.

the World War II and establishing democratic political governments based on political pluralism and the rule of law. It meant emancipation from Soviet and escaping Russian hegemony over the region. Their institutional anchoring in the Euro-Atlantic community became the manifestation not only of the return to Europe but also a guarantee from an eventual restoration of Russian dominance in “Eastern Europe”.

Developments of the past twenty years, which have a positive connotation in ECE countries, often raise negative emotions in large parts of the Russian political establishment and public. Moscow not only felt abandoned by its former allies. The dominant perception in Russia is that the unprecedented eastward extension of the “West” took place at the expense of Russia’s national interest. After the end of the cold war, Russia vacated the region not only by withdrawing its troops but, also, politically and economically. For the mainstream Russian political establishment this meant the loss of a “puffer zone” in Europe, equal to a defeat in the cold war. It comes as no surprise that this development was accompanied by general deterioration of their relations between Russia and ECE countries.

A decade after the enlargement of NATO and of the European Union in 2004-2007, these relations have not recovered from the shock of the profound transformation of the European landscape. Although, as this book reveals, individual ECE countries differ as regards the extent to which their relations with Russia have advanced, they remain overshadowed by past legacy as well as by more recent controversies. Disputed *history*, *security*, *economic issues*, as well as, in some cases, *minority issues* remain on the political agenda and repeatedly serve as game-spoilers.

Individually blended in each particular case and in partially overlapping phases, those issues dominated the agenda of Russia–ECE relations over the past two decades:

- in the early 1990s when the political and legal foundations of these relations were overhauled and the institutional basis of the Soviet Bloc was dismantled,
- in the mid- and late 1990s when the accession to NATO and the EU was the primary goal of ECE countries and the major issue between Russia and the West, and
- after NATO and EU enlargement when the search for a new definition of ECE-Russia relations began.

This book reviews profound transformation which relations of Russia with ECE countries went through since 1989, progress achieved and open issues on the agenda. In doing so, it seeks to identify most relevant issues likely to dominate the agenda of their relations in the years to come.

This chapter precedes seven case studies. Its purpose is to provide a more general background against which individual relationships evolved and which is often referred to in individual chapters without going into detail.

VARIABLE FUTURES

The collapse of the communism brought about fundamental changes *within* the Soviet Bloc in 1989–1991 and was followed by a profound foreign policy review by ECE countries which resulted in a complete overhaul of their relations with the Soviet Union and the Russian Federation. The emancipation of ECE countries from the Soviet domination was among major drivers of transformation of the European political landscape at the beginning of the 1990s alongside with other fundamental developments, such as the unification of Germany, the formation of the European Union, the violent breaking apart of Yugoslavia, and the dissolution of the Soviet Union.

Gradual opening of the Soviet Union under Mikhail Gorbachev towards domestic political reform and cooperation with the West, as well as the fall of communist regimes in Europe paved the way for peacefully transcending the Yalta order and overcoming the division of Europe into two hostile blocs. This process was accompanied by many uncertainties. The current outcome of the transformation of the European landscape was anything but granted from the very beginning.² With the end of the cold war, multiple paths opened for shaping a new European order. The European Security Architecture debate was unprecedentedly open. Different and often competing visions were pursued by various actors. The accession of ECE countries to Euro-Atlantic institutions and particularly to NATO was one policy option among many others, and not the dominant one at the beginning.³

The *Soviet Union*, followed by the *Russian Federation*, pursued a **pan-European option** for addressing and managing dynamic changes in Europe through institutionalizing the **Conference on Security and Cooperation in Europe** (CSCE) and transforming it into a pan-European collective security arrangement. Since 1990, Mikhail Gorbachev advanced the vision, which appears idealistic today, a vision of Europe transcending military alliances as a result of their transformation and in which regional governance is built upon pan-European institutions.⁴ The CSCE was at the core of this vision.

The pan-European option was implicit in a number of other initiatives, too. The *German* foreign minister Hans-Dieter Genscher

2 Stent, Angela. The limits of partnership: U.S.-Russian relations in the twenty-first century. Princeton, Oxford: Princeton University Press, 2014. P. 39.

3 See, inter alia: The Shape of the New Europe / edited by Gregory F. Treverton. New York: CFR, 1992.

4 Zagorski, Andrei. Хельсинкский процесс. Переговоры в рамках Совещания по безопасности и сотрудничеству в Европе 1972-1991 (The Helsinki Process. Negotiations within the framework of the Conference on Security and Cooperation in Europe 1972–1991). Moscow: Human Rights Publishers, 2005. P. 329, 361.

promoted for a while the establishment of a ***European Security Council***. The *Polish* prime minister Tadeusz Mazowiecki, in January 1990, proposed to establish a ***Permanent European Cooperation Council***. The *Czechoslovak* president Vaclav Havel called for the complete withdrawal of all foreign troops from Europe. In April 1990, the government of Czechoslovakia followed with a proposal to establish a ***European Security Commission*** on the basis of the CSCE which, at later stages, would transcend blocs and become a treaty based confederation of European nations.⁵ Prague and Warsaw submitted a common proposal to this effect within the CSCE in 1990.

The pan-European option was largely associated with the ***Charter of Paris for a New Europe*** endorsed by the heads of state and government of the CSCE participating states in November 1990. The Charter institutionalized the CSCE and further led to the 1992 Helsinki decisions establishing more robust CSCE structures and institutions and elevating the latter to the status of a regional arrangement under Chapter VIII of the UN Charter with a far-reaching mandate particularly as regards conflict prevention, resolution and post-conflict rehabilitation. The institutionalization of the CSCE and its transformation into the OSCE from 1995 added a pan-European dimension to the discussion of the European security architecture which continued all through 1990s *without, however, reducing other options which were under consideration at the same time*.

At the very end of 1989, the President of *France* Francois Mitterrand suggested to create a ***European Confederation***⁶ offering ECE countries a loose link to Western Europe without, however,

5 For texts of the two proposals see: Mastny, Voitech. *The Helsinki Process and the Reintegration of Europe, 1986–1991. Analysis and Documentation*. London, 1992. P. 204–206.

6 Bozo, Frédéric. *Mitterrand, the End of the Cold War, and German Unification* / translated from the French by Susan Emanuel. Oxford, New York: Berghahn Books, 2009. P. 347–376.

granting them an option for early accession to the European Communities. At this stage, France was giving preference not only to the consolidation of the Single European Market – a target set for 1992 by the 1986 Single European Act, but also to the completion of the European Monetary and Political Union. For the purposes of its policy towards the unified Germany, Paris was putting the formation and the “deepening” of the European Union above its enlargement eastward. Although the initial French proposal anticipated that the European Confederation could be launched on the platform of the CSCE, Mitterrand changed the strategy and pursued the initiative outside the CSCE in order to keep the U.S. out of the process. However, confronted with increasing criticism particularly for seeking to exclude the U.S. participation, France dropped the proposal after the inaugural conference for the European Confederation held in Prague in June 1991.

The *European Communities* started to reach out to ECE countries at an early stage of their transformation. In 1988–1990, Trade and Cooperation agreements were signed with them. In 1989, the European Bank of Reconstruction and Development (EBRD) was set up, and a number of instruments aimed at providing emergency help and assistance in restructuring the economies of ECE countries (Phare, 1989) as well as at enabling students mobility (TEMPUS, 1990) were established. However, those agreements did not entail the membership option which ECE countries sought after they had joined GATT, the IMF and the World Bank.

Enlargement was one of the most controversial options within the European Communities after EFTA countries, ECE states as well as Turkey and Morocco had applied for membership⁷. While the then 12 member states remained divided on the issue, the Commission pursued a very hesitant policy but essentially sought to

7 Dedman, Martin J. *The Origins and development of the European Union 1945–2008: a history of European integration*. 2nd edition. Abingdon, Oxon; New York: Routledge, 2010. P. 118–125.

postpone enlargement until the internal consolidation, or “deepening” of the Communities was accomplished.

This policy manifested itself in the concept of a *Europe of concentric circles* promoted by the President of the European Commission Jacques Delors. It was largely driven by similar motives as was the French policy immediately after the collapse of the communist regimes. For Delors, only a more federalist Europe was a proper response to the German unification. He believed that any enlargement would put this goal at risk and that European Communities could not afford it for years to come.⁸

The Commission responded to the applications of EFTA countries by developing the concept of the European Economic Area (EEA), which would grant them close integration with the European Communities but avoid early accession. ECE states were offered the option of establishing a free trade area and the prospect of acceding to the EEA prior to the possibility of obtaining membership in the European Communities or the EU, which was yet to be erected. This largely corresponded to Delors’ vision of Europe structured in several concentric circles beginning with the core group of 12 members of the European Communities followed by EFTA/EEA countries and states, which had concluded Association agreements with the Communities, and then ECE countries, Malta, Cyprus as well as countries, with which Trade and Cooperation Agreements had been concluded.⁹

This “waiting room” approach found little appreciation in ECE countries who sought to obtain the accession option as early as possible. This concept started eroding under the pressures from post-communist transition and the inner debate within the European Communities. This erosion manifested itself already later in 1991 after the first Association agreements were signed with Czechoslovakia, Hungary and Poland granting them associated membership

8 Ibid. P. 123.

9 Ibid. P. 123–124.

and the membership option. These first Association agreements were soon followed by similar agreements with other ECE countries. It was not until 1993, however, that the European Union embraced the option of its eastward enlargement.

In 1989 and, in greater detail, in 1991, the US Secretary of State James Baker introduced another vision – that of the formation of an *Atlantic community from Vancouver to Vladivostok*. His vision built on the anticipation of an *extension of the West to the East*, including to the Soviet Union should the latter be willing and capable of introducing relevant political and market reforms. However, Baker’s concept of an extended Atlantic community stopped short of discussing the eventuality of a membership of post-communist countries in either the European Communities or NATO. It merely advocated a substantial intensification of outreach policies of both institutions in support of domestic transformation in ECE, encouraged development of overlapping sub-regional organizations, such as the cooperation of the four Visegrad countries or the Pentagonal initiative (Austria, Italy, Czechoslovakia, Hungary and Yugoslavia), later to become the Central European Initiative (CEI). In institutional terms, it only supported the accession of ECE countries to the IMF or the OECD. In very vague terms, Baker did not exclude “further integration” of ECE countries into the European Communities, “if some day Europeans so decide – through further integration”.¹⁰

At this stage, however, the U.S., like the European communities, reduced itself to considering options to assist the post-communist transition in ECE countries. Early in 1990, eastward enlargement of NATO was briefly considered in Washington as one policy option among others. However, at this point in time, it did not affect any

10 Baker, James A. III. “The Euro-Atlantic Architecture: From West to East”, Address to the Aspen Institute, Berlin, Germany, June 18, 1991. In: U.S. Department of State Dispatch. June 24, 1991. P. 439-443.

particular decisions¹¹. The single issue which was discussed with respect to extending NATO eastward was linked to the prospect of a NATO membership for the united Germany¹².

The polyphony of the European security architecture debate of the early 1990s was complemented by other initiatives, such as reinforcing the Western European Union (WEU) and transforming the North Atlantic Alliance; institutionalizing cooperation of ECE countries and the European Newly Independent States of the Former Soviet Union between the Baltic and the Black Sea – a “NATO bis” proposal advanced by Polish President Lech Wałęsa, echoed at a later stage by Ukrainian President Leonid Kravchuk. Those are just a few examples of the greater variety of initiatives put forward in the early 1990s. In parallel, sub-regional cooperation initiatives were mushrooming including countries across the former East-West frontier in Europe. Many forums established in the early 1990s have become a solid element of the European political landscape: CEI, the Visegrad group, the Cooperation Council of the Baltic States, the Black Sea Economic Cooperation, the cooperation of the Adriatic and the Danube countries, the Barents/Euro-Arctic cooperation Council and others, followed by intensified cooperation of the countries of South Eastern Europe (SEE) and the establishment of the Arctic Council.

Various proposals advanced different options for obtaining the goal of a “Europe whole and free” as anticipated in the 1990 Charter of Paris, and that of integrating the countries of the former Soviet Bloc in a common political, economic and security space of

11 Sarotte, Mary Elise. Perpetuating U.S. Preeminence. The 1990 Deals to “Bribe the Soviets Out” and Move NATO in. In: *International Security*. Vol. 35 (Summer 2010). No 1. P. 118–119.

12 Sarotte, Mary Elise. Not One Inch Eastward? Bush, Baker, Kohl, Genscher, Gorbachev, and the Origin of Russian Resentment toward NATO Enlargement in February 1990. In: *Diplomatic History*. Vol. 34 (January 2010). No 1. P. 119–140; Stent, Angela. The limits of partnership: U.S.-Russian relations in the twenty-first century. P. 37.

a wider Europe. Early in the 1990s, however, the ultimate shape of the forthcoming European order appeared anything but predetermined while the debate over the wider Europe was accompanied by a sense of uncertainty regarding which option would prevail. Different nations pursued their preferred options, formed coalitions in support of them, and sought to prevent the materialization of options which they deemed undesirable.

It was not until 1993 that *the process of gradual reduction of options under consideration* began. Their reduction effectively resulted from a series of *fundamental developments* in Europe after the end of the cold war, and from a series of *decisions* taken by European governments individually and/or collectively. Those decisions promoted some options at the expense of others thus finally dropping the latter from the agenda. Several developments affected those choices.

The completion of the German unification in October 1990 and the regulation of external aspects of this process, including the settlement of the German eastern borders paved the way for reconciliation between Germany and its eastern neighbors. Still, the possibility of reemergence of a “Europe in between” Germany and Russia, which historically was seen by Central European nations and particularly in Poland as dangerous and unacceptable, provided them with additional strong incentives to align with the Euro-Atlantic community.

Rapid dismantlement of the Soviet Bloc deprived the concept of a rapprochement between a “collective East” and a “collective West” under the umbrella of the CSCE/OSCE of its initial attraction after the “collective East” disappeared from the political landscape. The breaking apart of the former Yugoslavia and the demise of the Soviet Union further added to this effect.

Emergence of nations not anchored in multilateral institutions raised fears of a “renationalization” of security policy of individual ECE countries pursuing their often conflicting national agendas.

Against the background of the violent dissolution of the former Yugoslavia which, already in 1991 and 1992, led to wars in the Balkans, potential conflicts based on separatist and/or irredentist claims seemed to make the nightmare of a return to a “Europe of Sarajevo” – a concept shaped by President Mitterrand – a thinkable scenario. The need to address this challenge by anchoring ECE countries in multilateral institutions prompted countries, not least France, to reconsider their initially hesitant policy of postponing integration of ECE into the European Union.

Domestic developments in the Soviet Union and the Russian Federation added to concerns with regard to an eventual reversal of post-communist transformation of Russia and the possibility that Moscow would, again, seek to reestablish hegemony in the former Soviet Union and beyond its borders instead of pursuing the policy of integration with the Euro-Atlantic community on the basis of common values enshrined in the Charter of Paris. Use of force by the Soviet Union in Lithuania and Latvia early in 1991, the abortive coup in Moscow in August 1991, violent confrontation between the Russian Parliament and the President in autumn of 1993, rise of communist and nationalist opposition in parliamentary elections in 1993 and 1995, Russian claim to consolidate the “near abroad” or wars in Chechnya – these and other developments affected policy choices of ECE countries and reinforced their resolve to join the Euro-Atlantic security community. Consolidation of the authoritarian rule in Moscow in the 2000s, the war in Georgia in 2008, as well as, more recently, the crisis over Ukraine in 2013 and 2014 further strengthened the general understanding that policy choices made in the 1990s were the right ones.

At the same time, a series of actions by the U.S. and NATO increasingly alienated Moscow. Kosovo air campaign launched by NATO in 1999 without the authorization from the UN Security Council, NATO enlargement, war on Iraq, support given to the “Orange” revolution in Ukraine in 2004 or, more recently, the

European Union Eastern Partnership policy played an important role in deepening the alienation. Attempts to reduce the damage by institutionalizing cooperation between Russia and NATO in 1997 and 2002, and with the European Union, as well as by developing “strategic partnership” relations between Russia and a number of individual European states, such as Germany, France or Italy, and to repeatedly reset U.S.–Russian relations did not prevent further drifting apart.

Uncompleted post-communist transition of most Soviet successor states towards political pluralism, rule of law and market based on fair competition resulted in the emergence of a gap in the outcome of the transition in post-Soviet states as compared to ECE countries. This largely contributed to the emergence of “another”, or “non-EU” Europe¹³ making the materialization of the vision entailed in the 1990 Charter of Paris and the strengthening of pan European institutions, as anticipated in 1990 and 1992, less feasible.

This development produced uncertainty as regards the ultimate vector of further transformation of the majority of Soviet successor states and the structuring of the post-Soviet space in general. This uncertainty still leaves alternative paths of the formation of European order open. Will the trend of the last twenty years towards the extension of the Euro-Atlantic community to the east, or towards a “Europeanization” of the entire OSCE area, including the post-Soviet space or parts of it, prevail or not? Would it do so with or without the accession of individual post-Soviet countries to Euro-

13 See Panarin A.S. “Вторая Европа” или “Третий Рим”? Парадоксы европеизма в современной России (“A second Europe” or the “Third Rome”? Paradoxes of the Europeanism in contemporary Russia). In: Внешняя политика и безопасность современной России. 1991-2002. Хрестоматия в четырех томах (Foreign Policy and Security of contemporary Russia. 1991-2002. Collection of texts in four volumes). Moscow: ROSSPEN, 2002, Vol. I. P. 430–444; Zagorski, Andrei. Die strategische Orientierung Russlands zu Europa? In: Die neue Rolle Russlands im Osten der EU. Sozialwissenschaftliche Schriftenreihe, Reihe Studien. Wien: IILP, 2009. P. 29-34.

Atlantic institutions? Or will the current formation and extension of a Moscow-led Eurasian Economic Union prevail thus raising the question of how the relationship between the Euro-Atlantic and the Eurasian communities ought to be arranged? Both paths of the future development are likely to remain open in the years to come.

DISMANTLEMENT OF THE SOVIET BLOC

Formation of the Soviet Bloc in the late 1940s and early 1950s was a result of a series of developments.¹⁴ Those included in particular: The sovietization of ECE countries, which was pursued rigorously after the conclusion of the 1947 Peace treaties with the satellite states of the Nazi Germany and resulted in the establishment of the Soviet-type political order based on the monopoly of the communist parties.

Economic division of Europe. West European countries went through economic reconstruction and increasingly reoriented economic exchange towards the U.S. as a result of the implementation of the 1947 Marshall plan. This development was complemented by the progress in regional cooperation and integration within the European Communities since the 1950s. In parallel, ECE countries increasingly reoriented their economies towards the Soviet Union after 1947. Since 1949, their exchange with the Soviet Union and each other was institutionalized in the COMECON. For decades, there was little economic exchange between two parts of Europe. Gradual erosion of mutual economic estrangement began only from the late 1960s and early 1970s.

Binding ECE countries to the Soviet Union in security and defense realm by means of bilateral treaties of mutual assistance was

14 See Zagorski, Andrei. Россия и Центрально-Восточная Европа после окончания холодной войны (Russia and East Central Europe after the end of the Cold War). In: Vostochnaya Evropa. Perspektivy. 2011. № 2. P. 117–122.

largely accomplished in 1949. Bilateral accords with the Soviet Union were complemented by a network of similar treaties among members of the Soviet Bloc. Those treaties prohibited accession of ECE countries to other alliances and committed them to close consultation with the Soviet Union on foreign policy issues. From 1952, these treaties were complemented by multilateral military-political institutions that included, *inter alia*, a multilateral staff in Cracow (Poland). The conclusion of the Warsaw Pact in 1955 marked the final institutionalization of the Soviet bloc by integrating the former GDR after the accession of the Federal Republic of Germany to NATO and WEU in 1955. Nevertheless, the presence of Russian troops in ECE countries (except for Romania and Bulgaria) and the maintenance of bilateral mutual assistance treaties remained the backbone of the Soviet alliance.

The Soviet Bloc went through several crises, including in the GDR in 1953, Poland and Hungary in 1956, Czechoslovakia in 1968, Poland in the 1980s. The desire to remove the constituting components of the Soviet Bloc was articulated by all protest movements in ECE. Recurrent demands included, in particular: economic and political liberalization; free elections; withdrawal of Soviet troops or even, as in Hungary in 1956, withdrawal from the Warsaw Pact. In some cases, the Soviet Union felt prompted to intervene militarily – either on its own in Hungary in 1956, or through the Warsaw Pact in Czechoslovakia in 1968. This policy resulted in the institutionalization of the “Brezhnev doctrine” (doctrine of limited sovereignty, or that of “socialist solidarity” to follow the Warsaw Pact language) allowing the Soviet Union to intervene if developments in any individual ECE country could challenge the integrity of the Soviet Bloc. The Brezhnev doctrine was further institutionalized in new bilateral treaties of mutual assistance concluded in the early 1970s.¹⁵

15 Most explicitly, the principle of “socialist internationalism” was spelled out in mutual assistance treaties of the Soviet Union with Czechoslovakia (1970)

It is not surprising that, with the emancipation of ECE countries, the dismantlement of the Soviet Bloc underlying structures and institutions was perceived as their primary objective. This process mirrored developments which, four decades earlier, had resulted in the erection of the Soviet Bloc and touched upon every single element of its architecture.

The sovietization of ECE countries was undone by democratic revolutions of 1989 which resulted in their de-sovietization by removing political monopoly of communist parties, reintroducing political pluralism and free elections. This resulted in the collapse of the communist parties, most of which transformed themselves into socialist ones. In very few cases, they remained part of the political landscape, but a rather marginal one.

Disintegration of the Soviet dominated economic space in ECE began in 1990 with the introduction of hard currency instead of the transferrable ruble, a special COMECON currency, in mutual payments and resulted in the dissolution of the COMECON on 28 June 1991. Followed by a deep decline in mutual trade, it resulted ultimately in an economic reintegration of ECE countries with the EU. By now, the share of intra-EU exchange in the external trade of seven out of nine ECE countries is above the EU-average and exceeds 70%. The Czech Republic and Slovakia lead this list with the share of intra-EU exchange in their trade exceeding 80%.¹⁶

Early in the 1990s, all ECE countries pursued the goal of completely overhauling legal and institutional foundations of their se-

and the GDR (1975). For the texts of both Treaties on Friendship, Cooperation and Mutual Assistance see: *Внешняя политика Советского Союза и международные отношения. Сборник документов, 1970 год* (Foreign Policy of the Soviet Union and International Relations. Collection of Documents, 1970). Moscow: *Mezhdunarodnye otnoshenya*, 1971. P. 44–48; *Foreign Policy of the Soviet Union and International Relations. Collection of Documents, 1975*. Moscow: *Mezhdunarodnye otnoshenya*, 1976. P. 111–115;

16 External and intra-European Union trade. Data 2004–09. 2010 edition. Brussels: European Union, 2010. P. 44.

curity and defense cooperation with the Soviet Union which institutionalized the Soviet Bloc and the Brezhnev doctrine. All of them expressed the desire to replace bilateral treaties of mutual assistance with the Soviet Union and to ensure the withdrawal of Soviet/Russian troops.

New basic treaties

While the maintenance of Soviet dominance in ECE was no longer considered a viable option in Moscow, the Soviet Union sought to prevent its former allies at least from eventually becoming part of NATO. This policy got known in the literature as the “Falin-“, or the “Falin-Kvitsinsky¹⁷ doctrine”. Based on a resolution on the policy towards the region reportedly adopted by the secretariat of the Communist Party of the Soviet Union in January 1991, this doctrine stipulated that Moscow’s primary objective was to keep ECE countries “free of foreign bases and armed forces” and to prevent the former allies from “joining other military blocs or acceding to agreements which might lead to the deployment of foreign bases on their territory”.¹⁸ This doctrine substantially affected the Soviet policy of renegotiating bilateral treaties with ECE countries and, more generally, the underlying approach of not only the Soviet Union but also of the Russian Federation towards the integration of ECE countries into NATO.

The “Kvitsinsky clause” suggested by Moscow to be included into the new basic treaties with the former Warsaw pact members

17 Valentin Falin, a veteran Soviet diplomat, was at that time Secretary of the Central Committee of the Communist Party of the Soviet Union for external affairs. Yuly Kvitsinskiy was first deputy foreign minister supervising European affairs.

18 Quoted after Menkiszak, Marek. *Difficult Neighborhood: The Security Question in Polish Relations with the Soviet Union and Russia*. In: *Poland’s Security Policy 1989–2000*. Edited by Roman Kuźniar. Warsaw: Scholar Publishing House, 2001. P. 134.

generally sought to commit the latter not to join any hostile alliances. Although this clause was shaped differently in proposals extended to individual countries¹⁹, it became the most controversial issue in 1990-1991 negotiations as it raised concerns that the acceptance of this clause could complicate the eventual accession by ECE countries to NATO and even the European Communities. As observed by Victor Kirillov and Igor Putintsev in this volume, these concerns were not entirely wrong. They explain the purpose of the clause exactly to provide Moscow with legal grounds to oppose eventual NATO membership of ECE countries. The “Kvitsinsky clause” became the major stumbling block which blocked progress in negotiations of new treaties after particularly the Visegrad countries decided to resist it. Romania was the single ECE country, which agreed to endorse the new treaty with the Soviet Union in April 1991 that included the “Kvitsinsky clause”.²⁰ However, the treaty itself never was submitted for ratification.

The Soviet Union dropped the “Kvitsinsky clause” only in autumn of 1991 after the failure of the August coup in Moscow.²¹ This unlocked the finalization of new treaties. However, since the Soviet

19 Draft treaty submitted to Hungary would commit signatories not join any group of countries with aims contrary to the security of either of them, or join any agreement incompatible with the provisions of the treaty. The proposal extended to Poland went beyond this and stipulated that the signatories would refrain from any action threatening the security of each other and would be barred from joining alliances or agreements aimed against one of them. Foreign troops would not be deployed on their territory. The treaty would not allow Poland to make former Soviet military bases available to third parties while Soviet forces would enjoy the freedom of transit through Poland. See Zellner, Wolfgang and Dunay, Pál. Ungarns Außenpolitik 1990–1997. Zwischen Westintegration, Nachbarschafts- und Minderheitenpolitik. Baden-Baden: Nomos, 1998. P. 379; Menkiszak. *Difficult Neighborhood*. P. 134.

20 See the chapter by Dan Dungaciu and Sergiu Celak in this book.

21 Deryabin, Yury. Легко ли быть послом? Записки о жизни и карьере дипломата (Is it easy to be an Ambassador? Notes on life and career of a diplomat). Moscow: Ves’ mir, 2010. P. 256-257.

Union was already in the process of disintegration, Hungary turned out to be the only country which succeeded to sign it with the Soviet Union (as well as with the Russian Federation and Ukraine) in December 1991. Other countries signed new basic treaties with the Russian Federation early in 1992 or later.²²

Dismantlement of Warsaw Pact

ECE countries (except for Romania, from which Soviet troops withdrew in 1958, and Bulgaria) raised the question of withdrawing Soviet troops from their territory and of the dismantlement of the Warsaw pact at an early point of their departure from communist regimes.

Hungary pioneered this process by raising the issue of the dissolution of the Warsaw Pact. Budapest considered withdrawing from the bloc already in 1989. The Hungarian Parliament that emerged from elections in May 1990 followed up on the issue. When choosing between two options – unilateral or negotiated withdrawal –, it voted for the latter one. At the same time, Budapest announced its decision to anyway withdraw from the military organization of the Pact by the end of 1990 should the negotiated path not work out.²³

The Czech Republic and Poland remained hesitant at this point in time and put the emphasis on building pan-European institutions which would gradually transcend the division of Europe into two blocs. It was particularly Poland which was hesitant to dissolve the Warsaw Pact and rather opted for its transformation into a merely political organization at least as long as details of German unification were to be settled.²⁴ At the same time, Moscow

22 The Soviet-Polish treaty was initialed in December 1991. Warsaw resumed negotiations with the Russian Federation early in 1992. The Treaty was ultimately endorsed in May 1992.

23 Zellner and Dunay. Ungarns Außenpolitik 1990–1997. P. 375–376.

24 Menkiszak. Difficult Neighborhood. P. 135.

regarded the future of the Warsaw Pact primarily through the lens of a more complex negotiation of the eventual NATO membership of the unified Germany and only marginally through the prism of its relations with ECE countries. The formula negotiated at the Gorbachev-Bush meeting in Washington early in June 1990 suggested a gradual transformation of both blocs in Europe.

This is why the desire of ECE countries to transform the Warsaw Pact raised at a meeting in Moscow on 7 June 1990 was not rejected. The decision taken at the meeting initiated a review of the “character, functions and activities” of the Pact and of its transformation into “a treaty of sovereign and equal states built on a democratic foundation”. This compromise apparently reconciled the diverging visions of member states. While the decision called for proposals on the transformation of the Warsaw Pact to be submitted by November 1990, Moscow paid special attention to the parallel process of the transformation of NATO which was announced by the London declaration of the alliance on 6 July 1990.²⁵

Proposals on the transformation of the Warsaw Pact were never considered. The meetings that were supposed to review them were repeatedly postponed²⁶ until dynamic developments in Europe made the issue obsolete. The German unification was finalized early in October 1990 and entailed the final settlement of the German border with Poland. The consolidation of the conservative opposition to Gorbachev, which manifested itself in the resignation of the Soviet foreign minister Eduard Shevardnadze in December 1990, and particularly the attempt of removing elected governments in Lithuania and Latvia by recourse to military force in January 1991 strengthened the voices of those who feared a reversal of domestic developments in the Soviet Union and did not exclude that a con-

25 See Terekhov, Vladislav. Как закрывался германский вопрос (The process of closing the German question). In *Mezhdunarodnaya Zhizn*. 1998. 8. <http://clow.ru/a-history/79.htm>. Accessed 5 July 2012.

26 Zellner and Dunay. *Ungarns Außenpolitik 1990–1997*. P. 377.

servative communist government in Moscow would seek to restore Soviet hegemony over ECE.

These developments contributed to the evaporation of hopes that the erection of a pan-European system could help managing changes unfolding in Europe and in ECE in particular, and accelerated the dismantlement of the Warsaw Pact.²⁷ In a meeting in Budapest in January 1991, ministers of foreign affairs of Czechoslovakia, Hungary and Poland demanded that military structures of the Pact should be fully dissolved no later than 1 July 1991 and the political organization – by the end of that year.²⁸ The dissolution of the military structures of the Warsaw Pact was ultimately decided upon at a meeting of foreign and defense ministers on 25 February 1991, effective from 31 March 1991. In July 1991, the Warsaw Pact was ultimately disbanded.

Troop withdrawal

Negotiations on Soviet troop withdrawal were launched with Hungary and Czechoslovakia in January and February 1990, respectively, and went on smoothly. Agreements that anticipated complete withdrawal by the end of June 1991 were reached fast – in February 1990 with Czechoslovakia and in March 1990 with Hungary. Poland initiated similar negotiations somewhat later. In spring 1990, it only sought to discuss with Moscow a new status of forces agreement. It did not raise the question of a complete withdrawal

27 It is worth noting that the most recent Russian standard textbook on the history of international relations explicitly links the acceleration of the disassembly of the Warsaw Pact to the use of Soviet military force in Vilnius and Riga in January 1991. See История международных отношений в трех томах. Т. III: Ялтинско-потсдамская система (History of International Relations in three volumes. Vol. III: The Yalta-Potsdam order). Ed by Anatoly Torkunov and Mikhail Narinsky. Moscow: Aspent Press, 2012. P. 467.

28 Zellner and Dunay. Ungarns Außenpolitik 1990–1997. P. 377.

of Soviet troops until early in September 1990.²⁹ The agreement was initialed in December 1991 and formally signed with the Russian Federation in May 1992 alongside with the new basic treaty. It anticipated that Russian combat units would withdraw by mid-November 1992 while the withdrawal of remaining forces would be completed by the end of 1993.

Troop withdrawal from most of the Baltic states³⁰ was negotiated only after Russian troops had been completely withdrawn from Poland. Although no formal treaty with Lithuania was reached to this effect, it was the single Baltic state which fixed the withdrawal schedule, endorsed by two defense ministers already in September 1991.³¹ Withdrawal was completed as anticipated in August 1993. Relevant treaties with Latvia and Estonia were signed in April and July 1994. Both anticipated the withdrawal to be completed by the end of August 1994. Although the ratification of both treaties was delayed in Moscow (until February 1995 with Latvia and until 1996 with Estonia), withdrawal was implemented according to the agreed schedule.

In virtually all cases, negotiations as well as the actual troop withdrawal were accompanied and complicated by disputes over applicable schedules and deadlines, related mutual financial claims, as well as by linkages established after the relevant accords had been signed and strong statements from Moscow that it would stop or delay withdrawal. Nevertheless, in all cases without exception withdrawal was effectively completed within the agreed schedules and, in most cases, even a few days or weeks prior to the final deadline.

By 1995, Russian troops vacated the ECE region.

29 Menkiszak. *Difficult Neighborhood*. P. 128. Previous agreement on temporary deployment of Soviet troops in Poland was concluded in 1956.

30 Möller, Frank. *Thinking peaceful change: Baltic security policies and security community building*. Syracuse, New York: Syracuse University Press, 2007. P. 132-149.

31 The author is thankful to Dr. Leonid Karabeshkin for this point.

Baltic States.

The logic behind the policy of the Baltic states in the process of reasserting independence, finally obtained in August and recognized by the Soviet Union on 6 September 1991, followed the same path as that of other ECE countries. They pursued policies of de-sovietization, painful economic decoupling from the Soviet Union and Russia, and integration with Europe. They also wanted Soviet/Russian troops to leave as soon as possible and were extremely reluctant to re-enter any sort of alliance relationship – economic, political or military-political, bilateral or multilateral – with Russia. While debates over historical legacies were and remain emotionally loaded, relations of Russia particularly with Latvia and Estonia were further complicated by the dispute over the status of large Russian ethnic minorities. The agenda of Russia's negotiations with the Baltic states, at the same time, differed from that with other ECE countries.

Negotiating (not re-negotiating) basic political treaties was not at the heart of that process. The Baltic states were never offered the “Kvitsinsky clause” or anything similar to be included into basic treaties with Moscow. The process was largely accomplished with the Russian Federation before the ultimate dissolution of the Soviet Union, and even before the Baltic states started talks on the basics of their relations with the Soviet Union – for few months between the recognition of their independence and the demise of the USSR. Estonia and Latvia concluded bilateral treaties on the foundations of their relations with the Russian Federation already in January 1991, yet “within” the Soviet Union, although the Russian Parliament never ratified the treaty with Latvia. Lithuania signed a similar treaty in July 1991, just three weeks before the coup in Moscow.

Concluding border treaties turned out to be the main issue in lengthy negotiations with the Russian Federation, which largely concentrated on the question of whether those treaties would, or would not explicitly refer to peace treaties concluded by the Baltic

states with the Soviet Russia back in 1920.³² For the Baltic states, such a reference implied acknowledgement of the legal validity of the 1920 treaties and thus a recognition by Russia of the legal continuity of the Baltic states which was interrupted by their incorporation into the Soviet Union in 1940 and restored in 1991. Such a recognition could have various consequences, such as reinforcing Estonia's and Latvia's policies of not automatically granting citizenship to "new" minorities which settled in those countries as a result of the Soviet demographic policy. It was believed, that this would reinforce compensation claims resulting from the period of Soviet "occupation", as well as reopen issues of returning objects of cultural heritage from Russia to the Baltic states.³³

Recognition of 1920 peace treaties could also have impact on border delineation. Early in the 1990s, this was particularly an issue in Russia's relations with Estonia and Latvia³⁴ since their borders, as established by peace treaties, reflected the outcome of their successful war campaigns against the Soviet Russia rather than ethnic borders, and were redrawn by the Soviet Union after the World War II.³⁵ While keeping the door open for eventual restoration of "historic justice" or "a dignified compromise" as regards border delineation through much of the 1990s, both Latvia and Estonia ultimately dropped this option.³⁶ However, the recognition of the

32 The issue was also a stumbling block in Russian-Lithuanian negotiations of the basic treaty in 1991.

33 Mälksoo, Lauri. Which Continuity? The Tartu Peace Treaty of 2 February 1920, the Estonian-Russian Border Treaties of 18 May 2005, and the Legal Debate about Estonia's Status in International Law. In: *Juridica International*. 2005. X. P. 147-148.

34 This was never an issue between Russia and Lithuania since the latter not only did not lose any territory but extended it during the Soviet period. Thus, returning to the borders agreed in 1920 was of no benefit for Lithuania.

35 Mälksoo, Lauri. Which? P. 145.

36 See the chapter on Latvian-Russian relations in this volume. See also Mälksoo, Lauri. Which Continuity? P. 146; Tiiman, Ago. Border Treaties between Russia and the Baltic States. In I. Kempe (ed). *Prospects and Risks Beyond EU*

continuity doctrine by referring to peace treaties remained the most contentious issue.

Neither the Soviet Union in the last months of its existence, nor the Russian Federation accepted the legal continuity doctrine of the Baltic states, not least out of considerations of eventual consequences which could flow from such a recognition. This policy extended to the desire of the Baltic states to explicitly refer to 1920 peace treaties in the process of borders delineation. Moscow rejected the proposal by stating that those treaties were merely historic documents, and insisted to ratify status quo in all issues related to preceding history, including the borders. In doing so, Moscow also insisted on the applicability of the principle of inviolability of frontiers as established by the SCSE Helsinki Final Act.³⁷ Should that principle apply, Moscow was prepared to address specific issues representing a historic legacy in relations with the Baltic states in a cooperative manner.³⁸

After Estonia and Latvia decided not to claim any territory on the basis of the 1920 treaties, the three border agreements were “technically” ready in 1997 (with Estonia, it was initialed in 1999). The single most important issue delaying their finalization was whether the Baltic states would persuade Moscow to include a reference to 1920 peace treaties, drop the issue recognizing that this would have no effect on their doctrine and policies of legal continuation, or negotiate a language permitting all parties to maintain their different legal positions on the issue. In addressing this dilemma, three Baltic states followed different paths with different pace.

Lithuania was the first Baltic state to drop the demand and sign the border treaty with Russia in 1997. Estonia and Latvia pursued a more hesitant policy. Both were close to signing treaties

Enlargement. Eastern Europe: Challenges of a Pan-European Policy. Opladen: Leske + Budrich, 2003. P. 239.

37 Tiiman, Ago. Border Treaties between Russia and the Baltic States. P. 239.

38 Mälksoo, Lauri. Which Continuity? P. 148.

with Russia in 2005 (Estonia even did so), but both failed to fix it because of the peace treaties clause either in the main body text, or in a separate declaration adopted by the Estonian Parliament while ratifying the border treaty. Latvia ultimately signed the border treaty with Russia in 2007 – a short period which was at that time seen as a new opening in Russo-Latvian relations – after having dropped the reference to the treaty of Riga. Estonia signed the border treaty with Russia in February 2014³⁹ after agreeing on a compromise that implies that the treaty addresses only the issue of border delineation and thus leaves other issues related to the state continuity doctrine open.

EXTENSION OF THE WEST

Early in the 1990s, an eastward extension of Euro-Atlantic institutions appeared an uncertain option, though actively advocated by the Visegrad countries. The issue was not high on the agenda of the U.S. policy or within NATO in general while the European Communities, absorbed by the erection and consolidation of the European Union, sought to resist enlargement as long as possible. This landscape started changing, however, by the mid-1990s. The collapse of the Soviet Bloc against the background of the violent break-up of Yugoslavia and uncertainties implied in the post-communist transitions in ECE fed fears of “renationalization” of policies, rise of nationalism, further inter-ethnic and potential inter-state conflict. Fears of an eventual “balkanization” of ECE largely contributed to the change in western policies and particularly of the policies pursued by France, one of the most skeptical nations with regard to the enlargement.

Uncertainties of the Russian post-communist transition and par-

39 For the Russian text of the treaty see: [http://www.mid.ru/bdomp/graf_site.nsf/webrus/20140011/\\$FILE/14_11.pdf](http://www.mid.ru/bdomp/graf_site.nsf/webrus/20140011/$FILE/14_11.pdf).

ticularly the strengthening of nationalist and communist parties in 1993 and 1995 elections contributed to growing support, in ECE and in the West, of the policy of institutional integration of ECE countries into the Euro-Atlantic community. By the mid-1995, as the debate over enlargement unfolded, those ECE states, which were more hesitant at the beginning of the decade, such as Romania or Bulgaria, gradually began seeking membership in the EU and NATO. The final settlement with the unified Germany, particularly as regards its eastern borders, as well as the completion of Russian troop withdrawal and of the re-negotiation of basic treaties with Russia also motivated ECE countries to concentrate on the practical issues of their “return to”, or “re-integration with” Europe.

Major decisions, both collective and individual, which paved the way to the gradual opening of the Euro-Atlantic institutions – the Council of Europe, the European Union and NATO – towards ECE, and reduced other options for the development of a new European order, matured by the mid-1990s., although at different pace.

Opening of Euro-Atlantic institutions.

The Council of Europe pioneered this process already from the late 1980s. It did not reduce the prospects of membership only to ECE states but also sought to engage the Soviet Union and the Russian Federation at a later stage. The European Union embarked on the path of the eastward enlargement half a decade later while NATO was the last to do so – not least due to the recognized sensitivity of the issue.

The *Council of Europe* launched outreach policies towards ECE countries, former Yugoslavia and the former Soviet Union already in 1988 by granting them a special guest or observer status within the Parliamentary Assembly. After a short period of time, it proceeded with opening the membership option to post-communist countries. Hungary was the first to join the Council of Europe in 1990 followed by Poland and Czechoslovakia in 1991. While ECE

countries obtained membership in the Council of Europe in a relatively short period of time, the Council's extension to post-Yugoslav and East European and South Caucasian post-Soviet states took longer and was completed in 2007 (see table 1), at a time when the most recent enlargements of the European Union and NATO were completed.

Table 1
Accession to the Council of Europe

Year	countries
1990	Hungary
1991	Czechoslovakia, Poland
1992	Bulgaria
1993	Lithuania, Estonia, Romania
1995	Latvia, Albania, Moldova, Ukraine
1996	Russia, Croatia
1999	Georgia
2001	Azerbaijan, Armenia
2002	Bosnia
2003	Serbia
2007	Montenegro

Source: <http://www.coe.int/en/web/portal/home>

Although the first association agreements with ECE countries explicitly providing them with a membership option in the unspecified future were signed by the European Communities already early in the 1990s, principal decisions concerning the enlargement of the *European Union* were taken in 1993 and 1994. Establishing a set of criteria for accession by the Copenhagen Council meeting in 1993

sent a strong message to ECE countries that the EU transcended differences on the issue and adopted a policy of eastward extension. A year later, in 1994, the Copenhagen decision was complemented by decisions of the Essen Council meeting, which addressed practical, procedural and financial issues of enlargement policies and adopted particular enlargement strategies. This paved the way for a smooth accession of Austria, Finland and Sweden in 1995 and, in 1997, the European Union adopted the decision to open accession negotiations with the first group of ECE candidate countries. These resulted in the largest in the history enlargement of the European Union in 2004 with Bulgaria and Romania joining the EU three years later in 2007.

NATO was the last Euro-Atlantic institution to embark on the path of eastward extension. While the desire of ECE countries and particularly of the Central European Visegrad states to join the alliance was initially the main driver of debate, the enlargement option was strongly advocated inside NATO by the German government since early in 1993. However, it took several years to overcome hesitations within the alliance and particularly in the U.S., which sought to harmonize the eventual enlargement with other policy goals in the post-cold war Europe. In the meantime, NATO offered a number of avenues that allowed expanding and intensifying political and military-political cooperation and rapprochement with ECE countries and Russia without explicitly granting any of them the membership option. It did so, inter alia, by establishing the North-Atlantic Cooperation Council (NACC) in 1991 and launching the Partnership for Peace program in 1994.

While the general consensus on the eastward enlargement matured within NATO between 1993 and 1995, following consultations with Moscow, the formal decision was postponed until after the 1996 presidential elections in Russia. In 1996 and 1997, the NATO's secretariat held informal consultations with twelve ECE countries which, by that time, had articulated their interest in join-

ing the alliance.⁴⁰ As a result, in July 1997, at the NATO Council summit meeting in Madrid, invitations were extended to the first three aspirant countries – the Czech Republic, Hungary and Poland. At the same time, the Council launched the discussion of the way to proceed further. Several countries advocated a “big bang” enlargement as a next step that would include all countries with which consultations had been held in 1996-1997. The “big bang” move eastward would finalize the enlargement. However, particularly the U.S. promoted a different, more cautious approach suggesting that enlargement should proceed more gradually without establishing a finality of the open doors policy.

The more cautious approach sought to embed the enlargement into a complex net of arrangements that would allow avoiding discriminating effects on countries to which no invitations were extended in 1997. These arrangements included, inter alia, introduction of an enhanced Partnership for Peace Program, transformation of the NACC into the Euro-Atlantic Partnership Council (EAPC) in order, inter alia, to keep individual partnership activities transparent to all members of the Council. They also included the signing in Madrid, in July 1997, of the Charter on a Distinctive Partnership between NATO and Ukraine,⁴¹ and in January 1998 of a Charter of

40 Albania, Bulgaria, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Macedonia, Poland, Romania, Slovakia and Slovenia. See: Zagorski, Andrei. Формирование новой системы межгосударственных отношений в Европе (The Formation of a new system of inter-state relations in Europe). In: A.V. Torkunov (ed.). Современные международные отношения (Contemporary international Relations). Moscow: ROSSPEN, 2000. P. 331.

41 **Charter on a Distinctive Partnership** between the North Atlantic Treaty Organization and Ukraine. http://www.nato.int/cps/en/natohq/official_texts_25457.htm. Accessed 13 June 2012. The Charter was further complemented in August 2009: Declaration to Complement the Charter **on a Distinctive Partnership between** the North Atlantic Treaty Organization and Ukraine, as signed on 9 July 1997. http://www.nato.int/cps/en/natohq/official_texts_57045.htm. Accessed 13 June 2012.

Partnership among the US and the Baltic States,⁴² which was supposed to prepare for their future membership but was also seen by many, at that time, as a compensation for not inviting them later in the 1990s.⁴³

This development resulted ultimately in a big-bang enlargement of 2004 by, at the same time, reconfirming further pursuit of the alliance's open doors policy.

The complex arrangements accompanying the beginning of the eastward enlargement of NATO were complemented by another set of complex arrangements with the Russian Federation which sought to address Moscow's concerns in a cooperative manner.

Russian policies.

It is common wisdom that, in the 1990s, Moscow vehemently resisted the eastward "extension of the West" and particularly that of NATO to ECE, no less than it does now. Observers point out multiple manifestations of this resistance, as do the authors of several chapters in this volume. Those manifestations include, inter alia, letters addressed by President Yeltsyn in September 1993 to the leaders of major western nations in which he strongly opposed NATO enlargement and offered as an alternative solution to provide the Visegrad countries with security guarantees from Russia and the West, should they not accede to the alliance. These letters were supposed to disavow the Warsaw Declaration signed by Yeltsin in August 1993 that admitted that Poland's intention to join

42 A Charter of Partnership Among the United States of America and the Republic of Estonia, Republic of Latvia, and republic of Lithuania. January 16, 1998. In: Public Papers of the Presidents of the United States: William J. Clinton, 1998, P. 71-74.

43 Möller, Frank. Thinking peaceful change: Baltic security policies and security community building. P. 167, 184-185; United States of America. Congressional Record. Proceedings and Debates of the 105th Congress, second session. March 18, 1998. P. 9994.

NATO, “in the long term”, was “not in conflict with the interests of other states, including those of Russia”.⁴⁴

Minister of defense Pavel Grachev, admitting the sovereign right of ECE countries to join alliances of their choice, insisted that Russia had a sovereign right to retaliate. Russian Foreign Intelligence Service was more specific in a public report released in November 1993 indicating that Moscow could reconsider its obligations under the 1990 Treaty on Conventional Armed Forces in Europe (CFE), should NATO extend eastward. Later in 1993, Russia’s foreign minister Andrei Kozyrev refused to endorse NATO’s Partnership for Peace proposal after it implied the eventual possibility of the alliance’s enlargement.⁴⁵

Although, with very few notable exceptions,⁴⁶ both Russia and ECE states seeking NATO membership avoided talking to each other on the issue, Moscow spent efforts to persuade the countries, which appeared at that time less determined to join the alliance (such as Bulgaria, Romania or Slovakia), to foster closer relations with Russia by offering them particular economic rewards. Those efforts are discussed in this volume particularly in the chapters on relations of Russia with Slovakia or Romania.

Should this understanding of Russia’s policy on NATO enlarge-

44 *Diplomaticheskii Vestnik* (The Diplomatic Herald), 1993, no 17—18. P. 16. The language of the Declaration was more ambivalent as it emphasized the long-term nature of the membership option and made it conditional on the formation of a pan-European security architecture. However, observers overlooked the nuances of the diplomatic language and reasonably interpreted the text of the declaration as an alleged consent of Moscow to the enlargement.

45 Zagorski, Andrei. Russia and Europe. In: A. Lopukhin, S. Rossi, A. Zagorski (eds). *From Reform to Stability... Russian Foreign, Military and Economy Policy (Analysis and Forecast) 1993—1995*. Moscow: MGIMO; Industrial Herald, 1995. P. 38-41.

46 Those exceptions include in particular the Moscow trips by the Hungarian Prime Minister Gyula Horn in 1995, or by the Lithuanian President Alvidas Brazauskas in 1997. See for instance the chapters on Russia’s relations with Latvia and Lithuania in this volume.

ment be correct, Moscow has obviously failed with this strategy. It must have underestimated the attractiveness of the Euro-Atlantic community membership and the importance of the values-based policy and, at the same time, overestimated the attractiveness of the economic benefits it was offering to ECE countries.

However, as Kirillov and Putinstev argue in their chapter, despite the strong domestic political opposition to NATO's extension to ECE, Moscow's policy was less driven by the unrealistic expectation that it could stop enlargement. Instead, it was far more driven by the search to adjust to the changing landscape and the desire to receive a respective compensation. From this perspective, it appears more understandable why Russia did not spend many efforts to talk to ECE countries on the issue but, instead, intensively discussed it with the major western nations and in particular with the U.S., Germany and France: ECE countries were unable to pay the price, but the western nations were.

The shift in Russia's policy manifested itself in 1994-1995 in multiple ways. It was heralded by the then foreign minister Andrei Kozyrev in an article published in the Russian Foreign Affairs Journal in May 1994.⁴⁷ Kozyrev pledged for improving international governance by developing a mature strategic partnership of Russia and the West and based on anchoring Russia, on an equal basis, in the Euro-Atlantic community of democratic countries "united by common values".⁴⁸ Later in 1994 and ultimately in 1995, Moscow dropped its earlier proposals summarized in 1994 in a "Program of Enhancing the Efficiency of the OSCE" which sought to assert the central role of the organization within the European security order, inter alia, by establishing a sort of a European security council –

47 Kozyrev, Andrei. Стратегия партнерства (The Strategy of Partnership). In: Внешняя политика и безопасность современной России. 1991-2002. (Foreign Policy and Security of the contemporary Russia. 1991-2002. Collection of texts in four volumes). Vol. I. Moscow: ROSSPEN, 2002. P. 182-192.

48 Ibidem. P. 186.

a small permanent governing body: an OSCE executive council or committee of permanent representatives.⁴⁹

In practical terms, Moscow concentrated on institutionalizing strategic partnerships with NATO and the European Union, largely at the expense of the OSCE, and on acceding to the G7. It also voiced more particular concerns either related or not related to the anticipated NATO enlargement. The complex bargaining between 1995 and 1997 resulted in a series of cooperative decisions allowing Moscow to obtain most, although not all of the goals it set for this negotiation. Those decisions included, *inter alia*:

- Delaying the enlargement of NATO to after the 1996 presidential elections in Russia;
- Developing “special” relations with NATO first by establishing, in June 1995, of a mechanism for enhanced political consultations on a wide range of European security issues, including peacekeeping, further transformed into a NATO-Russia Permanent Joint Council in 1997, and the NATO-Russia Council in 2002;
- Signing of a NATO-Russia Founding Act in May 1997, prior to the Madrid decision on enlargement;
- Transformation the G7 into a G8 in 1997;
- Granting Russia the status of a market economy by the EU in 1997;
- Revising Russia’s flank limitations under the CFE Treaty in 1996 and adapting the entire treaty in 1999 in a more profound way, etc.

Probably the single most important desire on which Moscow did not succeed was the attempt by the then foreign minister Evgenii Primakov to establish red lines for eventual future rounds of NATO enlargement which Moscow wanted to stop at the borders of the

49 For greater details of the program see: Zagorski, Andrei. Russia and Europe. In: A. Lopukhin, S. Rossi, A. Zagorski (eds). *From Reform to Stability...* P. 32.

Former Soviet Union. In practical terms in the late 1990s this primarily concerned whether the Baltic states would be able to join the alliance or not.

This complex negotiation of arrangements complementing NATO enlargement not only allowed Moscow to see its outcome as success but, also, ensured that, as a result of intensive communication, all sides were fully aware of not only what they had agreed but, also, what they had not agreed upon. Both sides respected these arrangements which ensured a relatively smooth enlargement of NATO both in 1999 and in 2004. It also allowed to boost NATO-Russia cooperation particularly in 1998 while the relationship began to deteriorate not because of the enlargement but, rather, due to fundamental disagreements over the legality of the 1999 NATO air campaign in Yugoslavia.

Fragile normalization

In the fifteen years that passed after the accession of the first ECE countries to NATO, bilateral relations between Moscow and ECE countries witnessed many attempts to improve cooperation. Several chapters in this volume take note of a round trip by the then Russian foreign minister Igor Ivanov to Central European countries and Romania. The message he delivered apparently was received: although remaining critical with regard to NATO enlargement, Moscow accepted and respected the choice of ECE countries.

Re-engaging ECE countries resulted particularly in a visible intensification of high level communication which was at a very low point in most of the 1990s. It also resulted in establishing intergovernmental commissions to oversee and promote economic cooperation followed by a significant growth of mutual trade and investment which is discussed in greater detail in the chapter by Boris Frumkin. Indeed, the way to normalization was largely associated with prospects for increased economic exchange.

There also have been examples of progress in political relations which raised hopes for a new beginning in Russia-ECE relations. Particularly the Polish-Russian rapprochement in 2008-2011 was raising such hopes, but also a gradual improvement of relations between Russia and Latvia after signing the border treaty in 2007. Modest hopes for progress were also attached to the signing of the 2014 Russian-Estonian border treaty.

These years also witnessed a growing differentiation of policies pursued by individual ECE countries toward Russia, as well as remaining political divisions within the individual countries on their Russia-policies which often resulted in fluctuations in bilateral relations following changes in the government of respective countries.

Progress in mutual relations, however, was often accompanied by setbacks which reveal that the modest trend toward normalization has not yet become irreversible and that the “economization” of Russia-ECE relations, though important, was not sufficient to repair the fragile relationship. Despite the progress achieved, Russia and ECE countries remained divided on many issues. Energy security, the future of the European security, policies in the common neighborhood or prospects for integration of East European countries into the Euro-Atlantic or the Eurasian community exemplify but don’t exhaust divergences and areas of contention among Russia and many ECE countries. The culmination of the Ukraine crisis in 2014 has shown, in an extremely dramatic way, that Russia and ECE countries have yet a long way to go to narrow, if not to close the gap dividing them.

Polish-Russian Relations 1991-2011: On the Way to Mutual Understanding

Łukasz Adamski, Artem Malgin

The relations between the Poles and the Russians, the two Slavic nations with old traditions of statehood, close languages but with different political and values orientation, reflect many general problems which are characteristic for the relationship between Russia and the countries of East Central Europe. To some extent, the recent history of the Russian-Polish relations also reflects the problems indicative for the dialogue between the Russian Federation and the European Union.

Over the past two decades, the Polish-Russian relations reveal their own specificity. They developed as relations between two sovereign states. This was, as far as the last three centuries are concerned, a relatively unique situation. In 1717, Poland had de facto become a protectorate of Russia. The vain attempts to change this situation in 1768-1772, 1788-1792, and 1794 ended with the partition of its territory among Prussia, Austria, and Russia. After the third partition in 1795, the Polish-Lithuanian Commonwealth (*Rzeczpospolita*) – disappeared from the map of Europe. Until the World War I, most of the former Polish territories, including War-

saw, had belonged to the Russian Empire.

The independent Polish state, re-established in 1918 and strengthened as a result of the victorious war against the Bolshevik Russia in 1920, however, fell, in 1939, victim to a double aggression – by Germany (September 1) and the Soviet Union (September 17). Although the Red Army had, in 1944-1945, liberated Poland from the Germans, a marionette government and the communist order were imposed upon this country. The Soviet Union annexed 48 percent of Poland's pre-war territory. Till 1956, the sovereignty of the Polish People's Republic remained absolutely formal. This fact manifested itself in the presence on its territory, without any legal basis, of several hundreds of thousands of Soviet troops as well as in the fact that Poland's military forces were commanded by the Soviet Marshal Konstantin Rokossovsky. Even after destalinization in 1956, Polish sovereignty remained limited by the dictatorship of the Polish United Worker's Party on one hand and by the military alliance with the Soviet Union on the other hand. This state of affairs was reinforced by the Northern Group of Soviet Forces counting no longer hundreds but in any case tenths of thousands of soldiers spread over numerous bases on Polish territory.

In 1989, the situation changed in a radical way with re-establishing of a democratic regime in Poland. The government under Tadeusz Mazowiecki committed itself to an independent foreign policy. One of the manifestations of this new policy was the start of negotiations with the USSR on withdrawal of Soviet troops from Polish territory. In 1991, the Warsaw Treaty Organization and the Council for Mutual Economic Assistance having served as symbols of institutional dependence on the Soviet Union were disbanded. Later on, the USSR itself shared the fate of other European empires.

This development was of significant impact on the balance of the potentials of the two countries. Poland's population counted in 1991 38.3 million people whilst that of the Soviet Union amounted up to 293 million, which corresponded to a ratio of 13 to 100. Af-

ter the breakup of the Soviet Union, this difference shrank significantly. Russia's population (148 million) was 3.9 times as large as that of Poland. Now, this ratio makes 3.7 to 1. In 1980, the Gross domestic product (GDP) of the USSR was eight times and in 1990, after a decade of crisis in Poland, more than 16 times as high as the GDP of Poland. In 1993, this difference dropped down to 1 to 4 and in 2011 to 1 to 3¹. Despite of structural changes, the difference between the potentials of the two countries will, of course, remain in the foreseeable future due to Russia's predominance in terms of territorial, natural, military, and demographic resources, and will play an important role in the development of the relations between the two countries. This predominance determinates the asymmetry in the mutual relationship between Poland and Russia: as far as foreign policy is concerned, this relationship is for Poland much more important than for Russia.

After 1991, the strategic landscape changed dramatically as well. Poland was no longer bordered by an empire with Moscow as its capital city. Its neighbor countries are now the independent Lithuania, Belarus, and Ukraine, all of them being countries which were, in the past, part of *Rzeczpospolita* and in the period between the two World Wars of the Second Polish Republic. Only in the North Poland is still bordered by Russia, specifically by an exclave of it – the Kaliningrad Region. The emergence of three sovereign states, Lithuania, Belarus, and Ukraine, put an end to Poland's and Russia's centuries-long struggle for these territories tied to both nations by their cultural roots². In no way less important is the fact

1 Calculated upon GDP PPP data from the CIA World Factbook, 1982, 1991 and 1994. <http://www.geographic.org/wfb1982/worldfactbook82natiilli.pdf>; <http://permanent.access.gpo.gov/lps35389/1991/world91b.txt>; <http://www.umsl.edu/services/govdocs/wofact94/wf950201.txt>.

2 Juliusz Mieroszewski, a well-known Polish publicist from the circle of "Kultura", a "thick magazine" of Polish emigrants, stated already in 1974 that mutual abandonment by Poles and Russians of claims to the territory of today's Lithuania, Ukraine, and Belarus as well as of imperial ambitions could be the key to

that the new authorities of Poland, in line with the desires of the society, managed to let the country become member of NATO and EU, two organizations bringing together states similar to Poland in terms of political culture and values.

Whilst in Poland called the Third Republic (*Trzecia Rzeczpospolita*) the economic and the political system as well as the strategic environment had changed, the Russian Federation considering itself successor to the USSR represented, to a significant extent, nevertheless a new state. And this not only because its borders narrowed approximately to those of the pre-Peter Muscovy state and the country lost a significant part of its traditional territorial and demographic area of political, economic and cultural existence, but first of all because its population, having in the past consisted of subjects of the – White, Czarist, or Red, Soviet – empire, for the first time received the possibility of being citizens and establishing a national state.

In this situation, the mutual relationship between Poland having re-established its sovereignty, and Russia that in some sense had just gained it radically differed from the relationship between the two countries in the previous historic periods. In Russia and in Poland, developing post-socialist identity and priorities in foreign policy started more or less simultaneously. The two and a half years having passed between establishing of a non-communist coalition under «Solidarność» after the elections of June 1989 in Poland and the collapse of the Soviet Union in December 1991 were, from the historical point of view, not a long period. The two countries gained a chance to normalize their relations. This chance was, however, used only halfway.

the ultimate Polish-Russian reconciliation. See: Mieroszewski, Juliusz. Rosyjski „Kompleks polski” i ULB; and Mieroszewski, Juliusz. Materiały do refleksji i zadumy. In: Biblioteka Kultury, t. 269, Paryż, 1976.

POLAND'S AND RUSSIA'S NEW FOREIGN POLICY

The new situation faced by both countries contributed to significant changes in their foreign policy.

Russia made an attempt to define its international priorities in the Draft Concept of Foreign Policy issued in 1992.³ In this Concept, the European area and the European organizations were considered extremely important within the system of Russia's goals and tasks in the field of foreign policy. Russia, however, did not desire to join the European integration processes having started in Western Europe in the 1950's. It did not intend to join the European communities or NATO but focused its activities on developing common European structures of economic integration and ensuring security.

Russia actively tried to promote transformation of the Conference on Security and Cooperation in Europe to a fully-fledged Organization for Security and Cooperation in Europe. In 1993, it applied for membership in the Council of Europe and joined it in 1996. Russia expressed its intension to join GATT (now WTO – World Trade Organization), established relations to NATO, joined the North-Atlantic Cooperation Council and signed, in 1994, the framework document of the Partnership for Peace program. Russia established active cooperation with the European Bank for Reconstruction and Development established under participation of the USSR shortly before its breakup. Russia got also involved into the project activities of the European Investment Bank. A dialogue with OECD, the Organization for Economic Cooperation and Development, close cooperation with the International Energy Agency progressed successfully.

As for Russia, signing, in June 1994, the Partnership and Co-

3 Концепция внешней политики Российской Федерации. Декабрь 1992 г. (Foreign Policy Conception of the Russian Federation. December 1992). In: Внешняя политика и безопасность современной России. 1991-2002. (Foreign Policy and Security of the contemporary Russia. 1991–2002. Collection of texts in four volumes). Vol. IV. Moscow: ROSSPEN, 2002. P. 19–50.

operation Agreement with the EU proved, assessed from today's point of view, to have been the main «European event». This event not only marked the recognition of the new reality of integrating Europe but also formed the framework for economic cooperation with all EU member states. Be that in a very general form, but the Partnership and Cooperation Agreement considered, already in 1994, the possibility of establishing a common economic space and a free trade zone between Russia and EU whilst a mechanism for maintaining a permanent dialogue on issues of European and world policy was under construction.

In Russia as well as in Poland, the almost twenty years long experience of Russia's participation in the European integration processes and Russia's experience in terms of its more or less successful adaptation to the European legal, economic, and political as well as to specific technological standards and norms are often assessed if not necessarily negatively but in any case in a disparaging manner.

Poland has been acting in the European direction in a more goal-oriented way. In this country, the entire period from the early 1990's till joining EU on May 1, 2004 was marked by the slogan «Back to Europe». This was not only a goal of the foreign policy but also a very important part of developing a new national identity. Poland's return to Europe step by step changed the organization of the internal life of the country. The country sought to join European and Euro-Atlantic organizations as soon as possible. In 1991, it signed the Europe Agreement establishing an association with the European Communities, which came into force in 1994. In 1991 it also became member of the Council of Europe. In 1992, Warsaw officially proclaimed its intension to join the North-Atlantic Alliance and became its member state in 1999. Poland's full-scale integration into the world-wide economic relations was acknowledged by its joining WTO on the 1st of July, 1995. WTO membership opened Poland the door to organizations like OECD and the European Union. On the April 16, 2003, the Treaty of Accession into the EU was signed

in Athens. The question of Poland's EU membership was put to a referendum with the result that joining EU was supported by 77,45 % of the 58,85% of the citizens possessing the voting power who had participated in the referendum. On the 1st of May, 2004, Poland became a fully authorized member of the European Union.

ESTABLISHING CONTACTS

The first contacts between the Polish Government and the Russian Soviet Socialist Federative Republic were established in 1990 in line with Poland's doctrine of «two-track policy». This doctrine aimed at developing relations not only to the central authorities of the USSR, i.e. to Mikhail Gorbachev, but also to the leaders of the individual Soviet republics. On October 16, 1990, Poland and Russia signed a Declaration on Friendship and Good Neighborhood Cooperation⁴ as the first document of this kind signed three months after this biggest of all Soviet republics had adopted a Declaration on the National Sovereignty. After the collapse of the Soviet Union, a Treaty on Friendship and Good Neighborhood Cooperation initially prepared for signing with the USSR was signed on May 22, 1992⁵. The Treaty acknowledged the inviolability of the existing border between Russia and Poland and included the commitment to conduct consultations on issues related to the security of both countries and to provide no support and assistance to states having attacked one of the Parties. The Treaty also contained a clause on annual meetings of the heads of respective states and governments as well as regular consultations on the level of the ministers of for-

4 The document was published in two languages in: *Zbiór Dokumentów*, 1991, 4. P. 20-24.

5 *DziennikUstaw*, 1993 nr 61 poz. 291. For the Russian text of the Treaty see: http://www.mid.ru/BDOMP/spd_md.nsf/0/8A86F7C72CA4940B442579A7003823AE.

eign affairs. The Treaty also referred to the necessity of promoting cooperation and exchanges of young people with conclusion of respective agreements as well as to cooperation aimed at mutual search for and restitution of illegally removed cultural and historic values.

In contrast to the wide-spread opinion the Russian-Polish contacts on the top level had been rare, the heads of the states and the governments of the two countries, in general, fulfilled the obligations considering the annual consultations, although, over a certain period of time, an obvious imbalance between the frequency of meetings on the Polish and the Russian territory had existed. In 1992 to 2011, the Presidents of Poland visited Russia ten times, whilst Russian leaders had travelled to Poland five times⁶. The heads of the Russian government and the prime ministers of Poland visited Poland and Russia respectively five times each⁷. In April 2010, one of the key meetings between the prime ministers Donald Tusk and Vladimir Putin took place, and on April 7, 2010, both politicians attended the commemorative event at the Polish military cemetery in Katyn dedicated to the 70th anniversary of the execution, upon order of the Soviet leaders, of about 22 thousand Polish officers and intellectuals interned or arrested on the Polish territory occupied by the USSR. Three days later, Putin and Tusk met in Smolensk after the fatal accident with the Polish governmental aircraft bringing to

6 In 1993, Moscow was visited by Lech Walesa and Poland by Boris Yeltsin. Aleksander Kwaśniewski visited Russia several times: in 1996, 1998, 2000, 2001, 2002, twice in 2003, in 2004 and 2005. Vladimir Putin visited Poland twice: in 2002 and 2005. President Dmitry Medvedev attended the funeral of Lech Kaczyński on 18 April 2010 and paid an official visit to Poland in December 2010. The then interim president, Sejm Marshal Bronisław Komorowski visited Moscow on 8-9 May 2010.

7 In 1992, Poland was visited by Yegor Gaidar, in 1995 by Victor Chernomyrdin, in 2001 and 2003 by Mikhail Kasyanov, and in 2009 by Vladimir Putin. Waldemar Pawlak visited Russia in 1994, Józef Oleksy in May 1995, Włodzimierz Cimoszewicz in 1996, Leszek Miller in 2001, and Donald Tusk in 2008.

the second part of the ceremony in Katyn Poland's President Lech Kaczyński, his wife and 94 other people including many high-level public servants, militaries, intellectuals and relatives of the victims of the executions of 1940. Practically every visit was accompanied by declarations on intentions to intensify economic cooperation, to develop the dialogue on issues related to regional security and to settle problems inherited from the history. This, however, proved to be difficult.

HOW CAN A SAFE EUROPE BE BUILT?

In the early 1990's, strengthening the re-established sovereignty was considered Poland's main task. For the resolution of this task, it was necessary to complete withdrawal of Russian troops from Polish territory as well as to define suitable methods for ensuring security in the region after dissolution of the Warsaw Treaty. Although discussions on these topics had started already in 1989, no mutually acceptable solution could be found till breakup of the Soviet Union. From the Polish point of view, the main obstacle were Russia's claims concerning Poland's participation in covering the costs of the withdrawal of Russian troops including erection of dwelling for service personnel as well as the intention of the USSR to include into the new Treaty a clause prohibiting participation of the parties in alliances hostile towards the other party. Ultimately, after the failure of the August 1991 putsch in Moscow, Russia gave up this claim.

In the first two years of the existence of the independent Russian Federation, one of the fundamental problems of the Polish-Russian relations became evident, namely the different approach concerning the best possible architecture of the European security and the place of the ECE countries in it.

In contrast to initial hopes of a part of Polish elite, Russia would

establish a Western type democracy and choose a model similar to that adopted by the Central European countries, the reality proved different. At this time, Poland started openly expressing its will to enter NATO. In a formal manner, this was done by the government under Jan Olszewski. Initially, Russia did not raise any objections against these plans in public. Moreover, many hopes were generated by the joint declaration signed during the visit of President Yeltsin on the August 25, 1993 stating that Poland's plans to join NATO did not contradict with Russia's interests and cooperation between the two countries⁸.

The Russian military and diplomatic circles, however, managed to convince Yeltsin of the necessity to change his standpoint. In September 1993, he sent a confidential letter to U.S. President Bill Clinton warning him against the consequences of NATO expansion⁹. Russia had kept opposing NATO expansion till 1996 when it became apparent that this process was no longer reversible. Russia's authorities were of the opinion this step would lead to Russia's isolation in Europe and delay implementation of the project of a common European security system. They also declared NATO expansion would cause a negative reaction of the Russian public opinion and weaken the political positions of the democratic powers or could even help people seeking confrontation with the West to gain the leadership. There appeared references to promises supposedly given to Gorbachev in 1990 the NATO would not expand towards East. Yet, whichever statements might have been made in

8 "In the long view, this decision by the sovereign Poland aimed at pan-European integration does not contradict with the interests of other states including those of Russia". For the text of the Declaration see: *Diplomaticheskii Vestnik* (The Diplomatic Herald), 1993, no 17—18. P. 15-16.

9 Russian President Boris Yeltsin's letter to US President, Bill Clinton. In: *SIPRI Yearbook 1994*. Oxford; New York: Oxford University Press, 1994. P. 249-250. The following fragment appears quite characteristic: And generally, we favor a situation where the relations between our country and NATO would be by several degrees warmer than those between the Alliance and Eastern Europe.

this respect, Poland never had accepted any obligations in terms of not joining NATO.

In Poland, Russia's arguments failed to gain understanding also due to other reasons. NATO was considered the most efficient tool for ensuring its security as an organization consolidating the Western democratic countries and possessing the necessary military and economic strength. Poland's NATO membership was, due to its historic affiliation with Latin civilization, understood as absolutely natural. NATO membership was expected to contribute to strengthening Poland's security and to exclude any re-establishing of Russia's domination over Poland, which, however, was quite unlikely. It should be mentioned that it were the Western countries Russian diplomacy addressed with its arguments, i.e. Poland was considered by the latter just an item of political bartering. This approach was clearly reflected in the draft Concept of Russia's foreign policy of 1992 stating that Eastern Europe not only retains its relevance for Russia as historically formed sphere of interests. [...]. The strategic task in the current period is to prevent the Eastern Europe from transformation to some kind of a buffer belt isolating us from the West. On the other hand, Russia's suppression by Western powers from the West-European region already becoming quite apparent must be prevented¹⁰».

A similar discussion started in 2005 to last with different intensity over a number of years. This discussion was caused by the plans to place in Poland elements of the U.S. missile-defense system discussed since 2001 and officially announced and supported by the new conservative government under Kazimierz Marcinkiewicz in 2005.¹¹, and later on by the cabinets under Jarosław

10 Foreign Policy Conception of the Russian Federation. December 1992. P. 35. This kind of statements were missing, however, in the Russian foreign policy doctrines adopted consecutively in 2000 and 2008 and devoting little space to the entire region with Poland not being mentioned at all. See: <http://kremlin.ru/acts/785>.

11 Program działania rządu premiera Kazimierza Marcinkiewicza: „Solidarne

Kaczyński (2006-2007) and Donald Tusk (from 2007 on). Russia's authorities opposed these plans in a resolute manner. They used arguments similar to those having promoted their opposition against the plans for NATO expansion and backed them up with the statement realization of U.S. plans would be of destructive impact on the strategic balance between the United States and Russia as well as on the Russian nuclear deterrence capability. In this respect, the system of nuclear deterrence was believed to be primarily targeted at Russia and not at Iran or other countries suspected of supporting terrorism.

In Poland, however, the agreement with the U.S. was considered a step aimed at strengthening the alliance with America and contributing to security in the region, *inter alia* in terms of protection against Russia, as well as¹² allowing to receive additional support by the U.S. for reforming Poland's military forces. In 2008, Poland signed a respective agreement with the U.S. But it was, however, not implemented, since the new U.S. administration under Barack Obama gave up the plans for its realization.

Russia systematically opposed any other plans for extension of military presence of the U.S. in this region including deployment of Patriot missiles on Polish territory.

ECONOMICS OR JUST POLITICS?

During the first years of the relations between the Republic of Poland and the Russian Federation, great attention was paid to economic and financial issues inherited from the period of both countries' participation in the Council for Mutual Economic Assistance,

Państwo". <http://wiadomosci.gazeta.pl/Wiadomosci/1,80269,3010425.html>.

12 Statements by prime minister Jarosław Kaczyński of the 20 February 2007 in the program «Sygnały Dnia». Available at the web page of Kancelaria Prezesa Rady Ministrów. <http://www.poprzedniastrona.premier.gov.pl/s.php?id=706>.

Russian gas supplies, and mutual investments. The problems related to reciprocal claims were generally settled in the 1990's not generating any disputes afterwards. Yet, issues related to gas supply and mutual investments still keep causing tensions. Poland, however, never used to consider respective matters exclusively economic problems.

In 1993, an agreement on construction of the Yamal – Europe gas pipeline from Russia over the territory of Belarus and Poland to Germany was signed. In 1999, however, only one line of the entire facility could be put into operation. Gazprom, at this stage, refused construction of the second line foreseen by respective Agreement between the two governments. Poland was asked to build a so called «bridge» – a pipeline connecting the Belarusian gas pipeline system with that of Slovakia. The Polish authorities did not exclude approval of said project provided it would contribute to covering future Polish gas needs and this primarily in the industrial region of Silesia. Due to environmental reasons, they, however, raised objections against pipeline installation alongside the Eastern border over the territory with a relatively low density of population. Apart from that, Warsaw was willing to consider the interests of Ukraine that could be negatively impacted by the construction of this link.

Several years later, the project of laying a gas pipeline over the bottom of the Baltic Sea to connect Russia directly with Germany emerged. As for Poland, this plan was considered an unfriendly act. Many politicians and experts expressed concerns excessive dependence in terms of raw materials on Gazprom and other Russian companies in case of an escalation of tensions between the two countries could be used by the Kremlin as a tool for execution of political pressure. The then defense minister Radosław Sikorski even compared the German-Russian project with the Molotov–Ribbentrop Pact¹³. In Russia, however, this kind of comparisons did not gain any understanding or was considered an expression of Russo-

13 PAP Agency, April 30, 2006.

phobia or lacking ability of overcoming historical traumas. In Poland, furthermore, concerns were generated by certain investment plans of Russian companies, especially by their attempts to acquire companies of strategic relevance for national security like Lotos, the second biggest Polish group of oil companies. In the end, Russian capital is represented in Poland to a non-comparably smaller extent than in other EU countries.

Politicization of economic relations reached its peak in 2005-2007 when the political atmosphere in the relations between the two countries significantly changed for the worse. In 2006, the Polish state oil company Orlen acquired majority interest in the Lithuanian oil refinery in Mazeikiai overcoming Russian companies as its competitors. Shortly after that, Transneft, the Russian operator of the pipeline linking the refinery with the oil pipeline "Friendship", stopped operation for an uncertain period of time referring to technical reasons.

Another publicly known conflict of said period was related to the export of Polish agricultural products to the Russian market. In October 2005, just after the presidential and parliamentary elections won by Lech Kaczyński and the conservative Law and Justice party led by his brother Jarosław Kaczyński, the Russian ministry of agriculture banned the import of meat and certain crop products accusing Polish enterprises of having violated veterinary and sanitary rules, mainly by falsification of export certificates.

Poland objected these claims, and internal investigations proved that the shipment of meat having caused the supply embargo did not originate from Polish producers and the export certificates for respective products had been falsified by persons speaking Russian as their mother tongue. In view of these circumstances, beyond the exclusively political reasons for Russia's actions, the desire to weaken the solidarity of the European Union following a common trade policy could be assumed.

After a year of fruitless attempts to settle the problem at the

level of bilateral negotiations, Poland imposed a veto over the approval of the mandate of the European Commission for negotiating with Russia a new agreement to replace the Partnership and Cooperation Agreement, in force since 1997. In consequence, the EU was involved in this conflict with Germany holding then the EU presidency, as a promoter of Poland's standpoint. At the Russia-EU summit in May 2007, the German Chancellor Angela Merkel and the President of the European Commission, Jose Manuel Barroso in an unambiguous manner confirmed that the problem of the «meat embargo» was considered by the European Union a problem of the relations between Russia and the EU¹⁴. In the end, the conflict could be resolved thanks to the early elections in Poland with the centrist forces under Donald Tusk as winner. The new Polish government revoked its veto against Russia's promise to call off limitations for the supply of Polish products to the Russian market. These limitations were recalled in 2008.

The meat conflict had, in both countries, a significant impact on the mutual perception of the neighbor states. Many representatives of the Polish elites appreciated the actions of the EU and first of all of Germany that had been holding the EU presidency at the very peak of the conflict and recognized more clearly the value of the European component of the Polish policy in the relations with Russia. This case was considered a remarkable expression of «European solidarity». As far as the Russian elites are concerned, this conflict enabled them to recognize the possible negative consequences of bad relations to the biggest Central-European country for the relationship with the EU as the whole.

As a general rule, political differences, however, did not negatively impact the economic relations between the two countries. Over the last twenty years, the sales turnover between Russia and Poland has been growing steadily. In terms of the trade volume,

14 <http://archiv.bundesregierung.de/Content/DE/Archiv16/Pressekonferenzen/2007/05/2007-05-18-pk-bk-putin-samara.html>.

Russia is, beyond the EU, Poland's second biggest economic partner. In 2010, Russia's share in Polish exports and imports accounted for 4.14% and 10.22% respectively¹⁵. Russia exports to Poland almost exclusively energy products and Poland to Russia products of the processing industry.

Currently, weak organization of the Polish business operating in Russia remains a serious problem of the economic relations. Efficient bilateral business dialogue structures are missing. Polish business often prefers to operate under a "strange flag" in Russia registering companies as German, Austrian but not Polish ones. In contrast to many other countries, Polish authorities failed to establish on the territory of Russia an efficient mechanism for promoting and insuring the own business as well as sustainable connections to public and private partners with the exception of the traditional area of power engineering.

With respect to the Russian side, the situation is quite similar. The economic area is almost completely dominated by the energy industry, which willingly accepts a minimum level of stability and, being aware of the overall political trends, successfully manages to put on the political agenda its exclusively business-related problems arising in its relations to Polish business partners. The non-energy sector is, as far as the Polish direction is concerned, organized weakly and, as a matter of fact, its interests remain subordinate to those of the main businesses involved. Being disengaged from the general context of Russian-Polish cooperation, business is not in the position to play the role of a serious stabilizing factor of these relations and, inevitably, uses to be the first to fall victim to their unsteady and emotional character.

15 Calculations upon data from Handel zagraniczny. Styczeń-Grudzień 2010 r., Warszawa 2011. http://www.stat.gov.pl/cps/rde/xbcr/gus/PUBL_ch_handel_zagr_01-12_2010.pdf.

COUNTRIES OF COMMON NEIGHBORHOOD

In contrast to issues related to the architecture of European security or economy, differences in terms of the convergence of the post-Soviet countries of Eastern Europe with EU and NATO had, over a long period of time, been of no direct impact on the bilateral Polish-Russian relations. Yet, from the very beginning, fundamental difference in the political orientation of the two countries in their relations to their common neighbors could be observed. Belarus and Ukraine developed in a different way than Poland or Lithuania striving to build up a democratic constitutional state with transparent market structures and to join NATO and EU. In Minsk, a classical dictatorship with neo-Soviet, anti-Western and also anti-Polish ideology emerged with public property still prevailing in the economy. Ukraine, on its part, changed into a corrupted oligarchic state with certain democratic institutions maintained only formally like free or only partially falsified elections or relative pluralistic media.

In this situation, the main goal of the Polish policy was to contribute to strengthening national sovereignty of these two countries, democracy, and the rule of law. Respective activities focused on promoting convergence of these countries and EU with the prospect of joining NATO and EU in the future. This development would, at the same time, have contributed to strengthening the Polish safety feeling as well as significant extension of the investment and export capacities of the Polish economy in Eastern direction.

From Moscow's point of view, the situation looked differently. For Moscow, the collapse of the USSR meant facing a new additional circle of obligations and burdens concerning the extremely wide range of issues related to the legal status of the new independent states as successors of the former USSR. In the first half of the 1990's, the post-Soviet space required huge Russia's time, diplomatic and other resources. To significant extent, this situation is still prevailing. Russian policy saw its main goal in preventing

breaking historically developed bonds with the post-Soviet states and maintaining their common political, economic, cultural and military strategic space enabling Russia, due to tradition and its power, to define the vector of development on the entire territory of the former USSR.

At the time Poland was just preparing for joining NATO and EU, its declarations on supporting Ukraine's plans in terms of integration into both organizations were not considered seriously in Russia; the same was true for Ukraine's intentions proclaimed in 1998 and 2002 as the country's strategic goals¹⁶. Nonetheless, Russia had already at that time shown growing alertness. In December 2002, the Polish Ministry of Foreign Affairs issued an unofficial (non-paper) document containing proposals on policy regarding the «new Eastern neighbors». This document represented Poland's first attempt to develop Eastern policy concepts for the expanding EU. In terms of the geographic aspect, considerations presented in this document focused on issues related to the policy towards three countries: Ukraine, Belarus and Moldova, although it also included statements on policy towards Russia.

In Russia, the attempts of the Polish colleagues from the foreign service faced traditional skepticism: «We do not need any mediators in our relations to EU». It may be true that at that time Warsaw's intermediation did not prove to be the strongest argument in negotiations with Brussels. EU policy towards the new neighbors was rather driven by Germany. Under its active participation, a concept of the European Neighborhood Policy was adopted in 2003.

The situation significantly changed in 2004 when Polish inter-

16 Adamski, Ł. Rechtliche Bindungen im Rahmen alternativer Integrationskonzepte: GUS, GUAM und Einheitlicher Wirtschaftsraum – Auswirkungen auf die euro-atlantische Integration der Ukraine. In: K. Lankosy, P-Ch. Müller-Graff, U. Fink (eds). Osteuropäische Nachbarschaft der Europäischen Union. Baden-Baden: Nomos, 2009. P. 122.

mediators with President Kwaśniewski at the head managed to essentially contribute to peaceful ending of the «Orange revolution» in Ukraine – the mass street protest actions against falsification of the results of presidential elections by the then Ukrainian authorities. Poland's involvement into settling an inter-Ukrainian conflict gave cause for negative comments from Russian politicians, experts and media. They even presumed to claim the «Orange revolution» would have been excited by the U.S. and Poland and had been the result of the influence of the “Polish lobby” in Washington with Zbigniew Brzezinski as its leader, it had served Poland's geopolitical interests and its supposed pretension to hegemony in Ukraine¹⁷. In this atmosphere, Kwaśniewski's clumsy statement for any great power (that is the U.S.) Russia without Ukraine would be better than with Ukraine¹⁸, provoked sharp and emotional comments from Vladimir Putin¹⁹.

Over the following years, Poland had openly kept supporting democratic forces in Belarus and lobbying Ukraine's and Georgia's accession to NATO and EU as well as trying to convince the European Union to show more interest for the fates of Eastern Europe. This policy was reflected by the proposal on introducing EU “Eastern Partnership” submitted by Warsaw and Stockholm in 2008 and approved by EU in 2009. The “Eastern Partnership” being a part of the European Neighborhood Policy deals with EU policy towards

17 See, i.a., Markov, Sergey. The ‘Project Yushchenko’ is the Trojan horse at the gates of the European Union. Interview with Rosbalt Agency, 1 January 2005. <http://www.rosbalt.ru/main/2005/01/10/191691.html>; Pelczyńska-Nałęcz, K. Dokąd sięgają granice zachodu? Rosyjsko-polskie konflikty strategiczne 1990-2010, Warszawa 2010, p. 22.

18 Misja Kijowska – rozmowa z prezydentem RP o sytuacji na Ukrainie. In: Polityka, 18 grudnia 2004 r. <http://archiwum.polityka.pl/art/misja-kijowska,396299.html>.

19 At the press conference for Russian and foreign journalists on 23 December 2004, Putin interpreted Kwasniewski's words as desire to insulate Russia: <http://archive.kremlin.ru/text/appears/2004/12/81691.shtml>.

six post-Soviet states (Armenia, Azerbaijan, Belarus, Georgia, Moldova, and Ukraine). Polish attempts to promote convergence of the Eastern-European countries and EU did not cause any open objections from Russian authorities, but the latter, no doubt, assessed them with mistrust suspecting them to reflect Poland's intension to enter into competition for territories traditionally gravitating to Russia.

Obvious differences in terms of Poland's and Russia's interests and values manifested themselves during the war in Georgia persuading President Kaczyński to appeal for returning to the idea of Georgia's and Ukraine's integration into NATO rejected due to opposition of a number of European countries at the summit meeting of the Alliance in Bucharest in April 2008. Poland's President expressed, in a symbolic manner, his position on his trip to Tbilisi during the war having invited the Presidents of Ukraine, Estonia, and Lithuania as well as the prime minister of Latvia to join him. Together with them and President Mikheil Saakashvili, he attended a rally where he characterized Russia's policy as an attempt to galvanize the empire and to subject its neighbors to its control²⁰. The Tusk government showed more reservation in its assessments. Tusk expressed the opinion EU should, despite the differences considering Georgia, continue the policy of a dialogue with Russia. This diplomatic approach was symbolically confirmed by the visit of Russia's foreign minister Sergei Lavrov to Poland in September 2008 that, remarkably, was his first trip to EU countries after the war in Georgia. Yet, the foreign minister Sikorski presented in November 2008 in Washington a doctrine stating NATO should consider possible attempts to change the borders of Ukraine within a scenario similar to that applied in Georgia, namely by fueling separatism, an act of aggression requiring adequate response²¹.

20 Notification of the Office of the President of the Republic of Poland of 12 August 2008 Wizyta prezydenta RP w Turcji. <http://www.prezydent.pl/archiwalne-aktualnosci/rok-2008/art,721,wizyta-prezydenta-rp-w-gruzji.html>.

21 Notification of the Ministry of Foreign Affairs of the Republic of Poland:

Of negative impact on Polish-Russian convergence was also President Dmitri Medvedev's concept of the «zone of privileged interests»²² as well as his declaration to be prepared for an intervention abroad to protect the so called «compatriots». Statements of this kind were believed to reflect intentions to define the development model and the foreign policy²³ of respective countries using the very same methods that were used to justify the partitions of Poland in the 18th century and in 1939.

EMOTIONS WITH HISTORICAL BACKGROUND

The reasons for the support Polish politicians and society provided the «Orange revolutionaries» in 2004 with were mainly the desire for stabilization of the situation in Ukraine and the fears considering to the possibility of establishing a strong authoritarian regime in this country. This development appeared quite realistic provided all parties would put up with the vote falsification and the «victory» of the then premier minister of Ukraine Victor Yanukovich in the presidential elections. Not less important motives were solidarity with the civil society struggling for democratic principles, and the desire to contribute to implementing these ideals in Eastern Europe.

In 2008, during the war in Georgia²⁴, solidarity with a small na-

Wystąpienie ministra Sikorskiego w Atlantic Council, 19 XI 2009.

22 Medvedev's interview with Russian TV channels, 31 August 2008. <http://www.kremlin.ru/transcripts/1276>.

23 Verbatim report on the meeting with the members of the international «Valday» Club on 12 September 2008, Moscow. <http://www.kremlin.ru/transcripts/1383>.

24 During the Russian-Georgian war, 40% of the Poles expressed sympathy for Georgia, 3% for Russia whilst 51% remained reluctant towards both parties of the conflict. CBOS report, Stosunki polsko-rosyjskie a sytuacja na Kaukazie. Warszawa, październik 2008, BS/158/2008. P. 3. <http://www.cbos.pl/SPISKOM>.

tion at that time believed to have been attacked by the neighbor state had been prevailing in Poland. The same was true for the rejection of the cruel war with dimensions in no way justified by the previous events in the Ossetian city of Tskhinvali. Solidarity with oppressed peoples of the former Russian and Soviet empire manifested itself also in the sympathy Chechen separatists used to enjoy in Poland in the 1990's (after the terror attacks of Dubrovka and Beslan, the attitude of the Polish society towards the Chechen separatists had changed)²⁵. This sympathy was fueled by far-ranging similarity between the slogans of Chechen separatists and the Polish national movement of the 19th century.

In Russia, the reasons driving Polish policy were either misinterpreted or deliberately distorted. Not only the involvement in the Ukrainian «Orange Revolution» but also the activities of the Chechen information Centre in Krakow²⁶, demonstrations against the war in Chechnya, critical statements of Polish diplomacy²⁷ and society on killing of the former Chechen President Aslan Maskhadov, naming, in 2005, one of the squares in Warsaw after the former leader

POL/2008/K_158_08.PDF.

25 In 1995, 61% of the Poles supported the Chechen militants and 1% Russia. In 2000, the separatists enjoyed the sympathy of 48% and Russia of 4% of the Poles. In 2002, after the attack against the Moscow theatre in Dubrovka, already 9% of the Polish society associated themselves with Russia and

26. 53% with the Chechen separatists. CBOS repost, *Zmiana opinii o konflikcie rosyjsko-czeczeńskim*, BS/218/2002, p. 1. http://www.cbos.pl/SPISKOM.POL/2002/K_218_02.PDF.

26 In 2002, after the terror attack in Dubrovka. Russia officially claimed for closing the Center. It was rejected by Poland which referred to the Center's being an association of private people acting in line with legal requirements and not involved in any terrorist activities. IAR report z 6 XI 2002, PAP report of 6 and 9 November 2002.

27 Statement by the foreign minister A.D. Rotfeld in the press conference in Krakow on 9 March 2005. http://www.msz.gov.pl/Wypowiedzi,ministra,Spraw_Zagranicznych,RP,Adama,Daniela,Rotfelda,udzielone,na,konferencji,prasowej,w,Krakowie,w,dniu,9,marca,2005,r.,775.html.

of the Chechen separatists Dzhokhar Dudayev as well as any criticism from the Polish side on Russia's actions in the Caucasus were considered intervention in internal affairs, manifestation of Russophobia or even of solidarity with the terrorists²⁸.

Protests of the Russian diplomacy against these actions additionally burdened a problem already present in the Polish-Russian relations, namely the differences in the interpretation of numerous historical events. Present-time Poland and Russia are two countries to some extent similar in terms of their self-awareness and self-perception. Both of them are characterized by exaggerated assessment of the own place and role in international affairs, contemptuous attitude towards the neighbor states as well as the countries needing and sometimes desiring Moscow's or Warsaw's custodianship, and frequent use, with respect to own policy, of such definitions like morality, ethic, spirituality, martyrdom and heroism, and this in most cases in form of superlatives. In both countries, sustainable historical myths had formed. Considering, additionally, the differences in historical recollection of the two nations, and the values they adhere to, it is not surprising that the Polish-Russian relations have permanently been accompanied by disputes on the historic past.

In the early 1990's, however, there had been existing hopes that could, to significant extent, be avoided since the policy of the early Yeltsin's period related to historical matters based on clear condemnation of the communist regime and the soviet past differed from Polish judgments on communist totalitarianism only due to lower level of consequence and not due to its axiology. Poland appreciated the will of Russia's new leadership, in contrast to Gorbachev's team, to investigate all details of mass executions in Katyn, Kharkov, Mednoye and at different other locations of 22 thousands Polish officers captured in September and October 1939 as well as

28 Comment of the Information and Press Department of Russia's Ministry of Foreign Affairs in connection with one of the Warsaw streets' having been named after Dzhokhar Dudayev on 21 March 2005.

Polish intellectuals arrested during the following months. In 1992, Russia handed over to Poland copies of documents throwing light upon the execution of Polish citizens, and one year later, during his visit to Warsaw, Russia's president spontaneously expressed his excuses saying «Forgive, if you can». At that time, Russian prosecution authorities were investigating the tragedy of Katyn in juridical terms qualified not simply as military crime but also as a crime against humanity and as genocide. Yet, until 1996 the Polish party failed to obtain permission for building Polish military cemeteries in Katyn and Mednoye. Beforehand, Russian authorities had proposed to bury the remains of the victims in communal graves and did not show any understanding for the desire of the Poles to create individual graves.

Yet, already at that time tensions arose. In 1994, for example, president Yeltsin refused attending the celebration of the fiftieth anniversary of the Warsaw uprising, and this presumably because otherwise he would have to express himself on the actions of the Red Army that had been standing several kilometers away from the place of the fights but – apparently upon Stalin's order – did not continue its offensive towards Warsaw and prevented the Allies from supporting the Polish capital city fighting against the Germans by refusing permission for landing of their aircrafts on the territory controlled by the Red Army. Poland's President Lech Wałęsa, in return, did not attend celebrations of the fiftieth anniversary of the end of World War II in Moscow in 1995 and criticized the prime minister Józef Oleksy publicly for having participated in the event. Resentment was caused in Poland by the comment of the Russian foreign ministry the entry of Soviet troops to Polish territory on September 17, 1939 had not been an act of aggression and the Polish assessments of the actions of the USSR would not rest on international law²⁹. Poland's foreign minister Bronisław Geremek commented this statement by saying that historical lie was a crime.

29 Rzeczpospolita, 15 September 1999, 17 September 1999.

However, he added that it was his opinion as historian and not as the head of Polish diplomacy. .

In 2005, a similar situation arose. Preparations for celebration of the 60th anniversary of the end of the World War II coincided with worsening of the Russian-Polish relations. Many commentators and politicians failed to convince President Aleksander Kwaśniewski not to attend the festivities in Moscow closely watched by the Polish media. Kwaśniewski was placed on the tribune far from the front row. In his speech, Putin with no single word mentioned the contribution to the victory over the Nazis made by Poland, the country with the fourth biggest army of all participating in World War II that, apart from that, had been involved in battle actions longer than all of them. At the same time, Putin stressed in his speech the role of German antifascists in the struggle against Nazism³⁰. In Poland, all these events were, in a very emotional manner, perceived as expression of unfriendly attitude. This reaction of Polish public was predictable since this event had been preceded by two others.

In February 2005, the Russian Foreign Ministry published, in a manner quite strange for diplomatic practice, a comment criticizing negative assessment of the results of the Yalta Conference of 1945 being quite common in Poland³¹. Even much more emotions caused the decision of Russian prosecution authorities to cease investigations into the case of Katyn and to declare the crimes committed abuse of office with grave consequences under highly aggravating circumstances³², i.e. a usual criminal offense no longer subject to investigations due to expiry of the statute of limitation. Simultane-

30 President Putin's speech at the military parade on 9 May 2005, http://www.ln.mid.ru/brp_4.nsf/sps/B28BC919A4C227B0C3256FFC00372D69.

31 Comment by the Information and Press Department of the Russian Ministry of Foreign Affairs on the assessment of the results and consequences of the Crimea (Yalta) Conference of the Allied states published by Polish media, 12 February 2005.

32 Gurjanow, A. Działania Stowarzyszenia „Memoriał” w związku ze sprawą katyńską. In: Zeszyty Katyńskie, nr 22. Warszawa 2007. P. 22-23.

ously, 116 of 183 volumes of investigatory records were classified including the decision on closing the case. In consequence, several relatives of the victims supported by the Polish government addressed the European court for human rights in Strasbourg with a complaint accusing Russia of not having properly assessed the crime from the juridical point of view and not having identified the persons responsible for this crime.

Disputes on historical issues had continued over the following years as well. In 2007, controversies broke out over the question whether the victims of the German death camp Auschwitz sent there from the territory of the pre-war Polish state in 1939 occupied by the USSR, e. g. from Wilno, Lwów or Białystok, should be considered Polish or Soviet citizens³³. Indirectly, it was a dispute over the definition of the date when the Soviet Union, considered under the angle of view of international law, had annexed the eastern Polish provinces – in 1939 as considered by Russia and other post-soviet countries or on the 5th of February, 1946 -- the day when the letters on ratification of the Polish-Soviet agreement of the 16th of August, 1945 on the Polish-Soviet border had been exchanged as seen by Poland and the rest of the world.

In 2009, escalation of the arguments over the history coincided with the preparation of the events dedicated to the 70th anniversary of the beginning of World War II. Poland did not accept the attempts to justify the Molotov –Ribbentrop Pact as supposedly having prevented Germany's aggression against the Soviet Union. Even that statement was the ultimate message of the authors of the documental shown by the public TV channel RTR³⁴ at the 70th anniversary of signing the Treaty of Non-Aggression between Ger-

33 Eberhardt, A. *Polityka Polski wobec Rosji*. In: *Rocznik Polskiej Polityki Zagranicznej*. 2008. P. 152-154.

34 PPA report of 23 August 2009; the film «Тайны секретных протоколов» (The Mystery of the Secret Protocols) by V. Gasanov (director). <http://www.vesti.ru/videos?vid=241344>.

many and the Soviet Union. On November 1, 2009, Russian media gave much attention to the press conference of Lev Sotskov, a retired general of the Russian External Intelligence Service who had published documents compiled to support the thesis of close cooperation between Poland and the Third Reich and of supposed alliance of the two countries³⁵. It can hardly be considered a coincidence that respective documents were published at the same time when in Gdansk events dedicated to the 70th anniversary of the beginning of the World War II were taking place under participation of prime minister Putin. Disputes were triggered in Poland also by the speech of the Russian prime minister at the Westerplatte as well as his article in the newspaper *Gazeta Wyborcza* published on the day before addressing the Poles. The article declared aspirations towards a dialogue but, at the same time, rejected the thesis of USSR's responsibility for launching the Second World War³⁶. Lech Kaczyński, in his comment, defined the reasons for the outbreak of the World War II in a completely different way underlining that the Molotov-Ribbentrop Pact with its agreements on separation of the spheres of influence of the two countries in Europe could not be compared with other agreements of this kind³⁷.

Over the entire last twenty years Poland had, without any results,

35 Секреты польской политики. Сборник документов (The Secrets of Polish Policy. Collection of Documents) (1935-1945). Moscow, 2009. <http://vid-1.rian.ru/ig/poland-2009.pdf>.

36 Notification by the Press Service of the chairman of the Government of the Russian Federation, 1 September 2009: V.V. Putin spoke at the ceremony in Gdansk dedicated to the 70th anniversary of the beginning of the Second World War. <http://premier.gov.ru/visits/world/6130/events/8206/>. See also Putin's article in *Gazeta Wyborcza*. 31 August 2009. http://wyborcza.pl/1,76842,6983945,List_Putina_do_Polakow___pelna_wersja.html?as=2&startsz=x.

37 Notification by the Office of the President of the Republic of Poland. Przemówienie Prezydenta na obchodach 70. rocznicy wybuchu II wojny światowej. <http://www.prezydent.pl/archiwum-strony-lecha-kaczynskiego/wypowiedzi-prezydenta/wystapienia/art,671,przemowienie-prezydenta-na-obchodach-70-rocznicy-wybuchu-ii-wojny-swiatowej.html>.

been negotiating with Russia on payment of compensations to Polish victims of political repressions and compulsory labor on the territory of the former USSR. Russia was consequently defending the standpoint possibilities foreseen by Russian national law in terms of obtaining financial compensation would be sufficient for resolving this question. Russia rejected the claims Polish citizens would be hardly able to overcome the existing administrative procedures on top of that allowing to receive a purely symbolic compensation only. Unresolved remained also the problem of restitution of Polish cultural values and archives captured by the USSR in 1939 to 1945. Apart from that, the Poles, in contrast to the Russian Germans and the Finns, have not been acknowledged by Russian law as a nation having been subjected to repressions.

The negative influence of the history on the relations between the two countries is additionally fueled by the fact that the interpretation of historic facts commonly accepted by the other party is being reflected in professional historiography neither in Poland nor in Russia. Respective interpretations themselves often prove to be nothing else but stereotypes based on historiographical myths or to have been used in propaganda clichés of the past. It should also be noticed that Polish public often use to respond to Russian actions or historic comments with exorbitant mistrust failing to take into account that they simply reflect a different historical memory or missing knowledge of the history but not anti-Polish sentiments or the wish to justify a totalitarian regime. As example, the completely missing understanding by the Poles of the attitude of Russian citizens towards the Soviet past and, accordingly, of Vladimir Putin's commonly known statement the collapse of the USSR had proved the biggest geopolitical catastrophe of the twenties century. Most of the Russians considered this statement absolutely correct. The reason was that objective and subjective difficulties and failures of Russian reforms had contributed to developing a more attractive picture of the preceding Soviet period.

GETTING OUT OF THE DEAD END

After 2007, the Polish-Russian relations started developing in an increasingly positive way. This was, apparently, the case due to both parties' having understood that bad relations were of significant harm for both of them. Russia, from all appearance, managed to recognize in an adequate way Poland's influence on the EU policy considering that this influence had, among all, been shown by Polish veto over the start of negotiations on a new EU-Russia agreement. Poland's policy was, apart from the hope for improving economic relations and reducing the intensity of historic disputes, influenced by recognition of the necessity to cooperate with "Russia as it is" originating from the disappointment with the result of the transformation processes in the post-soviet States, among them in Ukraine and the loss of illusions in terms of rapid establishing of democracy and the rule of law in these countries³⁸. In this respect, domestic political circumstances might have played a positive role, among them the will of the new government to review the style of the quite combative foreign policy of the government under Jarosław Kaczyński. In any case, the elites of both countries recognized the necessity to reduce the level of political emotions and to develop a dialogue and tried to understand each other's point of view.

This approach generated certain results. The parties, at last, managed to settle the long-lasting dispute over the procedures of border crossing and navigation in the Vistula Lagoon. Respective agreement was signed during the visit of prime minister Putin to Poland on the September 1, 2009. The Polish and the Russian government agreed to extend application of Schengen regulations permitting visa-free movement within the limits of border areas over the entire Kaliningrad Region and two northern Polish provinces. In 2011,

38 Speech by prime minister Tusk on 23 November 2007. <http://www.rp.pl/artykul/71439.html?p=25>.

the European Commission approved the Polish-Russian proposal thus marking a joint political success of the two countries. Actually, the Schengen rules allow visa-free traffic within a border strip with a width of 30 kilometers and only in special cases of 50 kilometers. Yet, the Kaliningrad Region and the most part of the territory covered by the Russian-Polish area exceed these limits. The bilateral local border traffic Agreement was signed by the foreign ministers in Moscow on December 14, 2011.³⁹

Implementation of the visa-free border traffic rules agreed upon will allow to, at least partially, set off the damage caused to the contacts between the citizens of the two countries by introduction of obligatory visa requirements on October 1, 2003. The reason for this action had been Poland's commitment to fulfill certain EU requirements prior to joining the European Union. Introduction of respective visa regime undercut one of the exclusively post-soviet and, in general terms, positive phenomena of the 1990's – the mass individual and often semi-legal so called "shuttle trade" that had helped those Poles and Russians who failed, due to market reforms, to find jobs on the labor market to survive. In the border regions, the "shuttle trade" and related services had, for a certain period of time, developed to serious business. Although this "shuttle trade" had generated an extensively negative picture of a small second-hand dealer, it provided wide circles of Russian and Polish population with the possibility of getting acquainted with everyday life in the neighbor country. Up to hardening the border crossing regime in January 1998, Poland used to be visited by up to 4 million "shuttle dealers" per year. The turnover of these commercial activities reached several million US dollars per year. In 1992 to 2003, Russia's non-official imports from Poland exceeded the volume of the official ones.

39 Ministry of Foreign Affairs of the Russian Federation, Notification for the media on negotiations of Russia's Minister of Foreign affairs S. V. Lavrov with Poland's Minister of foreign affairs R. Sikorski on 14 December 2011. http://www.mid.ru/brp_4.nsf/newslne/B75A4CC85F27FA0D44257966004333C1.

One more expression of the positive development of the bilateral relations was the recommencement at the beginning of 2008 of the activities of the Polish-Russian Group for Difficult Matters which, under the leadership of the former Polish foreign minister professor Adam Daniel Rotfeld and academician Anatoli Torkunov, rector of MGIMO-University, started meeting in regular mode to discuss matters of argument concerning relations between the two countries.

When the Group was established, nobody had a clear idea concerning the character and guidelines of its activities as well as the circle of the topics to be discussed. The Group did not receive any official mandate. Its members organized their work in line with their political intuition and the will to understand each other. From the very beginning, in contrast to many other «historical» or «public» groups and commissions, the Polish-Russian Group for Difficult Issues developed constructive but in no case servile relations to the foreign ministries of the two countries which enabled the Group to recognize details of the external political atmosphere more properly whilst maintaining the overall pragmatic logic of its actions.

Upon one of the recommendations of this Group, centers were established in both countries for the purpose of initiating and promoting development of dialogue including cooperation in research, science, technology, and culture as well as activities allowing to distribute knowledge about the culture and the history of the other country. The co-chairs of the Group believed that these «centers will serve as basis for broad and multidimensional contacts between Russian and Polish citizens»⁴⁰. In 2010, the Presidents Komorowski and Medvedev confirmed the intension to establish such centers. One year later, the Center for Polish-Russian Dialogue and Understanding was established upon an order issued by the Sejm.

40 A.D. Rotfeld, A.V. Torkunov (eds). Белые пятна – черные пятна. Сложные вопросы в российско-польских отношениях, (White Spots – Black Spots. Difficult matters in the Russian-Polish relations). Moscow, 2010. P. 14.

On the other hand, a Foundation “Russian-Polish Center for Dialogue and Understanding” was established upon decree of president Medvedev in October 2011 to start its activities in 2012.

The Polish-Russian relations were, self-evidently, to a significant extent impacted by the plane crash in Smolensk of the of April 10, 2010. The highly emotional and honest commiseration expressed by the Russians towards the Poles after the death of many representatives of Polish elite including the president of the country in the air crash contributed to overcoming many prejudices and stereotypes on Polish side. The results of public opinion research in Poland show that the attitude of the Poles towards the Russians had, over the last 20 years, continuously been improving with the resentments receding into the background. The level of negative attitude towards the Russians reaching up to 60 percent in the first half of the 1990’s dropped in 2011 down to one third – a value equal to that of the level of the sympathy (for comparison: in the first half of the 1990’s, only 17% .showed an amicable attitude towards Russia⁴¹). After the tragedy of Smolensk, the attitude of the Russians towards the Poles had improved as well. In May 2010, 58% of the Russians stated to be positively minded towards Poland whilst in March it had been 50%. Over the same period of time, the level of dislike went down from 26 to 21%⁴².

Thanks to Andrzej Wajda’s film “Katyn” shown by the “Rus-

41 Notification by CBOS Stosunek Polaków do innych narodów, BS/13/2001. Warszawa, 2011. P.3-4. Although the trend towards improving mutual perception of the Polish and the Russian citizens remained sustainable, it nevertheless was, from time to time, characterized by rises and falls. The negative perception of each other reached its peak in 2005 in the period of particularly sharp historical disputes.

42 Levada-Center report, April 21, 2011 On the tragedy in Katyn and the relations to Poland. <http://old.levada.ru/press/2011042105.html>. According to the study, in 2000, the attitude of the Russians towards the Poles had been very positive (76% versus 13%) but in the following years it used to systematically change to the negative having reached its low in 2007 (54% sympathy versus 36% negative assessment). After that, it began to improve again.

sia” TV channel in prime time as well as thanks to other programs dealing with this crime, the level of the knowledge of the Russians about this tragedy having been very low beforehand, increased significantly. On November 26, 2011, the State Duma of the Russian Federation adopted the Declaration «On the tragedy of Katyn and its victims» defining the «mass execution of Polish citizens on the territory of the USSR during the Second World War as an act of despotism of an totalitarian state having subjected to repressions also hundreds of thousands Soviet citizens for their political and religious commitments or due to social or other reasons»⁴³.

In the following months, however, the Polish–Russian relations were increasingly overshadowed by the investigations into the factors having caused the crash of the aircraft with the president on board. The Interstate Aviation Committee (IAC) placed the whole blame upon the Polish pilots causing big disappointment in Polish public that began to accuse Russian authorities of partiality. According to the report of the Polish governmental commission, the disaster had been caused not only by obvious failures of the pilots and the insufficient level of their professional skills but also by numerous errors made by the services in charge for flight organization – the Polish military air forces, and deficiencies in the performance of Russian ground services including non-observance of certain obligatory procedures as well as by the generally dissatisfactory status of the airport facilities. Fortunately, the investigations into the circumstances of the Smolensk disaster did not change the positive trend towards improving of the relations between the two countries. In Poland, however, this issue caused fierce political disputes. A significant part of the public – up to one third – does not trust the official reports on the cause of the crash believing that the Polish

43 Notification of the Press Service of the State Duma of November 26, 2010. The Duma has adopted a statement On the Tragedy of Katyn and its victims. http://www.duma.gov.ru/news/273/60481/?sphrase_id=237926.

President fell victim to an assassination attempt⁴⁴. The one-sided IAC report and the hardly understandable delays of the repatriation of the presidential airplane wreckage explained by Russia with necessity to still continue investigations into the disaster proved to just fuel the growing suspicions, although the growth of the popularity of the assassination theory in Poland from eight percent in 2011 up to 32 percent in 2013 is very likely to result from the efforts of certain political forces in the country to use the traditionally suspicious Attitude of a part of Polish society towards Russia for their own purposes.

Continuation of the dialogue appears absolute necessary. But this policy has its limits. Sustainable political convergence of the two countries and establishing really amicable and not just correct relations between them is being constrained by serious differences in a number of matters. Among them, there are the differences in the approach to the question of the architecture of European security and the place of the countries of the central and the eastern part of the Continent in this constellation, the controversial standpoints in terms of desirability (or non-desirability) of the convergence of the former soviet republics with EU and NATO. The attitudes of the parties with respect to the question of acceptability of interventions into inner affairs of other states if required by the interests of protecting human rights, democracy and the rule of law differ significantly as well⁴⁵. And, finally, the two countries are separated by their historic memory, the different attitude towards the Soviet Union and different interpretation of many events related to the history of the Central and Eastern Europe. This situation is additionally

44 Rzeczpospolita. 10 April 2013. The number of the supporters of the assassination theory is permanently growing. In 2011, only 8% of the Poles believed in this theory. Polityka. 14 April 2011. <http://www.polityka.pl/kraj/analizy/1514648,1,jak-polacy-patrze-na-katastrofe-smolenska.read>.

45 Wystąpienie ministra spraw zagranicznych Rzeczypospolitej Polskiej, Bronisława Geremka na 54. Sesji Zgromadzenia Ogólnego Organizacji Narodów Zjednoczonych «Zbiór Dokumentów», 1999, 3.

complicated by emotions and negative stereotypes, accumulated in the relations between the two countries that are closely tied by their in no case simple common history. The main difference between Polish and Russian society – the historically developed difference of respective values -- should not be underestimated as well⁴⁶.

Nevertheless, there is no better way to improving mutual relations between the two European nations with their long-lasting history than patient dialogue and the will to understand the other's point of view. It would be a fateful error to abandon oneself to fatalism justified neither from the historical nor from the ethical point of view, and to the popular belief that «As long as the world remains the world there is no harmony between the Pole and the Moscovite». The will for political dialogue shown within the last years and the apparent improvement of the atmosphere of the bilateral relations make it possible to assess the prospects of their development with cautious optimism.

46 The Poles, for example, have never been able to understand Russians' adherence to the idea of autocracy and positive attitude towards the Soviet period of the history and the leaders of the USSR.

Czech-Russian Relations 1989-2012

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The present study explores the rather complicated relationship between the Czech Republic and the Russian Federation in the years following the end of the Cold War.

Before we turn to the subject matter of our research, two methodological caveats are due. Firstly, our study is an attempt at a synthesis of two national perspectives, the Russian and the Czech. As such, it necessarily makes some sacrifices, both in terms of thematic focus and with regard to the most important ups and downs, since these are sometimes seen in a very different light in Russia and in the Czech Republic.

Secondly, given the strict length limits imposed on our study, we have tried to highlight only the most relevant developments, while noting others only in *passim*. This pertains above all to the last section, in which we explore the main successes and failures of the relationship. Our approach was, of necessity, very selective, leaving many issues outside the scope of our study.

BEGINNING OF THE TRANSFORMATION

The initial phase of the two countries' mutual relations at the beginning of the 1990s was complicated by a number of factors, of which two in particular stand out: The first was the generally unstable situation in Europe at the end of the Cold War. Both the new Czechoslovak leadership and the top Soviet policy-makers had a hard time following the rapid changes accompanying the end of the Cold War. This translated into, among other things, frequent shifts in the two countries' preferences regarding the evolution and nature of the European security architecture, which often, but not always, led them in opposite directions. The second fundamental factor that further hampered an easy transfer from the superpower-satellite relationship to the post-Cold War era was the rather tumultuous developments in both countries that ended with the break-up of both the Soviet Union in 1991 and of Czechoslovakia in 1993.

When speaking of the situation shortly after the 17 November 1989 (the so-called Velvet Revolution in Czechoslovakia), the key actors who suddenly rose to power (Václav Havel and Alexander Dubček to name just two) focused primarily on domestic politics. The external environment was perceived as a constraining structure, whereby the main task for Czechoslovak foreign policy in the first half of 1990 was to ensure that the Soviet Union would not intervene in the democratic (r)evolution in the country. As a result, all other foreign policy priorities remained vague and at times even contradictory in this period. For instance, contrary to his later views, President Havel argued against a wholesale and quick dissolution of the Warsaw Treaty as late as June 1990,¹ a view also defended by Alexander Dubček.

1 Votápek, Vladimír. Policy of the Czech Republic towards Russia, the Ukraine and Belarus. In: *Eastern Policy of the Enlarged European Union: A Visegrad Perspective*. Bratislava: SFPA, 2003. P. 93.

What the new government saw as its undisputed utmost priority was the withdrawal of the Soviet troops stationed in the country. The Czechoslovak negotiators (the main figures included, among others, Jiří Dienstbier, Luboš Dobrovský, Jaroslav Šedivý, Michal Kocáb, and Zdeněk Matějka) stressed the need for a rapid transfer, but this was initially rejected both by the Soviet side and the Western powers.² Surprisingly for some, the Soviet leadership was prepared for substantial concessions on the issue, be it for reasons of domestic problems in Russia or the moral issues related to the 1968 invasion (as Votápek believes).³ Both the Soviet leaders (Gorbachev and Shevardnadze) and the Soviet diplomats working in Czechoslovakia (ambassador Boris Pankin) were instrumental in finding an acceptable solution to the Czechoslovak demands.

This process culminated in President Havel's visit to the Soviet Union in February 1990⁴ and his meeting with Gorbachev on 26 February 1990.⁵ It was at this moment when the realization finally hit home that Gorbachev's insistence on the right of each country to determine its political evolution was truly to be understood as the final abolishment of the so-called Brezhnev Doctrine. This was also reflected in "The Agreement between the Government of the CSSR and the Government of the USSR about the withdrawal of the Soviet troops from the territory of the CSSR" that was signed during the meeting.

The transfer of the troops presented a huge logistical challenge

2 Vondra, Alexandr. Projev ministra obrany Alexandra Vondry na konferenci Evropa sjednocená a svobodná? – Dvě desetiletí od konce Varšavské smlouvy, 27th June 2011. <http://www.mocr.army.cz/scripts/file.php?id=83102&down=yes>.

3 Votápek, Vladimír. Policy of the Czech Republic towards Russia, the Ukraine and Belarus. P. 89-108.

4 Ibid.

5 Ministerstvo zahraničních věcí České republiky. The List of Valid International Treaties signed by the Czech Republic. http://www.mzv.cz/jnp/cz/encyklopedie_statu/evropa/rusko/smlouvy/index.html.

since the overall number reached some 73,500 military personnel,⁶ with almost 400,000 family members, 1,220 tanks, more than a hundred aircraft, etc.⁷ Nevertheless, the whole operation was successfully concluded on 27 June 1991 when the last Soviet soldier, general Eduard Vorobyov, left the country three days prior to the agreed deadline of 30 June.

With this resolution of the main priority issue in Czechoslovak-Soviet relations, Czechoslovak diplomacy became more active in the multilateral dimension in the second half of 1990. Instead of the previous emphasis on the withdrawal of Soviet troops, a new foreign policy priority took root among the Czechoslovak political elite – the comprehensive dissolution of both the economic and military organizations binding Czechoslovakia to the Soviet Bloc (i.e. the Council for Mutual Economic Assistance and the Warsaw Treaty Organization).

Although the overall goal of the Czechoslovak negotiating team (which included Luboš Dobrovský, Jaroslav Šedivý and several others) was the dissolution of the Warsaw Treaty, a rather gradual strategy was employed. The Czechoslovak diplomats presented alternative options as well, such as the creation of the European Security Commission, which would constitute a temporary superstructure overseeing both military pacts in Europe.⁸ It is at precisely this juncture that the fundamental misunderstandings between the Czechoslovak and Soviet sides began to become apparent. What the new Czechoslovak leadership considered, at best, to be a transitional institution that would lead the country away from the Soviet Union and into the fold of Western nations, was understood by the

6 Roubal, Petr and Babka, Lukáš. Československo-sovětské vztahy. <http://www.akademickyrepozitar.cz/Petr-Roubal/Ceskoslovensko-sovetske-vztahy>.

7 Votápek, Vladimír. Policy of the Czech Republic towards Russia, the Ukraine and Belarus. P. 93.

8 Šedivý, Jaroslav. Tři závěry z odchodu sovětských vojáků z Československa. http://www.natoaktual.cz/j-sedivy-tri-zavery-z-odchodu-sovetskych-vojaku-z-ceskoslovenska-1cj-/na_analyzy.asp?c=A110711_113643_na_analyzy_m00.

Soviet side as an arrangement intended to supplant bloc politics in Europe in general.⁹ In November 1990, such an interpretation was later embodied in several documents, such as the Charter of Paris for a New Europe,¹⁰ Hans Dietrich Genscher's proposal to create the European Security Council¹¹ and several others.

Nevertheless, the insistence of former Soviet satellites that the Warsaw Treaty be abolished gained the upper hand, leading to the dissolution of the organization at the summit of 1 July 1991.¹²

The second multilateral framework of Soviet dominance, the Council for Mutual Economic Assistance, shared the fate of the Warsaw Treaty. It was Czechoslovakia, together with Poland and Hungary, that most vigorously advocated the organization's termination. The organization was perceived as an empty shell – mutual trade between the Soviet Union and the other COMECON countries had plummeted, largely due to the reorientation of these countries towards trade with the European Communities and their switch to payments in hard currency.¹³ The functioning of the organization was more of a formality for most of 1990 and the COMECON decided on its own dissolution only days before the same decision regarding the Warsaw Treaty was taken.

9 For Mikhail Gorbachev's interpretation see: Участникам Международной конференции в Праге (Address to the participants of the international conference in Prague). 23 June 2011. <http://www.mocr.army.cz/scripts/file.php?id=83084&down=yes>.

10 Ibid.

11 Grachev, Andrej. Towards a new EU-Russia Security Relationship? Another Chance for a United Europe. Lecture presented at the International Seminar for Experts on the Common Foreign and Security Policy of the European Union. Cicero Foundation. Paris, France, 12 April 2002. http://www.cicerofoundation.org/lectures/grachev_apr02.html.

12 Vondra, Alexandra. Projev ministra obrany Alexandra Vondry na konferenci Evropa sjednocená a svobodná?

13 Greenhouse, Steven. Soviet Trade Bloc Is Out of Business. 29 September 1991. <http://www.nytimes.com/1991/06/29/world/soviet-trade-bloc-is-out-of-business.html?src=pm>.

Another major task for Soviet-Czechoslovak relations was the revision of the basic treaties regulating their mutual relations. In particular, two factors rendered such revision more difficult – the break-up of both countries and the lack of interest in renewing relations once the above-mentioned essential goals had been achieved. Clearly, the old Treaty of Friendship, Cooperation and Mutual Assistance of 6 May 1970 was outdated.¹⁴ The new treaty was approved in Moscow on 3 October 1991. However, President Gorbachev's planned visit at the end of 1991 to Prague, where the Treaty was supposed to be formally signed, was cancelled until "the future of the Soviet Union is clarified".¹⁵ It is important to stress that the Soviet strategy when negotiating the new treaty was based on the so-called Kvitsinsky Doctrine which argued that the treaty parties should explicitly reject their participation "in alliances directed against either of the parties, and non-provision of their territories, communications and infrastructure for use by third parties for the purpose of aggression."¹⁶ This was, however, sharply rejected by the Czechoslovak diplomats, thereby preventing the inclusion of this provision in the treaty.

Although the collapse of the Soviet Union necessitated renegotiating the treaty with the successor states, the process was fairly quick and unproblematic. The new treaty was signed by Presidents Yeltsin and Havel on 1 April 1992.¹⁷ The new Treaty of Friendly

14 Treaty of Friendship, Co-operation and Mutual Assistance between Czechoslovakia and Union of Soviet Socialist Republics, signed at Prague on 6 May 1970. United Nations Treaty Collection. http://untreaty.un.org/unts/1_60000/21/21/00041012.pdf.

15 Nichol, James. *Diplomacy in the Former Soviet Republics*. Westport, London: Greenwood Publishing Group, 1995. P. 56.

16 Šedivý, Jiří. *The Emerging New Regional Order in Central and Eastern Europe*. Lecture at the international symposium *Emerging New Regional Order in Central and Eastern Europe*. Slavic Research Center, Hokkaido University. Sapporo, Japan. 26 July 1996. <http://src-h.slav.hokudai.ac.jp/sympo/96summer/sedivy.pdf>.

17 Roubal, Petr and Babka, Lukáš. *Československo-sovětské vztahy*. <http://>

Relations and Cooperation was not very different from the previously agreed treaty between Czechoslovakia and the USSR. While not a treaty of alliance, it still emphasizes a number of areas of close cooperation between the two countries. It also includes the CSCE-inspired language about the “indivisibility of security” in Europe, stressing the importance of pan-European security structures, while avoiding any provisions implying either side’s opposition to NATO enlargement.¹⁸

Finally, after the peaceful break-up of Czechoslovakia, President Yeltsin signed the Treaty of Friendly Relations and Cooperation between the Czech Republic and the Russian Federation. The treaty condemned the Soviet-led invasion of Czechoslovakia in 1968 and reemphasized the need for permanent structures of European security, especially in the framework of the CSCE. Again, it was free of any commitment on the part of Czechoslovakia not to enter NATO.¹⁹

THE POLICY OF RETURNING TO EUROPE

The vision of a “return to Europe” was presented by President Havel in January 1990 in a speech before the Federal Assembly.²⁰

www.akademickyrepozitar.cz/Petr-Roubal/Ceskoslovensko-sovetske-vztahy.

18 For its analysis see Vládní návrh, kterým se předkládá k vyslovení souhlasu Federálnímu shromáždění ČSFR Smlouva mezi ČSFR a Ruskou federací o přátelských vztazích a spolupráci, podepsaná v Moskvě dne 1. dubna 1992, document no. 18. The common Czech-Slovak digital parliamentary library. http://www.psp.cz/eknih/1992fs/tisky/t0018_00.htm.

19 By that time, the Czech Republic had made it clear that NATO membership was its strategic goal. See the Foreign Policy Conception presented by Foreign Minister Zieleniec in April 1993.

20 Havel V. Projev prezidenta ČSSR ve Federálním shromáždění, 23 January 1990. http://www.vaclavhavel.cz/showtrans.php?cat=projevy&val=325_projev.html&typ=html.

This became the main vision of the new foreign policy concept of Czechoslovakia for 1990-1992. However, the return to Europe was accompanied by the ever-increasing distancing of Czechoslovakia from Russia. In fact, the period between 1994 and 1999 had the characteristics of a cold peace between the two countries: very few official contacts, conflicting foreign policy priorities and persisting prejudices on both sides – rendering a rapprochement utterly impossible during these years.

The dissolution of the multilateral platforms which had forged special relations between the East Central European countries and the former USSR in both political and economic dimensions enabled Czechoslovakia, and later the Czech Republic, to aspire to a closer relationship with West European and Transatlantic institutions. Czechoslovakia was also one of the constituent members of the Visegrád Group, an original signatory of the Central European Free Trade Agreement (CEFTA) and, from 1991, a member of the Central European Initiative.²¹ This suggests that already at the beginning of the 1990s, the Czech Republic saw as its main priorities both the integration into Western structures (especially the EC) and the development of regional cooperation aimed at enhancing the chances of the participating countries to enter the EC/EU and later NATO, as well as coordinating policy towards the former USSR.²²

Official relations between the Russian Federation and the Czech Republic were established immediately after the creation of an independent Czech state. By the mid-1990s, the necessary legal framework for the development of bilateral relations in political, economic and humanitarian spheres was completed. In August

21 For more information see Visegrád Group 1991-2011, <http://www.visegradgroup.eu/>; CEI - Central European Initiative <http://www.ceinet.org/>.

22 The Visegrád Group summit in October 1991 in Krakow. See Jeszenszky, Géza. The Origins and Enactment of the “Visegrad Idea”. In: Jagodziński, Andrzej. The Visegrád Group. A Central European Constellation. Bratislava, 2006. http://visegradfund.org/wordpress/wp-content/uploads/download/Central_European_Constellation.pdf.

1993, president Yeltsin visited Prague, attempting to “unfreeze” relations and to assure Czech society that Russia strove to return to Central Europe not as a “big brother”, but as an equal and constructive partner seeking to develop good relations with the former Soviet satellites. Yeltsin argued that both countries should draw a line behind their troubled past. As a conciliatory gesture, he condemned the invasion of the Soviet troops in 1968, describing it as an act of aggression and as an attack on a sovereign independent state. However, while the gesture was appreciated, the foreign policy priorities of the Czech Republic lay elsewhere at that time. As a result, Yeltsin’s diplomacy had little effect on the country’s foreign policy.

The priority of integration into the European Communities and NATO was spelled out in the first Foreign Policy Conception of the Czech Republic, which was approved by the government of Václav Klaus and submitted to the Parliament in the spring of 1993.²³ At that time, those aspirations were fuelled by enthusiasm and a great dose of idealism rather than with precise knowledge of the nature of these institutions, especially as far as the EC/EU was concerned.

At the same time, the Czech Republic often preferred a bilateral approach to discussions with its partners, both in the West and with Russia. As a result, the Czech Republic’s support for subregional cooperation, such as the Visegrád Group, was somewhat unstable and subject to change depending on the change of government.²⁴

23 See e.g. Kohl, Radek. *Česká bezpečnostní politika 1993-2004*. In: Pick, Otto and Handl, Vladimír. *Zahraníční politika České republiky 1993-2004. Úspěchy, problémy, perspektivy*. Prague: Ústav mezinárodních vztahů, 2004, P. 31.

24 The government of Václav Klaus preferred the creation of a free trade area among Central European countries (through CEFTA), which also corresponded with his emphasis on economic integration and the rejection of political integration, which he often expressed also in the context of the EC/EU. See e.g. Baun, Michael and Marek, Dan. *Česká republika a Evropská unie*. Brno: Barrister & Principal, 2010. P. 33-35.

NATO ENLARGEMENT AND SECURITY ISSUES

NATO membership became one of the main priorities of Czech foreign and security policy after a very short period of reflection about the desirable post-Cold War security architecture of the Euro-Atlantic area. Such reflection included the idea of the possibility of a parallel dissolution of both the Warsaw Pact and NATO as “relics” of the Cold War, which was close to Gorbachev’s vision of a Euro-Atlantic area from Vancouver to Vladivostok.²⁵ This idea resonated in some statements of Foreign Minister Dienstbier and President Havel, who tended, at the beginning of the 1990s, to emphasize that Russia and Czechoslovakia were going through the same painful process of transformation and struggling with the remnants of the past, being “in the same boat”.²⁶ However, reflections about the possible key role of the OSCE in the new Euro-Atlantic security architecture were soon replaced with the endeavor to cooperate with NATO in the framework of the North-Atlantic Cooperation Council.

The aspiration of the Czech Republic to become a member of NATO grew after 1993, supported especially by politicians such as President Havel and Alexandr Vondra, at that time the Deputy Minister for Foreign Affairs. The acceleration of efforts aimed at NATO accession (discernible also in Poland and Hungary) is often explained by the development of Russian policy towards the possible eastward expansion of NATO after the unification of Germany. From 1992 onwards, criticism of the liberal elements of Yeltsin’s foreign policy had been growing, particularly from the Supreme Soviet. This criticism manifested itself, *inter alia*, in the first Rus-

25 See e.g. Tsygankov, Andrei. *Russia’s Foreign Policy. Change and Continuity in National Identity*. Second Edition. Plymouth: Rowman & Littlefield Publishers, 2010. P. 45

26 See Kratochvíl, Petr and Kuchyňková, Petra. *Between the Return to Europe and the Eastern Enticement: Czech Relations to Russia*. In: *EU-Russian Relations and the Eastern Partnership*. Budapest: Institute for World Economics of the Hungarian Academy of Sciences, 2009. P. 61-63.

sian Foreign Policy Conception of 1993, which blended elements of the Westernizers' philosophy of engaging Russia in full-fledged international cooperation with an emphasis on the "near abroad".²⁷ Czech representatives noticed that Yeltsin, on his visit to Prague in August 1993, did not repeat the formula he had reportedly agreed upon with the Polish President Wałęsa – the assertion that Polish membership in NATO would not contravene long-term Russian interests. That remark had triggered a wave of criticism in Russia.²⁸

More vocal disapproval of NATO enlargement on the Russian side,²⁹ together with the worrying developments in Russian domestic politics (the culmination of the conflict between the Supreme Soviet and President Yeltsin in the autumn of 1993, the parliamentary election to the Russian Duma which strengthened the positions of the Communists and of Zhirinovski's party) contributed to the acceleration of efforts among the Central European countries to join NATO. For the Czech Republic, 1994 was an important milestone on the road to NATO membership. In January President Clinton visited Prague and informed the Visegrád Countries of the launching of the Partnership for Peace Program (PFP). In the Czech Republic, the program was welcomed with mixed feelings. On the one hand, it was appreciated for providing possibilities for closer cooperation with the Alliance. On the other hand, it raised concerns that the enlargement of NATO would be further postponed.³⁰

27 See Tsygankov, Andrei. *Russia's Foreign Policy. Change and Continuity in National Identity*. P. 61-77, 85-89.

28 See: Asmus, Ronald. *Dvere do NATO*. Bratislava: Kaligram, 2002. P. 75-86.

29 Expressed e.g. in the 1993 public report by the Russian External Intelligence Service: *Перспективы расширения НАТО и интересы России* (Perspectives of NATO Enlargement and Russian Interests). Moscow, 1993. See also the detailed analysis of Russia's critique of NATO enlargement in Kratochvíl, Petr; Cibulková, Petra and Beneš, Vít. Foreign policy, rhetorical action and the idea of otherness: the Czech Republic and Russia. In: *Communist and Post-Communist Studies*. 39/4. 2006. P. 497-511.

30 The Czech Republic signed the PFP Framework document in March 1994 in Brussels and the individual program in November 1994. See: Natoaktual.cz:

Russia's initial desire to participate in the PfP encouraged the Czech Republic to believe that its aspiration to enter NATO could be reconciled with Russia's interests. On the other hand, warnings by Russian politicians that NATO accession could provoke retaliatory actions were interpreted in Prague as intimidation. These warnings, along with growing concerns about the potential activities of Russia's intelligence services in the region, contributed to increasing mutual suspicion. However, despite persistent Russian disapproval of NATO enlargement, no retaliatory actions, such as curbing economic ties or disrupting the supply of resources to the Czech Republic, were planned.³¹

In this context President Havel appealed to NATO in June 1996 to declare explicitly that the Alliance wanted to build good partnership relations with Russia, but that at the same time neither NATO nor Russia had the right to dictate to any third country where it should belong. This was taken to be one of the strongest messages to Russia concerning its interference in the security policies of NATO candidate countries to be delivered by a politician from one of those countries.³² The Czech Republic was also the first candidate country to submit an application to open intensive dialogue in advance of accession negotiations at Brussels NATO headquarters in 1996.³³

As concerns the positions of the main political forces in the Czech Republic, while the right-wing parties (Civic Democrats,

Vztahy mezi Českou republikou a NATO. Období 1994-1996. http://www.natoaktual.cz/na_cr.asp?y=na_cr/cravztahysnatoi.htm.

31 Premiér ČR a Ruska podpísali zmluvu o ruskom dlhu, SME.sk, 22 April 1997. <http://www.sme.sk/c/2072151/premieri-cr-a-ruska-podpisali-zmluvu-o-ruskom-dlhu.html>.

32 Projev prezidenta republiky Václava Havla na konferenci NATO o vojenskopolitickém rozhodovacím procesu. Warsaw, Poland. 21 June 1996. <http://old.hrad.cz/president/Havel/speeches/1996/2106.html>.

33 See: [Natoaktual.cz](http://www.natoaktual.cz): Vztahy mezi Českou republikou a NATO. Období 1994-1996.

Christian Democrats and the Civic Democratic Alliance), which formed the government before 1997, supported Czech membership in NATO as one their main priorities, the position of the left-wing opposition was not so clear.³⁴ While the Communists rejected membership in the Alliance from the very beginning, Social Democrats were divided. Their representatives often highlighted the disapproving position of Russia and worried about the potential damage that NATO accession could have on Czech-Russian relations.³⁵

The accession of the Czech Republic to NATO took place against the background of, *inter alia*, Russian efforts to minimize the effects of the enlargement on NATO military capabilities and to institutionalize NATO-Russia relations before the 1997 NATO summit in Madrid. In the atmosphere of rather harsh statements made by Russian politicians outside the government, as well as certain statements by Czech officials particularly President Havel – which welcomed the NATO-Russia Founding Act but denied Russia, as a non-member, any possibility of influencing the decision-making process within the Alliance,³⁶ Czech-Russian relations remained tense in the second half of the 1990s. This situation even prompted NATO representatives, in particular the Secretary General Javier Solana, to encourage the Czech Republic to increase its efforts to promote dialogue with Russia.³⁷

In addition, Czech-Russian relations at the end of the 1990s were

34 See e.g. Zetocha, Karel. ODS a vnější a vnitřní bezpečnost. In: Balík, Stanislav et al. Občanská demokratická strana a česká politika. Brno: CDK, 2006. P. 175-177.

35 After a debate in the party, Social Democrats also chose to support the referendum on NATO accession.

36 See, *inter alia*, Havel's conclusions at the public debate on the violation of human rights in Chechnya. Prague. 26 May 2000. In: Havel V. NATO, Evropa a bezpečnost demokracie. Václav Havel, výběr z projevů, článků a rozhovorů 1990-2002. http://www.vaclavhavel.cz/docs/ostatni/HAVEL_cj_OK.pdf.

37 Natoaktual.cz: Vztahy mezi Českou republikou a NATO. Období 1997-1998. http://www.natoaktual.cz/na_cr.asp?y=na_cr/cravztahysnatooiii.htm.

further aggravated by the 1999 Kosovo Crisis, when the two countries took opposite positions regarding the NATO operation against Yugoslavia. While the Czech Republic, as a new NATO member, supported the operation, Russia reacted with heavy criticism.

Another controversial issue in mutual relations was the ongoing criticism of the Russian actions in Chechnya by some Czech political leaders, including president Havel. Russia responded very sharply in November 1999 after a representative of the (unrecognized) Chechen government Ilyas Akhmadov unofficially visited Prague at the invitation of the Czech humanitarian organization People in Need.

During the second half of the 1990s, a certain estrangement developed in Czech-Russian relations at the highest level. There were no mutual visits of the heads of state after Havel's visit to Moscow in 1995 until the visit of the new President Klaus in 2003. The dialogue between the Ministers of Foreign Affairs was also interrupted after the resignation of Minister Kozyrev and the appointment of Yevgeny Primakov. After Yosef Zieleniec's visit to Moscow in March 1996, contacts at the ministerial level remained frozen for five years.

The exception was the effort by Prime Minister Zeman to revitalize Czech-Russian economic relations and the visit of Russian Prime Minister Chernomyrdin in 1997. But Zeman's visit to Moscow in 1999 remained without any response for quite some time. Russian representatives claimed that Czech-Russian relations remained below their potential, with traditional strengths – especially in the economic dimension – regrettably marred by ideological stereotypes, with the former ideological orientation of Czechoslovak representatives now allegedly replaced with what Moscow characterized as the Russophobia of the new Czech political elite.³⁸

38 Běloševský, Dmitrij. Česká republika v ruské zahraničněpolitické agendě a reflexi 90. Let. http://veda.fsv.cuni.cz/konf_sem/globalni_svet/GS_prispevky/gs_ter_belosevsky.htm.

IMPACT OF EU ENLARGEMENT

In contrast with the question of NATO membership, the anticipated accession of the Czech Republic to the European Union did not provoke a similarly strong reaction from Russia. This was due to the nature of the EU as an international actor and the Russian perceptions of the European entity, with which Moscow had maintained contractual relations since 1997.³⁹

At the same time, the reorientation of the Czech economy towards West European markets significantly affected Czech-Russian trade and investment relations. Until the end of the 1980s, the Soviet Union was the main trading partner of Czechoslovakia with over 40% of Czechoslovak foreign trade turnover. The Soviet Union was an important market particularly for industrial machinery and technical products from Czechoslovakia. Some 50% of total Czechoslovak exports of machinery equipment were oriented towards the USSR. The Soviet Union imported Czech equipment for the chemical and food industries as well as vehicles (locomotives, trolleys, trams and cars). Some types of machinery and technical products (such as river vessels) were exported exclusively to the USSR. The Soviet Union's main exports to Czechoslovakia were raw materials and fuels (67% of the value of Soviet exports to Czechoslovakia in the late 1980s). Machinery and technical products accounted for 26% of the value of Soviet exports to CSSR.⁴⁰

At the beginning of the 1990s the gradual economic convergence with the EC/EU (new trade and economic cooperation agreements, the association agreement signed first between the EC and

39 See e.g. Antonenko, Oksana and Pinnick, Kathryn. *Russia and the European Union*. London: Routledge, 2005.

40 Россия и Центрально-Восточная Европа. Трансформации в конце XX - начале XXI века (Russia and East central Europe. Transformations at the end of the 20th and the beginning of the 21st Centuries). Vol. 2. Moscow: Nauka, 2005. P. 387.

Czechoslovakia in 1991⁴¹ and later between the EU and the Czech Republic in 1993) went hand in hand with the weakening of economic relations with Russia, which had entered a period of painful reforms and socio-economic turmoil. In 1993 Russia's share in the foreign trade of the Czech Republic fell to 8% and further declined to 4% after 1998.⁴² As a result, Russia began to lose its position on the Czechoslovak market. During the 1990s industrial cooperation between the Czech Republic and the Russian Federation was reduced to almost zero. Investment activities played a marginal role in mutual relations.

After the dissolution of Czechoslovakia at the end of 1992, the Czech Republic continued the CSFR policy of European integration and declared accession to the EC/EU to be one of the main priorities of its foreign policy, although the then Prime Minister Klaus emphasized the economic dimension of such integration and expressed reservations towards the deepening of political integration. Trade liberalization and the gradual creation of a free trade zone and of a customs union, which implied the adoption of EU custom tariffs in relation to third countries, was stipulated by the Association (European) Agreement that came into force in 1995. The Czech Republic officially applied for EU membership in January 1996 and the new coalition government led by Klaus, which took office in 1996, modified the priorities of the previous cabinet into the clear goal of entering the

41 The first association agreement has never been ratified, since the process of its ratification was interrupted by the dissolution of Czechoslovakia. See: Baun, Michael and Marek, Dan. *Česká republika a Evropská unie*. Brno: Barrister & Principal, 2010. P. 28-31.

42 Russia and East Central Europe. P. 387. The single exemption from the sharp decline was trade in energy resources (oil and natural gas). This changed to some extent in the second half of the 1990s when the Czech Republic sought to reduce its dependence on the Russian energy supply. This process, however, was not directly related to the Czech EU accession. It partially influenced Czech-Russian trade relations, but did not mean a serious disruption of contractual relations with Russian energy companies.

EU as well as NATO as soon as possible. In 1997 the Czech Republic became part of the so-called Luxembourg Group of six countries with which the EU began accession negotiations. Their finalization depended on the difficulties in negotiating particular chapters. This virtually exclusive focus on NATO and EU enlargement also implied that Russia was not a priority of Czech external relations.

The first signs of a change appeared at the end of the 1990s. Negotiations were resumed at the political level and, this time, were more focused on trade and economic issues.

In February 2001, Russian Foreign Minister Igor Ivanov visited Prague. It was the first visit at the ministerial level since 1996. He came with the message that Moscow did not consider the NATO accession of the Czech Republic to be an obstacle to dialogue or to economic cooperation. Nor would the anticipated EU accession complicate Czech relations with Russia. On the contrary, according to him the shaping of new relations between the Czech Republic and Russia would complement new relations between Europe and Russia.⁴³

Ivanov's visit to Prague ended the long-term period of mutual neglect in Russian-Czech relations. In March 2001, regular contacts between the Czech and Russian parliaments were established.

In September 2001, at the seventh session of the Russian-Czech Intergovernmental Commission on Trade, Economic and Scientific-Technical Cooperation held in Moscow, agreements were reached concerning several Czech investment projects in Russia. These concerned in particular the production of component parts for the automobile industry, the modernization and reconstruction of enterprises in Russia (e.g. in the Urals), and the construction of a gas pipeline in Kamchatka.

In October 2001, Russian Prime Minister Mikhail Kasyanov visited the Czech Republic and a series of agreements were signed. Moscow placed particular emphasis on agreements on military-

43 Russlavya Czechiya. 17 February 2001.

industrial cooperation and on the participation of Russian companies in the privatization of Czech energy and petrochemical sectors. Also, the sensitive issue of the terms and methods of repayment of the Soviet debt to the CR was discussed. In spring 2002, Kasyanov's visit was reciprocated by the Czech Prime Minister Zeman. The delegations signed another series of agreements including on the repayment of the Russian debt.

A new impetus to the development of Czech-Russian political and economic relations was provided by President Klaus. Shortly after his inauguration in 2003, he visited Russia (St. Petersburg in spring 2003 and then Moscow in autumn 2003 for a three-day visit). This was the first official visit of the president of the independent Czech Republic since 1995, when president Havel shortly and unofficially visited Moscow on the occasion of the celebrations of the end of the World War II.

Before and after EU accession in 2004, the Czech Republic paid particular attention to increasing exports to Russia with the aim of lowering its trade deficit, which resulted from its large imports of energy resources.

However, accession to the EU implied the need to adjust Czech trade relations with Russia to the EU-Russia contractual framework. The Czech Republic benefitted from the Partnership and Cooperation Agreement (PCA) between Russia and the European Union, which entailed a most-favored-nation clause. In April 2004, the PCA was extended to the new member states.⁴⁴ In 2005, the Czech Republic signed a new intergovernmental agreement on economic, industrial and scientific technical cooperation with Russia, which established a new intergovernmental Committee to deal with those issues.⁴⁵ The priority areas of cooperation between the

44 Press Release: EU and Russia confirm the extension of the PCA to the enlarged EU. Brussels, 27 April 2004. IP/04/549. <http://europa.eu/rapid/pressReleasesAction.do?reference=IP/04/549>.

45 For the text of the agreement of 26 May 2005 in Russian see: <http://law7.ru/>

Czech Republic and Russia included light industry, transport, energy, chemical, petrochemical and natural gas industries, metallurgy, agriculture, electronics and electrical engineering, timber and the pharmaceutical industry.

Economic relations with Russia were not the only area influenced by the EU's eastward expansion. Other consequences, such as the extension of the Schengen Area to the new members and their adoption of EU visa and asylum policies, appeared as harmful, symbolically, as the trade barriers, from the Russian perspective. The introduction of visas was less controversial in Russia's relations with the Czech Republic than with Poland and Lithuania, where access to Kaliningrad was the chief concern. Nevertheless, it remained high on the bilateral agenda. The discussions focused not only on the Schengen Area as such, but rather on changes in Czech legislation concerning the stay of foreign nationals in the country, enforced in 2007 and 2010.⁴⁶ This issue was closely related to the important role of tourism in Czech-Russian economic relations.⁴⁷

Since that time, abolishing the visa requirement has remained high on the agenda of Russian-Czech relations. The Czech Republic has continuously stressed two aspects of the problem. First, in underlining the importance of a common EU policy toward the other post-Soviet countries, Prague proceeds on the

base85/part8/d85ru8365.htm.

46 Zákon č. 427/2010 Sb., kterým se mění zákon č. 326/1999 Sb., o pobytu cizinců na území České republiky a o změně některých zákonů, ve znění pozdějších předpisů, zákon č. 325/1999 Sb., o azylu a o změně zákona č. 283/1991 Sb., o Policii České republiky, ve znění pozdějších předpisů, (zákon o azylu), ve znění pozdějších předpisů, a další související zákony. <http://www.sbirka.cz/POSL4TYD/NOVE/10-427.htm>.

47 From 2000 to 2008, until this sector was hit by the recession, the share of Russian tourists travelling to CR rose substantially. Russian and German tourists represented the two largest groups of visitors to the Czech Republic. See: Český statistický úřad (2010): Rychlá informace: Zahraničních hostů přijelo více, domácích opět ubylo. Cestovní ruch - 3. čtvrtletí 2010. <http://czso.cz/csu/csu.nsf/informace/ceru111010.doc>.

basis that It is impossible to introduce a visa-free regime with Russia while denying this option to other countries, such as Moldova or Georgia. Secondly, the Czech Republic repeatedly declares that any resolution of the problem requires a consensus within the EU, thereby emphasizing the multilateral dimension of the visa issue.⁴⁸

The accession to the EU also added another dimension to the Czech policy on Russia's bid to join the WTO. While this policy was generally supportive of the Russian bid, as indicated in the statement by Czech Prime Minister Petr Nečas in the Czech Parliament in October 2010, it was not unconditional. Prague emphasized although did not specify the fulfilment of all the necessary accession conditions and loosely linked the issue to a substantial improvement in EU-Russian contractual relations. The latter issue particularly pertained to the conclusion of a new EU-Russia agreement or the ratification of the Energy Charter Treaty by Russia.⁴⁹

To sum up, the accession to the EU affected Czech-Russian economic and trade relations to the extent that the Czech Republic had to adopt the regulations of the EU's external trade policy and

48 See e.g.: Schwarzenberg jednal s Lavrovem, o Temelínu i o vízech. *Hospodářské noviny*, 23 September 2010. <http://zahranicni.ihned.cz/c1-46548220-schwarzenberg-jednal-s-lavrovem-o-temelinu-i-o-vizech>.

49 Vystoupení předsedy vlády Petra Nečase v Poslanecké sněmovně a Senátu PČR k přípravě Evropské rady ve dnech 28.—29. října 2010. 27 October 2010. <http://www.vlada.cz/cz/evropske-zalezitosti/projevy/vystoupeni-predsedy-vlady-petra-necase-v-poslanecke-snemovne-a-senatu-pcr-k-priprave-evropske-rady-ve-dnech-28--29--rijna-2010-77405/>. For a discussion of the Czech presidency and EU-Russian relations see: EU-Russia Relations: Priorities of the Czech Presidency in EU External Relations – Audio from Panel IV of conference: From “Fortress Europe” to “Europe without Barriers”? A PASOS/EUROPEUM Conference under the auspices of the Foreign Ministry of the Czech Republic. Cernin Palace, Prague, 20 October 2008. <http://pasos.org/2873/eu-russia-relations-priorities-of-the-czech-presidency-in-eu-external-relations-audio-from-panel-iv-of-conference-from-fortress-europe-to-europe-without-barriers/>.

the *acquis communautaire* in various fields that touched on certain aspects of Czech-Russian relations, such as energy policy, the liberalization of the energy markets and the strategic dimension of EU energy policy. However, these changes did not harm economic relations between the two countries. After the significant problems in the 1990s, particularly for Czech exporters to Russia, resulting from the reorientation of Czech trade and the Russian economic crisis, there had been increasing growth in bilateral trade from the 2000s onwards, dropping only in 2009 due to the global economic crisis. Despite this steady growth, the large trade deficit with Russia (about 2 bln. USD in 2012)⁵⁰ remains one of the main issues in bilateral economic relations, although progress has been visible here in recent years.

Russian investment in the Czech Republic amounts to 225 mln. USD out of a total of 10 bln. USD of foreign direct investment in the country. The amount of Czech investments in Russia exceeded 90 mln. USD at the end of 2010.⁵¹ Although Czech entrepreneurs (such as Petr Kellner) register some success stories on the Russian market, the conditions for the operation of foreign companies in Russia remain an issue.

Although Czech exports to Russia as well as mutual investments are below the potential of both countries, Czech-Russian economic relations have been developing dynamically also at the inter-regional level in recent years. The Czech Ministry of Trade and Industry prioritizes several regions of the Russian Federation, such as St. Petersburg and regions rich in natural resources – Central Urala and

50 Ministerstvo průmyslu a obchodu: Zahraniční obchod 1-12/2012, 7 February 2013, <http://www.mpo.cz/dokument103007.html>

51 Česká národní banka: Přímé zahraniční investice. http://www.cnb.cz/cs/statistika/platebni_bilance_stat/publikace_pb/pzi/. Data on mutual investment varies, however. At the end of 2010, the Czech National Bank registered 401 mln. USD of Russian investments in the country out of a total amount of 128.5 bln USD of foreign doinvestment.

Khanty-Mansiysk – in terms of developing cooperative projects.⁵²

Platforms have been established for maintaining regular dialogue on prospects for economic cooperation between the two countries. The most important of these is the Czech-Russian Intergovernmental Commission for Economic, Industrial and Scientific and Technical Cooperation and other special working groups (e.g. for cooperation in the areas of industry and energy, transport, engineering, telecommunications, investment, innovation, interregional cooperation, etc.). Projects for the construction, reconstruction and modernization of existing facilities have been implemented in such sectors as the engineering industry, transport and energy (including nuclear energy and refineries), as well as in light industry, food, glass and the timber industry. As particular examples of Czech projects in Russia it is worth noting e.g. the reconstruction and modernization of the plant “Uralvagonzavod” in the Sverdlovsk region, the power plant “Krasavino” in the Vologda region, the joint production of “Karosa” buses in the Omsk region, and the modernization of subway trains in St. Petersburg and trams in Volgograd. The cost of the implementation of these projects exceeds 3.5 bln. USD.

In general, EU accession contributed to substantial changes in the foreign trade, investment flows and the relevant legislative framework of the Czech Republic. But the reorientation of Czech economic relations to the West did not come about overnight. It was the result of a longer process starting at the beginning of the 1990s, connected with changes in Czech (Czechoslovak) foreign policy, the dissolution of the former economic blocs and the overall political and economic weakening of Russia. The accession to the EU did not in itself significantly harm economic relations with Russia. It coincided with a period of growing interest on both sides for closer cooperation. While the Czech Republic generally wel-

52 See Kratochvíl, Petr and Kuchyňková, Petra. Russia in Czech Foreign Policy. In: Kořan, M. et al. Czech Foreign Policy in 2007-2009: Analysis. Prague: Institute of International Relations, 2010. P. 203-206.

comes further strengthening of mutual cooperation, there are certain spheres – in which the Russian side expresses a strong interest in developing joint projects – where security concerns must also be taken into account on the Czech side. The energy sector is the prime example. On the other hand, the fact that the Czech Republic has become part of the European Union has opened new opportunities for cooperation with Russia, not least the Partnership for Modernization, endorsed by Russia and the EU in 2010, enabling the Czech Republic to participate in new modernization projects in Russia.

ENERGY COOPERATION AND SECURITY

Cooperation in the energy sector remains the single most important element of Czech-Russian economic and trade relations. The Czech Republic is a consumer of Russian energy resources. Although, due to the diversification policy of the 1990s, it is no longer completely dependent in the supply from Russia, the Czech Republic still imports about 70% of its gas and oil from that country. Since Czech accession to the EU, the issue has gained a European dimension as well and is largely associated with the EU's energy security policy.

The Czech Republic was also a strategically important transit country for the supply of Russian hydrocarbons to Western Europe and particularly to Germany. Until the construction of the Nord Stream pipeline, about one third of Russian gas to Western Europe was piped via the Czech Republic. Despite being not only a consumer but also a transit country, the Czech Republic was only partly affected by the disruptions of the gas supply triggered by the Russo-Ukrainian gas conflicts.

On the other hand, the unexpected disruption of the supply of Russian oil via the Druzhba pipeline in July 2008 caused serious concerns in Prague. The media speculated about a connection between the disruption and the planned signing of the SOFA agree-

ment⁵³ and anticipated deployment of a US radar base on Czech territory. Russia rejected this implication, explaining that the disruption was necessary to repair and upgrade the pipeline system. This explanation evoked the possibility that Russian companies would gradually reduce oil deliveries to Central Europe via the ageing Druzhba pipeline, especially after the forthcoming completion of the entire Baltic Pipeline System at full capacity, which would enable Russia to ship more oil by sea, without relying on transit via countries such as Belarus or the Ukraine.⁵⁴

As concerns Russian investment in the Czech oil and gas sectors, attempts to privatize oil and gas assets into Russian hands in 2000-2004 did not succeed. During the visit of Vladimir Putin to Prague in 2006, the Russian president mentioned the favorable conditions for the development of bilateral partnership in the energy sector. The Russian side appreciated the words of president Klaus, who claimed that the Russian-Ukrainian gas conflict of 2005-2006 had a business background rather than a political one. The Czech president characterized the conflict of 2008-2009 in the same way, expressing an understanding for Russian efforts to reduce dependence on transit through neighboring countries and to build new pipelines, in particular the Nord Stream pipeline.⁵⁵ The extension of the gas agreement with Gazprom until 2035 and the acquisition

53 Status of Forces Agreement arranging the legal framework for the deployment of American military forces on the area of the Czech Republic in connection with the planned building of the radar base as a part of the American missile defence system. The agreement was signed in September 2008 by the ministers of defence of the Czech Republic (Vlasta Parkanová) and the USA (Robert Gates). *Vláda České republiky: Podpis smlouvy SOFA a Deklarace o strategické spolupráci*, 19 September 2008. <http://www.vlada.cz/cz/media-centrum/aktualne/podpis-smlouvy-sofa-a-deklarace-o-strategicke-spolupraci-41856/>

54 Ibid. 204.

55 Shishelina L.N., ed. *Вышеградская Европа: откуда и куда? Два десятилетия по пути реформ в Венгрии, Польше, Словакии и Чехии* (Visegrad Europe: from where and to where? Two decades of reforms in Hungary, Poland, Slovakia and the Czech Republic). Moscow: Ves Mir, 2010. P. 550.

of the Czech gas distribution operator Vemex by Gazprom Germania were interpreted as signs of readiness on the part of the Czech Republic to cooperate with Russia in the energy field.

However, the parliamentary elections in the Czech Republic in June 2006 brought about significant political changes. After eight years of rule by the Social Democratic Party, the left-center government of Jiří Paroubek was replaced by a center-right government led by Prime Minister Mirek Topolánek of the Civic Democratic Party. This led to certain changes in the foreign policy of the Czech Republic. In addition to the issue of the US anti-missile defense system, which influenced Czech-Russian security relations, the changes also touched the energy sphere. The new cabinet began with a louder critique of Russian energy policy towards the EU, including Moscow's "neo-imperialist" ambitions and the use of the "energy weapon" to achieve geopolitical goals. The Czech Republic began to align itself with those countries that urged the EU to diversify hydrocarbon supply sources as well as transport routes in order to reduce dependence on Russia and to develop nuclear energy as a key resource for EU energy security.

In January 2009 the Czech Republic assumed the EU presidency. Energy issues were listed among the main priorities of its presidency. Against the background of the Russian- Ukrainian gas conflict, Prague, along with Poland, became one of the main supporters of the Nabucco pipeline project. In January 2009 it initiated the EU summit in Budapest devoted to the implementation of the project. Under the influence of the Russian-Ukrainian gas dispute both Prime Minister Topolánek and Foreign Minister Schwarzenberg questioned the reliability of Russia as a supplier of hydrocarbons to the EU and the use of the Ukraine as a transit route.⁵⁶

Around this time, the possible penetration of the Czech ener-

56 Вестник научной информации Института экономики РАН (The Herald of Scientific Information of the Institute of Economic of the RAS). No. 2. 2009. P. 176.

gy sector by Russian companies started to be seen as a national security threat rather than an opportunity. For example, in 2009 the Russian company Transneft expressed interest in establishing a joint venture and signed a memorandum to that effect with the Czech major oil importing operator MERO, which also operates the emergency supply storage; representatives of Czech authorities called the deal premature.⁵⁷ At the same time, while holding the presidency of the EU, the CR repeatedly called for the approval of the so-called third energy directives liberalization package. This new bulk of EU legislation in the sphere of the energy market concerned the liberalization of the European Union gas and electricity markets, unbundling ownership in the spheres of production, transportation and distribution of gas, and containing the so-called “Gazprom clause” concerning companies from third countries with unliberalized energy sector and their investments in European gas and electricity markets. In March 2009, the CR played an active role in negotiations between the EU Council and the European Parliament, leading to an informal compromise and the adoption of the third energy liberalisation package.⁵⁸

But in spite of its declared support for the Nabucco project, the Czech government also showed a considerable dose of pragmatism. In 2010 it reacted to the construction of the Nord Stream pipeline by building a connecting Gazela pipeline intended to ensure the possibility of obtaining Russian gas from the North (if necessary) and provide the security of its supply to the Czech Republic if needed.⁵⁹

To enhance energy security and ensure the reliability of the en-

57 E.g. the Czech commissioner for energy security Václav Bartuška. See Kratochvíl, Petr and Kuchyňková, Petra. *Russia in Czech Foreign Policy*. P. 204.

58 See Kratochvíl Petr and Kuchyňková, Petra. *Between the Return to Europe and the Eastern Enticement: Czech Relations to Russia*. P. 75.

59 Ministerstvo průmyslu a obchodu (2010): Ministr Kocourek odstartoval plynovod Gazela, napojí ČR na Nord Stream. <http://www.mpo.cz/dokument79751.html>.

ergy supply, Czech energy strategies also recommended strengthening the share of nuclear energy in the country's energy mix. Russian companies expressed increasing interest in cooperation in the nuclear energy sector as well. Based on a 2006 agreement, the Russian company Tvel (part of the Rosatom holding) became the exclusive supplier of nuclear fuel for the Czech nuclear power plants in Dukovany and Temelín, replacing the nuclear fuel supplies from Westinghouse. Atomstroyexport, another part of Rosatom, joined a consortium in a bid for the construction contract for the new blocks of Temelín, competing in the tender with American Westinghouse and the French group Areva.⁶⁰ Russian business and political representatives have more than once expressed interest in winning the contract.

The strategic and security dimensions of the tender are a subject of debate in the Czech Republic, with concerns expressed that a victory for Atomstroyexport could result in growing dependence on Russian investments as well as on the Russian nuclear fuel supply.⁶¹

60 The bid of Areva company was discarded from the tender in October 2012 because of non-fulfillment of the legal requirements concerning the public contract for building of the two new blocs of Temelín nuclear power plant. Skupina ČEZ: Areva nesplnila požadavky veřejné zakázky na stavbu bloků Temelín 3 a 4, ČEZ musel tohoto uchazeče vyřadit. <http://www.cez.cz/cs/pro-media/aktualni-temata/28.html>

61 It is worth noting that there is already a precedent of a Czech government decision in which a Russian investor was disqualified from participating in a tender considered to be of strategic importance. Early in 2009, when the Russian airline Aeroflot sought to participate in the privatization of Czech Airlines, the entire tender was cancelled, with the potential security threat being cited unofficially as the most probable reason, See Kratochvíl, Petr and Kuchyňková, Petra. Russia in Czech Foreign Policy. P. 204-205.

RUSSIA IN CZECH DISCOURSE AND PUBLIC OPINION

Once Czechoslovakia had solved the most pressing problems related to its Communist heritage, Russia as a topic of political debate receded into the background. Nonetheless, Czech political and public discourse retained many stereotypes from the past for quite a long time, which also influenced the rhetoric of political representatives on both sides of the political spectrum. These stereotypes tended to resurface even in periods when Czech-Russian relations appeared to be overcoming the legacy of the past and beginning a new chapter.

The Czech political debate on Russia reveals two main discourses. The first starts from a wary attitude towards the post-Soviet Russia, highlighting the persisting threats emanating from the country. During the 1990s, these fears were related particularly to security issues in mutual relations and to the aspirations of Russia to remain an influential actor in East Central Europe. Concerns included the role of the Czech Republic in the European and Euro-Atlantic security architecture and the Russian position towards NATO's expansion eastward, in particular. Another factor was the internal situation within Russia, which was perceived as unstable and prone to political extremism in the 1990s.

Such an attitude remains alive in the Czech Republic today. Although Russia might no longer pose the same threat as the former USSR once did, it is still believed to harbour expansionist aspirations based on zero-sum thinking and a distrustful attitude towards the Czech Republic's Western allies. This argument often supports the conclusion that it is in the best interest of the Czech Republic to disconnect from its past and from Russia and to concentrate on its future within the Western integration structures.⁶²

62 The views and motives of the advocates of this discourse should not be classified as anti-Russian although, regrettably, they are sometimes interpreted in

The representatives of this discourse often emphasize the violations of human rights and basic democratic principles in Russia, more so since the rise to power of Putin in 2000. They point to such developments as the murders of journalists, the Chechen War and the War in Georgia in 2008 to prove their point. Once the controversies over security issues, such as NATO enlargement in the 1990s or the US antimissile radar base in 2007-2008, were overcome, the bearers of this discourse turned to warning against potential security risks associated with the infiltration of the Czech economy by Russian businesses, particularly in such fields as energy or strategic infrastructure.

While in political terms the rhetorical clashes between the Czech Republic and Russia continue to the present day, economic cooperation, especially where small and medium sized companies are concerned, has remained untouched by the political ups and downs. While many right-wing politicians, such as former Prime Minister Topolánek (ODS), Defence Minister Vondra (ODS) and Foreign Minister Schwarzenberg (Green Party, later TOP090) have criticized Russia heavily on several fronts (the radar base, Kosovo, and the Georgian War), the economic ministries (especially the Ministry of Industry and Trade) have continued to support trade with Russia, which has remained an important destination for Czech exports.⁶³

that way by Russian policy-makers and media. Some of the critics of the current Russian political system, such as former President Havel, understood themselves as supporters of Russian democracy, and of the Yeltsin regime in the 1990s, although its democratic nature was rather debatable. Hence, the adherents of this discourse emphasize instead the undemocratic and neo-imperialist tendencies that they believe persist in Russian politics and have resurfaced especially since 2000.

63 See e.g. Prohlášení České republiky k eskalaci konfliktu v gruzínské Jižní Osetii, 8.8.2008; Prohlášení MZV v reakci na uznání samostatnosti Jižní Osetie a Abcházie ze strany Ruské federace, 26.8.2008. Rusko: obchodní a ekonomická spolupráce s ČR. www.businessinfo.cz.

The second discourse was also present in political debates at the beginning of the 1990s. Its proponents not only rejected the clear-cut associations of the Russian Federation with the former USSR but, on the contrary, saw Russia as a promising partner of the Czech Republic, particularly in the economic dimension. According to this perspective, Czech-Russian relations were underestimated in the period following the Velvet Revolution and in the second half of the 1990s. As a result, the Czech Republic has deprived itself of a useful economic partner while concentrating too much on the pro-Western course and deliberately ignoring Russia as an important international actor.

This second stream in Czech political discourse is also rich in nuances and tendencies which often correspond to the ideological profile of its proponents. The Social Democratic left often emphasizes not only the economic rationale of cooperating with Russia but, also, the fact that the modern Russian Federation is itself a European nation and a partner of European organizations such as the EU.⁶⁴ The Communists, as the single relevant political group among Czech political parties to explicitly reject Czech membership in NATO and openly oppose EU membership, have regarded Russia not only as one of the Czech Republic's most important economic partners but also as a powerful political actor balancing the unipolar tendencies of US foreign policy.

The second perspective has also found some advocates at the right end of the political spectrum. The inclination of some right-wing, rather conservative representatives of the Czech political scene to express an accommodating position towards Putin's and Medvedev's Russia might be a reflection of their admiration for Putin's centralized strong-arm rule or their perception of Russia as a counterbalance to the intensifying process of European integration.

64 See Dlouhodobý program ČSSD – zkrácená verze. <http://www.cssd.cz/soubory/ke-stazeni/dokumenty/programove-dokumenty/dlouhodoby-program.pdf>.

One of the main proponents of this tendency in the Czech political discourse on Russia is Czech President Klaus, who met Russian President Putin in 2003 in his private residence near Moscow after an eight-year gap in meetings between the two heads of state. Since that time, Klaus has consistently taken a very favorable stance towards Russia. This is all the more apparent if we compare his views with those of his predecessor Václav Havel, who remained one of the main critics of human rights violations in Russia and who continued to warn against the inclusion of the Czech Republic in the Russian sphere of interest even after his departure from the presidential office.⁶⁵

President Klaus's focus is mainly on promoting Czech-Russian trade and investment, both practically (on his visit to Moscow in 2007 Klaus was accompanied by a mission of dozens of representatives of Czech business) and rhetorically, by welcoming, especially in recent years, Russian investments in the Czech Republic.⁶⁶ In addition, the President is explicitly critical of the attempts of some Czech politicians to "gain cheap points in politics" through arousing fear of Russia,⁶⁷ while at the same time downplaying issues seen as unwelcome from the Russian perspective.⁶⁸

65 Havel: Rusko považuje Česko stále za svou zájmovou sféru, 9. Dubna 2010. http://www.lidovky.cz/havel-rusko-povazuje-cesko-stale-za-svou-zajmovou-sferu-pk7-/ln_domov.asp?c=A100409_144241_ln_domov_tai; Havel: Rusko stále vnímá Česko jako svou zájmovou sféru, 9.4.2010 (<http://zpravy.e15.cz/domaci/politika/havel-rusko-stale-vnima-cesko-jako-svou-zajmovou-sferu>).

66 See e.g. Klaus s Putinem jednali i o dostavbě Temelína, ČTK, 11. 11. 2010.

67 This criticism of President Klaus was directed especially against the Topolánek government. See: Rusko bez předsudků. <http://www.klaus.cz/clanky/2713>.

68 Particularly the issue of the activities of the Russian secret services in the Czech Republic, which were reported several times by the Czech Security Intelligence Service in annual reports and which led to the banishment of several Russian citizens from CR. Ruský prezident odmítl zprávy o aktivitách ruské rozvědky v ČR. Czech News Agency, 14.10.2009. Bezpečnostní informační služba: Výroční zpráva 2007, 25.9.2008. Výroční zpráva Bezpečnostní informační služby za rok 2009 (<http://www.bis.cz/vz2009cz.pdf>). Zpráva o činnosti Vojenského zpravo-

From the beginning of his first presidential term, Klaus has supported the improvement of Czech-Russian relations with a series of symbolic gestures. In May 2005 he refused to boycott the celebration of the 60th anniversary of the Victory over Nazi-Germany in Moscow. In his speech he implicitly opposed the “Baltic” perspective and declared that the “great victory” of the anti-Hitler coalition could not be regarded as the beginning of a new totalitarianism. In August 2008, he cautioned against drawing parallels between the Russian-Georgian war and the invasion of Czechoslovakia in 1968 and distanced himself from the joint declaration by the presidents of several East Central European countries (Poland, Ukraine and the Baltic states) calling for an accelerated integration of Georgia into NATO.⁶⁹

CZECH PUBLIC OPINION ON RUSSIA

Shortly after the end of the Cold War and the establishment of the independent Czech Republic, the psychological atmosphere prevailing in Czech society was largely influenced by the lingering effects of past events that negatively affected Czech-Russian relations. Some Czech authors and politicians even wrote about a certain Russo-phobia, nurtured by the political atmosphere and associated with events, such as August 1968, fears of Russian imperialist ambitions, revolutionary inclinations, social backwardness and fundamental cultural differences between the two countries.⁷⁰

dajství za rok 2009 (<http://www.vzcr.cz/static/zprava2009.aspx>); Ruští špioni chtěli proniknout ke špičkám české armády, 31. 5. 2010 (<http://domaci.ihned.cz/c1-43966960>).

69 See Rozhovor prezidenta republiky pro deník Mladá fronta Dnes o konfliktu v Gruzii, 15.8.2008. On-line. <http://www.klaus.cz/Klaus2/asp/clanek.asp?id=INow6qrTFWsn>.

70 Экономическое и гуманитарное сотрудничество России и Чехии: новые перспективы (Economic and humanitarian cooperation of Russia and the Czech

Public opinion surveys carried out since 2000 reveal that the evolution of Czech public opinion reflects not only the views of Russia represented in official Czech political discourses but also the general context of the development of the Czech-Russian relations.

In 2001, the Czech STEM Agency published the findings of its poll concerning Czech perceptions of external military threats. The majority of respondents (75%) quite naturally mentioned the fear of terrorist attacks, in the wake of the events of 9/11. However, the second largest group (40% of respondents) perceived Russia as the main military threat to the Czech Republic.⁷¹ Here one could clearly discern the influence of the deterioration of relations between Russia and the West at the end of the 1990s and the rhetoric surrounding the NATO enlargement process.

In 2003 the Czech Public Opinion Research Centre (CVVM) published the results of a poll concerning the relations of the Czech Republic with other states. Respondents were asked to name a maximum of three countries with which the Czech Republic should maintain positive and intensive economic relations. Russia ranked 6th (mentioned by more than 16% of respondents) following the closest neighbors of the Czech Republic (Germany, Slovakia, Austria and Poland) and the US. As concerns the desirability of political cooperation, Russia ended up in 8th place and was mentioned by less than 10% of respondents. However, less than 5% of respondents perceived Russia as a country hostile to the Czech Republic.⁷² This indicates that the stereotypes of Russia as an inimical country have gradually been fading since 2000. These findings also support the view that Russia is accepted by the Czechs as a potential economic partner, rather than a political one. Further opinion polls

Republic: New horizons). Moscow, 2007. P.17.

71 Středisko empirických výzkumů: Informace z výzkumu STEM Trendy 02/2009. <http://www.stem.cz/clanek/1742>.

72 See Tisková zpráva: Centrum pro výzkum veřejného mínění. Sociologický ústav AV ČR: Vztahy ČR s jinými státy, 16.6.2003. <http://www.cvvm.cas.cz/index.php?lang=0&disp=zpravy&r=1&shw=100234>.

carried out by the STEM Agency between 2006 and 2008 revealed a gradual improvement in Czech perceptions of Russia. In 2008 the results were quite well-balanced: (more than 30% held a positive view of Russia, 43% evaluated it as relatively positive and less than 30% as rather negative).⁷³

However, a sharp drop followed in 2009. In that year, STEM made public the results of another inquiry. In contrast with the poll conducted by STEM in 2001, the fear of terrorist attacks in the Czech Republic had decreased from 75 to 52%. Russia was once again perceived as a potential enemy by the second largest group of respondents – 49% – an increase of 9 points as compared to the 2001 poll.⁷⁴ The most obvious explanation of this surge is the deterioration in Czech-Russian political relations at this time.

One may thus conclude that public opinion towards Russia is quite responsive to changes in the general political and mass-media discourse surrounding certain key events, such as NATO enlargement or the controversy over the US radar base. Of particular importance in terms of future developments is the fact that the stereotype of Russia as a significant military and security threat for the CR could still be successfully invoked – even after long periods of improvement in mutual relations. It remains quite likely, therefore, that such a rhetorical measure could be used in the future as well.

SUMMARY AND UNRESOLVED ISSUES

The evolution of Czech-Russian relations since the end of the Cold War can be roughly divided into three stages.⁷⁵ The first encom-

73 Středisko empirických výzkumů: Informace STEM z výzkumu Trendy 4/2008. <http://www.stem.cz/clanek/1523>.

74 Středisko empirických výzkumů: Informace z výzkumu STEM Trendy 02/2009. <http://www.stem.cz/clanek/1742>.

75 See also: Kratochvíl, Petr. Political relations between Russia and the Czech

passed the period when Czechoslovakia/the Czech Republic strove to break the bonds chaining it to the Soviet Union and its Communist past. Around the time of the birth of the independent Czech Republic, the Soviet troops were withdrawn, and the Warsaw Treaty and the COMECON were dissolved. The second phase was highlighted by the implementation of the vision of a “return to Europe” and comprised most of the 1990s and the early 2000s. The main aim of the country in this period was accession to the two most important Western integration organizations, NATO and the EU. Conversely relations with Russia were deemed much less relevant. Russia loomed large only when its intentions or actions were seen as clashing with the two main objectives.

Finally, the third phase is characterized by the gradual normalization of relations, with both countries firmly embedded in the new post-Cold War architecture. The thaw began earlier on the Russian side, following the new emphases of Putin’s foreign policy and the overcoming of the very tense atmosphere surrounding the eastward expansion of NATO. The move toward more friendly relations was quickly reciprocated by the Czech side. Starting with the official visit of Foreign Minister Ivanov to the country in February 2001, the Czech side responded with a visit of Foreign Minister Kavan to Moscow a year later and Prime Minister Zeman’s visit to Russia in 2002. Both Social Democratic politicians stressed the positive aspect of close NATO-Russia cooperation.⁷⁶

In general terms, the agenda of Czech-Russian relations was dominated by two basic sets of issues. The first included issues of paramount importance for the Czech Republic with far-reaching geopolitical cons. These were all related to the reorientation of the country from the East to the West:

Republic: or there and back again? In: Dezséri, Kálmán and Gáspár, Pál. *Economic and Political Relations after the EU Enlargement*. Budapest: Magyar Tudományos Akadémia Világgazdasági Kutatóintézet, 2004. P. 18-22.

76 Ibid.

1. the withdrawal of Soviet troops;
2. the dissolution of the Warsaw Treaty and the COMECON;
3. the revision of the basic legal framework regulating relations between the two countries; and
4. the accession of the Czech Republic to the main Western multilateral organizations, the European Union and NATO.

Most of these issues were settled in the 1990s. As a result, the current relationship between the two countries concerns much less fundamental problems, similar to those arising in the relations of other European countries with Russia. In other words, while the first batch of issues was related to the overcoming of the Communist past, the second wave of issues demonstrates a return to “normalcy”.

Among these issues – which are not fundamentally important for the Czech Republic but continuously played an important role in Czech foreign policy – four topics stand out:

1. the settling of the Russian debt;
2. the discussion of Czech (and regional) energy dependence on Russia;
3. the ties of the Czech Republic to other countries in the post-Soviet space and Czech support for the EU’s Eastern policy; and
4. the plans for the establishment of US military bases in East Central Europe.

The Russian debt towards the Czech Republic was largely inherited from Soviet times. In the 1990s, Moscow seemed to be unable or unwilling to settle it. Russia defaulted on its obligations several times and “repeatedly broke both instalment plan agreements and its promises to restructure the debt.”⁷⁷ This was no minor issue for

⁷⁷ Votápek, Vladimír. Policy of the Czech Republic towards Russia, the Ukraine

the Czech Republic. First of all, by the end of the 1990s, the debt had reached the amount of 3.7 billion US dollars.⁷⁸ Secondly, the unwillingness of Russia to effectively tackle this greatest stumbling block in Czech-Russian relations was often interpreted as a sign of ill-will by Czech right-wing governments, which consistently depicted Russia as an untrustworthy partner. Finally, a settlement was brokered in 2001, though of a rather unsatisfactory nature. The Czech Republic sold a major part of the debt (2.5 billion USD) to a private – and rather obscure – company at a little more than one fifth of its nominal value, thereby gaining only 538 million USD from the deal. The arrangement was sharply criticized by the Czech media and was also generally deemed to be somewhat irregular by the Paris Club of creditors.⁷⁹ The remaining 1.1 billion USD was divided into a smaller portion to be repaid by Russia in cash (400 million USD), and a larger amount that would be settled through imports.⁸⁰

While the debt settlement arose principally from the countries' past, the second major issue, the controversy over the US military base in the Czech Republic, was entirely new in the bilateral relationship. The intention of the United States to deploy parts of their system in Central Europe, Poland and the Czech Republic was interpreted in Russia as a hostile action. As a result, especially in the first half of 2007, Czech-Russian relations grew extremely tense due to the confrontational rhetoric employed by a number of Russian officials.⁸¹ For instance, the commander of the strategic missile

and Belarus. P. 99.

78 Ibid.

79 Russia's debt a prime-time issue again. *Respekt*, 21 January 2002. <http://respekt.ihned.cz/respekt-in-english/c1-36324870-russia-s-debt-a-prime-time-issue-again>.

80 Votápek, Vladimír. Policy of the Czech Republic towards Russia, the Ukraine and Belarus. P. 99.

81 For an analysis of the problem, see Donaldson, Robert and Nogee, Joseph. *The Foreign Policy of Russia: Changing Systems, Enduring Interests*. New York:

forces, Nikolay Solovtsov, suggested targeting Russian missiles at the base.⁸² President Putin's speech at the Security Conference in Munich in February 2007 summarized the main Russian objections even more bluntly. In negotiations with the United States in 2008, Russia's proposals such as the permanent presence of Russian soldiers on Czech territory also struck a very sensitive chord with the Czech public. Although both Czech⁸³ and Russian rhetoric gradually eased in 2008 and 2009, the main impulse to resolve the dispute came from the United States, after President Obama made it clear that he had different priorities and that the United States would strive for a reset in US-Russian relations. An increased US military presence in Central Europe was considered to be incompatible with this goal. Hence, the issue simply disappeared from the bilateral agenda in 2009.

Only some time after the shift in the original concept of US missile defense Czech politicians slowly began to accept the rationale for stronger cooperation between Russia and NATO, including on missile defense, and the need to remove the existing barriers in NATO-Russia relations.⁸⁴ However, Czech support remains rather

M.E. Sharpe, 2009.

82 Kratochvíl and Kuchyňková. *Between the Return to Europe and the Eastern Enticement: Czech Relations with Russia*. P. 199.

83 The deployment of the US radar system was supported by the government of Topolánek and opposed by the Czech Social Democratic Party. Former Prime Minister Zeman called the deployment plans a provocation against Russia. An especially fierce opponents of the project was the Communist Party of Bohemia and Moravia. See: *Visegrad Europe: from where and to where? Two decades of reforms in Hungary, Poland, Slovakia and the Czech Republic*. P. 549.

84 E.g. the statement by the Czech Minister of Foreign Affairs Schwarzenberg concerning the NATO Lisbon summit in November 2010. Ministry of Foreign Affairs of the Czech Republic: Minister Schwarzenberg welcomed results of the NATO Summit in Lisbon, 20.11.2010. [http://www.mzv.cz/jnp/en/issues_and_press/events_and_issues/press_releases/x2010_11_20_minister_schwarzenberg_welcomed_results_of_the_NATO_summit_in_lisbon\\$2548.html?action=setMonth&year=2010&month=4](http://www.mzv.cz/jnp/en/issues_and_press/events_and_issues/press_releases/x2010_11_20_minister_schwarzenberg_welcomed_results_of_the_NATO_summit_in_lisbon$2548.html?action=setMonth&year=2010&month=4). See also Schwarzenberg. *Russia wants parity*

half-hearted, revealing the clear preference of the country for the current security system in the Euro-Atlantic area. Consequently, Czech diplomats expressed a reserved position towards proposals concerning a new European security architecture, such as the proposal of former Russian President Medvedev, aimed at weakening the current position of NATO as the key security organization in Europe.

CONCLUSION

At the beginning of the 1990s both the Czech Republic and the Russian Federation went through an uneasy period of political, economic and social transformation. As newly established countries they also experienced a period of searching for a new position in post-bipolar system of international relations, which also meant a thorough transformation of their mutual relations. At the beginning, these relations were complicated by a number of issues which were related to the heritage of the past. A new chapter in mutual relations could not be opened until key elements of the historic burden had been resolved. While the issue of the withdrawal of troops was solved rather quickly, another matter from the past, the question of the Russian debt, persisted as an unpleasant problem for more than a decade.

After an initial period of relatively good relations, the era of a cold peace began around the mid-1990s. This was due mainly to the controversy over NATO enlargement, and the strong feeling on the Russian side that NATO accession by the Czech Republic was detrimental to its interests in Central Europe. Indeed, the view of NATO as a shield against the potential aggression of Russia was supported by some Czech policy makers, who warned against the

with US. Česká pozice, 23 May 2011. <http://www.ceskapozice.cz/en/news/politics-policy/schwarzenberg-%E2%80%98russia-wants-parity-us%E2%80%99>.

illiberal tendencies in Russia, especially after the departure of the pro-Western members of Yeltsin's government, such as Gaidar, Chubais or, to some extent, Kozyrev.

This unfavourable situation began to improve only at the end of the 1990s and in the new century, when the Social Democratic governments and later also the new President Klaus began to emphasize the positive aspects of the Czech-Russian relationship, especially in terms of economic exchange. Although the Czech Republic entered the EU in 2004 and the orientation of its economy and trade shifted massively towards West European countries during the 1990s, the need to diversify trade relations from an emerging overdependence on EU markets had become palpable as well. Significantly, the Czech accession to the EU entry has never been as controversial as its NATO membership from the Russian perspective.

The tensest moment in later developments in Czech-Russian relations again concerned security issues. In 2007-2008, the security debate focused on the planned construction of a US military base in the Czech Republic. This topic evoked surprisingly harsh rhetoric, especially on the Russian side, in particular from military circles. The Czech public, which was also quite sceptical of the project, was taken aback by the extreme Russian reaction, which damaged the public perception of Russia for some time.

Once the "radar issue" had been removed from the agenda in 2009, more attention was again devoted to economic cooperation between the Czech Republic and Russia. As a result, Czech-Russian relations became more pragmatic and sober, though still not without a heavy dose of wariness on the Czech side. It is highly probable that, in the absence of further controversial issues of the "radar" magnitude in the foreseeable future, relations will remain at the same level as today: increasingly strong economic ties accompanied by cautious political cooperation.

Slovak-Russian Relations

Alexander Duleba, Boris Shmelev

NEW BILATERAL CONTRACTUAL FRAMEWORK

As of this writing, Slovak-Russian relations are regulated by 106 intergovernmental treaties and agreements, 67 of which were concluded after 1 January 1993, when Slovakia became an independent state.¹ The basic bilateral “Treaty on Friendly Relations and Cooperation between the Slovak Republic and the Russian Federation” was signed during the official visit of Russian President Boris Yeltsin to Bratislava on 26 August 1993. The treaty entered into force in 1995.² After achieving state sovereignty in January 1993,

1 Ministry of Foreign Affairs of SR, List of treaties by country – Russia: http://www.mzv.sk/servlet/content?MT=/App/WCM/main.nsf/vw_ByID/zahranicna__politika&TG=BlankMaster&URL=/App/WCM/main.nsf/vw_ByID/medzinarodne_zmluvy-zoznam_zmluv_podla_statov&CSTATE=RUSKO&OpenDocument=Y&LANG=SK&PAGE_VSETKYZMLUVY-DWMCEA-7XEM76=1, accessed 17 September 2011. For the archive of Russo-Slovak treaties of the Russian Foreign ministry see: http://www.mid.ru/spd_md.nsf/webcantr/.

2 Zmluva o priateľských vzťahoch a spolupráci medzi Slovenskou republikou a Ruskou federáciou. In: Zbierka zákonov Slovenskej republiky. 1995. No. 9. P. 59-62. See also: http://www.mid.ru/BDOMP/spd_md.nsf/0/0EA829477EC9FEC544257AFB0028B33C.

Slovakia – as the successor to the Czechoslovak Federal Republic – inherited a post-Eastern-Bloc contractual framework with Russia/former USSR that had been negotiated by Czechoslovak diplomats in 1989-1992.

For the new Czech and Slovak political elite, which gained power in the Velvet Revolution in 1989, the Soviet Union was the main origin of the totalitarian regime that was established after World War II. This elite started off its new relationship with the Soviet Union by demanding the withdrawal of Soviet troops. Czechoslovakia was the first Eastern Bloc country to make this demand, as early as November 1989, immediately after the fall of the communist regime. In January 1990 the Prime Ministers of Czechoslovakia and the Soviet Union negotiated this issue, resulting in the 26 February 1990 treaty signed by Presidents Mikhail Gorbachev and Václav Havel in Moscow on the withdrawal of Soviet troops from the territory of Czechoslovakia. According to the treaty, the majority of the troops were to leave Czechoslovakia by 31 May 1990 and the entire withdrawal process would be completed by 1 July 1991.³ In its preamble the Slovak-Russian basic treaty of 1993 refers to the Soviet troops withdrawal treaty of 1990 as well as to a follow-up treaty of 1 April 1992 on settling the material consequences of the stay of Soviet troops on the territory of Czechoslovakia.

The crucial factor of the talks between Czechoslovakia and the Soviet Union in 1990-1991 was the coordination of negotiating positions of the three Central European (hereafter in the text – CE) states: Czechoslovakia, Hungary and Poland. In February 1991, the Czechoslovak President Václav Havel, the Polish President Lech Walesa, and the Hungarian Prime Minister Jozsef Antal convened in the Hungarian town Visegrad to lend a systematic character

3 The withdrawal of Soviet troops was one of the central slogans during and after the Velvet Revolution in Czechoslovakia (17 November 1989). For the process of negotiations see Šedivý, J. The Pull-out of Soviet Troops from Czechoslovakia. In: Perspectives. Winter 1993-1994. No. 2. P. 21-37.

to the cooperation among the three CE countries in the spirit of Havel's vision of a "joint coordinated return to Europe". A consultative forum emerged, known as the Visegrad Group. The Visegrad countries agreed to coordinate their policies toward the Soviet Union and the key structures of the Eastern Bloc – the Warsaw Pact Treaty and COMECON.⁴ Slovakia became the fourth member of the Visegrad Group as of 1 January 1993, after the division of Czechoslovakia.

The main political issue of the talks in 1990-1991 was the attempt of Soviet diplomacy to insist upon the inclusion of so-called "Kvitsinsky's security clauses" in new bilateral treaties with the CE countries, as a condition for accepting the disintegration of the Warsaw Pact.⁵ The Soviet Union agreed to the unification of Germany and the disintegration of the structures of the Eastern Bloc but resisted losing full control over the security policy of its former allies. The policy of Moscow changed only with the collapse of 1991 coup against Gorbachev which allowed for a quick finalization of negotiations. However, the break-up of the Soviet Union did not leave time for signing the new treaties, so that Czechoslovakia signed its treaty – which had effectively been negotiated with the Soviet Union – with Russia on 1 April 1992. However, due to the disintegration of Czechoslovakia, the basic treaties with its succes-

4 Cottey, A. *East-Central Europe after the Cold War. Poland, the Czech Republic, Slovakia and Hungary in Search of Security*. University of Bradford, 1997. P. 127–128.

5 Yuliy Kvitsinsky was Deputy Foreign Minister of the Soviet Union. He was the head of Soviet delegations in the talks on new bilateral treaties with the Central European countries in 1990-1991. The aim of "Kvitsinsky's security clauses" could be interpreted in the following way: the countries of Central Europe cease to be Soviet satellites and are sovereign actors of international relations; they should, however, coordinate with the Soviet Union their foreign and security policy and, as to strategy, they should choose neutrality rather than integration into the security structures of the West. For more see Akino, Y., Smith, Albion A. *Russia—Ukraine—Visegrad Four: The Kozyrev Doctrine in Action*. Prague, N.Y.: Institute for East-West Studies, 1993.

sor states – the Czech Republic and Slovakia – were renegotiated in 1993. Both were signed in August 1993.

In negotiations, Russia did not demand the inclusion of security clauses in bilateral treaties with the CE countries. Instead, it insisted on assurance from CE partners of their support for the creation of a pan-European security system from the Atlantic to Vladivostok to which NATO should be subordinated. The new Russian diplomacy aimed to obtain full membership for Russia in the Western security structures together with the CE countries.⁶

During the negotiations of a new treaty with Russia, Slovakia did not coordinate its steps with the Czech Republic, thereby violating the principle of coordination of foreign policy within the Visegrad Group for the first time. The first government of independent Slovakia, led by Prime Minister Vladimír Mečiar, declared its aim of establishing special relations with Russia. The debate in Slovakia over the signing of the treaty with Russia reached a critical point in 1993.

The arguments of opponents of the treaty were summed up by the then Director of the Slovak Institute for International Studies Svetoslav Bombík: “In the field of foreign policy and security, the treaty forces Slovakia to accept Russian ideas on how to build up the European political and security architecture (...). This concept makes it more difficult for us to try and accede to the Western security structures, mainly the WEU, but also NATO as well (...). It is systemically included within the remaining articles, containing such formulations as ‘signatories to this treaty hereby confirm

6 The so called “Kozyrev Doctrine” of Russia’s policy towards CE in 1992-1993 can be summed up in the following way: Russia must avoid international isolation; it may avoid such isolation only by approaching the Western security structures in parallel with the CE countries; in this process, the CE countries must not be given preference; at the same time it is necessary to create a Pan-European security system stretching from the Atlantic to the Urals to which NATO will be subordinated, as well as the principle that Russia must become an integral part of any institutionalized security system in Europe. For more see Akino, Smith Albion. *Russia—Ukraine—Visegrad Four: The Kozyrev Doctrine in Action*.

that the security of Europe (...) is connected with the CSCE', they shall 'assist in the creation of a unified all-European space in all of its dimensions', they shall 'jointly and individually face any respective attempts to once again divide Europe in the economic and social spheres', they shall 'develop' mutually convenient cooperation and contacts in the military sphere (...)". In his article Bombík concludes: "This text clearly forces Slovakia to connect its own security exclusively with the 'all-European' process of the CSCE".⁷

The then President of the Slovak Republic, Michal Kováč, interpreted the language of the treaty in a different manner. Immediately after signing it, he said: "The treaty proclaims the effort of both sides to cooperate on the creation of all-European economic, political, and security structures... the treaty proclaims the effort of both sides to cooperate on constructing an all-European security system and to face the efforts to divide Europe in economic and social spheres into two camps". He also added: "The treaty does not contradict the effort of Slovakia to accede to the European economic, political, and security structures."⁸ Less than three months after signing the treaty, President Kováč, having learned his lesson from the October 1993 crisis in Moscow, was much more realistic in his assessment: "Since the attempted military coup in Moscow, Bratislava considers it inevitable to obtain from NATO security-political guarantees. Unless democratic conditions in Russia and Ukraine are reinforced, the need for increasing security remains urgent."⁹

Yuriy Ambartsumov, the then Chairperson of the Foreign Affairs Committee of the Russian Parliament, visiting Bratislava in September 1993 and responding to a statement by the spokesman of the Slovak Foreign Ministry who described the goal of the Slovak Republic to accede to NATO, drew attention to an unambiguous

7 Bombík, S. O čo ide Rusku? Poznámky k pripravenej slovensko-ruskej zmluve. In: SME, 26 August 1993.

8 Národná obroda, 27 August 1993.

9 SME, 26 November 1993.

interpretation of the treaty with immediate consequences for the security policy of Slovakia. In Ambartsumov's opinion, the treaty excluded the possibility of Slovakia becoming a member of "any regional pact, NATO included, as we consider it".¹⁰

Both Slovakia and the Czech Republic, when signing new treaties with Russia in 1993, departed from the text of the basic treaty between Czechoslovakia and Russia of April 1992. However, according to the assessment of Yutaka Akino and Adam Smith Albion: "Czechs were successful in burying the Kozyrev doctrine implicitly contained in Article 11 (of the basic political treaty), having changed the formulation 'to face a new division of Europe' into 'to contribute to overcoming the division of Europe' (...). By the change of terms, Czechs neutralized any possible Russian objections against the accession of the Czech Republic to NATO which could follow from the treaty".¹¹

Further historical developments proved that the bilateral Slovak-Russian treaty of 1993 did not prevent the accession of Slovakia to NATO a decade after its conclusion. At the same time, the way in which the Slovak-Russian bilateral treaty was handled in 1993 highlighted the different approach of Slovak governments led by Mečiar to developing relations with Russia, as compared with the policies of the other Visegrad countries.

RUSSIA ON SLOVAKIA'S FOREIGN POLICY AGENDA

Slovakia's approach towards Russia since 1993, when it achieved independence and started formulating its own foreign policy, is

10 SME, 23 September 1993.

11 Akino, Smith Albion. Russia—Ukraine—Visegrad Four: The Kozyrev Doctrine in Action. P. 7. The authors refer to an interview with Dr. Josef Hajek, Head of the 3rd Department of the Czech Foreign Ministry, on 19 November 1993.

rather an evolving concept. Slovak governments since 1993 have shaped their policies towards Russia following pragmatic considerations driven by domestic developments and a changing international environment. Differing domestic and foreign policy priorities have led different Slovak governments to different concepts of their relations with Russia. Slovakia has had nine governments over the last twenty years, eleven foreign ministers, but only four Prime Ministers. Vladimír Mečiar, Mikuláš Dzurinda, Robert Fico and Iveta Radičová formed governments with diverse political programs, including the country's foreign policy.¹² When it comes to the relationship with Russia and its role in the projection of the national interests of Slovakia on the international scene, Mečiar, Dzurinda/Radičová and Fico approached the issue from different political perspectives.

Russia's approach towards Slovakia has not changed as frequently and significantly over the last two decades. Rather, it may be divided into two periods, i.e. before and after Slovakia's accession to NATO and the EU in 2004, which required both Russia and Slovakia to adapt their bilateral relations to the framework of Russia's relations with those organizations.¹³

12 There was continuity when it comes to foreign policy concepts between the government led by Radičová (July 2010 – April 2012) and Dzurinda in the two subsequent periods of 1998 – 2002 and 2002 – 2006. Dzurinda also served as the Foreign Minister in the government of Radičová. Both were leading representatives of the Slovak Democratic and Christian Union (SDKÚ), the party which was the strongest force of the governmental coalitions led by Dzurinda and Radičová.

13 Since the changes in Slovakia's domestic politics have been a decisive variable in the development of Slovak-Russian relations, the authors of this study agreed to apply it to the periodization of bilateral relations over the last nineteen years.

Mečiar government (1993-1998)

In terms of Slovakia's economic interests, Russia played an important role within the former Czechoslovakia. The military industrial production of Czechoslovakia – geared mostly towards the Soviet Union and, later, Russia – was concentrated on the territory of Slovakia, playing a dominant role in the country's economy. More than 30% (according to various sources between 30 and 40%) of Slovak industrial capacity was oriented towards the Soviet Union in terms of both an import dependence on the supply of parts and marketing of the final products. Economic circles connected with the military industrial complex in Slovakia refused the federal Czechoslovak government's program on the conversion of the military industry already in the late 1980s.¹⁴ Representatives of this part of the Slovak economy became supporters of the division of Czechoslovakia, since they believed they could manage their economic interests better within an independent state. In this way the intellectual and political arguments for Slovak separatism became supplemented with an economic impetus, which became one of the decisive factors leading to the division of Czechoslovakia.

Mečiar was deposed from his post as Prime Minister of Slovakia (still part of Czechoslovakia at that time) by the Council of the Public Against Violence movement (*Verejnost' proti násiliu* – VPN Council)¹⁵ after his first visit to Moscow in April 1991. In 1991 Mečiar defended his efforts to develop relations with the Soviet Union before his political opponents, pointing out that “if we manage to orientate our economy to the eastern market and

14 For more see Stigel, Ján. *Pragmatizmus nad morálkou. Proces konverzie zlikvidoval na Slovensku 91 percent špeciálu*” (Pragmatism over morals. Conversion has destroyed 91 percent of Slovakia's military production). In: *Národná obroda*, 21 July 1993. P. 7.

15 VPN was the leading anticommunist and wide spectrum political movement in Slovakia during and after the 1989 Velvet Revolution.

preserve the trade with the Soviet Union, we shall have lower unemployment.”¹⁶

After leaving the VPN, Mečiar set up the Movement for Democratic Slovakia (HZDS) that became the main representative of the interests of precisely the military branch of Slovak industry. HZDS became the strongest political force in Slovakia in the 1990s after the “velvet revolution”. It won the parliamentary elections in 1992 and managed the process of the division of Czechoslovakia with the leading political force in the Czech Republic, the Civic Democratic Party (ODS) led by Václav Klaus. Mečiar became the first Prime Minister of the independent Slovak Republic on 1 January 1993. His government continued trying to develop “special economic relations” with Russia in order to sustain the interests of the Slovak military industry. In 1993-1995, a strategic vision was formulated in Slovakia which implied that Slovakia should become a geo-economic bridge between the West and the East. According to this vision, the closer the relations between Slovakia and Russia, the more important Slovakia would become for the West.¹⁷

Russia highly appreciated the pragmatic approach of the Slovak government towards bilateral cooperation and rendered support to the Mečiar government, including through lower prices on energy resources.¹⁸ In 1996-1997 talks were held on a bilateral Free Trade

16 *Národná obroda*, 19 April 1991. P. 1.

17 Duleba, A. *The Blind Pragmatism of Slovak Eastern Policy. The Actual Agenda of Slovak-Russian Bilateral Relations*. Working Paper No. 1. Bratislava: Research Centre of the Slovak Foreign Policy Association, 1996.

18 Slovakia was the only non-CIS country signatory to the Surgut Agreement of March 1993 with observer status. The agreement established a joint CIS Commission on the development of the oil and gas fields in the Surgut area in Western Siberia. Slovakia's participation in the agreement led to assumptions that Russia was applying a CIS model of oil and gas prices to Slovakia (circa 50% off the world price) in order to support Mečiar's government. See *Rossiya i Tsentralno-Vostochnaya Yevropa: transformatsiya v kontse XX—XXI veka*. (Russia and Central and Eastern Europe: The transformation at the end of the 20th-21st Centuries). Vol. 2. Moscow: Nauka, 2005.

Agreement (FTA) between Slovakia and Russia but failed due to the differing international regimes of both countries. Since Russia was not a WTO member, Slovakia would break the rules of its own WTO membership if it signed an FTA with Russia. Apart from this, the Customs Union with the Czech Republic (1993) as well as the Association Agreement with the European Communities (1992) implied that both the Czech Republic and the EC would have to approve any sort of trade liberalization between Slovakia and a third party, including Russia. Ultimately, Mečiar's government learned that negotiating an FTA with Russia would not compensate for the economic losses of Slovakia if it were to lose preferential access to the markets of the EU and neighboring countries.

The prevailing assessments by Russian and Slovak experts differ significantly on the issue of what economic benefits Slovakia could and did enjoy in the 1990s due to special nature of the Mečiar government's relations with Moscow. In Russia, the prevailing view is that Mečiar's Eastern policy allowed Slovakia to cope successfully with the difficulties of the economic transformation and to launch its economic growth in the mid-1990s. In Slovakia, the prevailing view is that the above assumption is a political myth rather than a reality, since the then existing trade regime of Slovakia with the European Communities, the Customs Union with the Czech Republic as well as CEFTA membership made any privileged energy prices through which Russia would subsidize Slovakia and/or any privileged treatment of Russian companies in Slovakia and vice versa impossible.¹⁹

All Slovak governments from 1993, including the third Mečiar government that was formed after the 1994 early parliamentary elections, declared that their main foreign policy goal was integra-

19 Duleba, A. Slovensko-ruské hospodárske vzťahy - viac otázok ako odpovedí: obchodné problémy, vízie, suroviny a záujmy. In: Mezinárodní vztahy. 1997. No 2. P. 31-50. For the analysis from the Russian perspective see: Russia and Central and Eastern Europe.

tion into the Western structures (NATO and EU). In its program the 1994 Mečiar government presented a desire for full integration into the structures of the developed democratic world “to which we are bound by historical traditions and natural relations”.²⁰ However, due to its authoritarian style of domestic politics, the Mečiar government disqualified Slovakia from the first round of NATO enlargement and from the opening of negotiations on EU accession in the late 1990sm thereby decoupling Slovakia from its Visegrad neighbors. Mečiar’s egregious statement “if they don’t want us in the West, we shall turn East”²¹ well illustrated his approach in coping with the strategic dilemma of the country’s foreign policy.²²

The government of Mečiar, re-elected in October 1994, began to centralize power in its hands as well as to destroy democratic institutions. It received three diplomatic demarches – two from the EU (on 24 November 1994 and 25 October 1995) and one from the US (on 27 October 1995). The subject of their concern was the government’s undemocratic style of rule, including repressions against the political opposition, the independent media and civil society.²³ Unlike the US and the EU, Russia politically supported the Slovak government in defence of its “specific form of democracy” against

20 Programové vyhlásenie vlády Slovenskej republiky (The Slovak Republic Government Program), Part I. Foreign Relations. In: Pravda, 16 January 1995. P. 8.

21 Quoted from Wolf, Karel. *Podozrivá zmluva* (The Suspicious treaty). In: *Domino efekt*. 1993. No. 34. P. 2.

22 The authors of this study differ in their understanding of the grounds for Western criticism of Slovakia under the third government led by Mečiar (1994–1998). From the Russian perspective, Western criticism was motivated by good relations with Russia and the pro-Russian policy of the then Slovak government. From the Slovak perspective the reasons for Western criticism of the third Mečiar’s government were primarily connected with its authoritarian rule that violated the democratic principles to which Slovakia had committed itself in its association agreement with the EC as well as in its NATO accession bid.

23 Texts of the EU and the US demarches to the Government of the Slovak Republic. Documents. In: Pravda, 9 November 1995. P. 5.

the West²⁴. Reciprocally, Mečiar demonstrated sympathy for Russia's criticism of NATO's eastward expansion.

During his visit to Moscow in October 1995 Mečiar said: "NATO enlargement is included in the government program and the government so far has not changed its program". He further linked his vision of a secure Europe to the creation of a pan-European continental security system including Russia. He explained "one of the possibilities is that NATO will transform into an organization covering the whole of Europe with member states as well as co-operative ones. The division of Europe into two parts would be a historical mistake".²⁵ After 1995 Mečiar understood that Slovakia under his rule would not become a member of either NATO or the EU. Relations with Russia became a foreign policy priority for his cabinet and were considered as an alternative to Slovakia's Euro-Atlantic integration.

In the end, Mečiar's policy led Slovakia into an international deadlock. At the same time Mečiar's authoritarian style of rule undermined his political and public support at home and led to the creation of a united political front of opposition forces that won the 1998 elections.

Dzurinda government (1998-2006)

The government led by Mikuláš Dzurinda came to power after the 1998 parliamentary elections. It completely changed the parameters of Slovakia's foreign policy, including relations with Russia. The Medium-Term Concept of Slovak foreign policy, which further developed the foreign policy program of the Dzurinda government,

24 See The Wall Street Journal, 11 January 1996; Pravda, 23 April 1996. P. 10.

25 Drábek, Ivan. Počas rokovaní V. Mečiara v Rusku uzavreli šesť dohôd (They have concluded six agreements during Mečiar's negotiations in Russia). Pravda. 2 November 1995. P. 1, 13.

declared: "Foreign policy towards Russia should be entirely coordinated with the EU approach, while in the security sphere Slovak-Russian mutual cooperation must continue to be determined by the nature of ties between the Russian Federation and NATO".²⁶ Official government materials dealing with Russia from October 1998 contain two basic components: firstly, the declaration of the desire for "correct", "balanced", "partner-like" and "mutually advantageous" relations with Russia, and secondly, the statement that Russia remains an important economic partner for Slovakia, particularly with regard to imports of strategic energy resources.²⁷

Russia responded to the changed attitude of the Slovak side with political restraint, rendering the period of 1998-2000 the poorest in the modern Slovak-Russian relationship in terms of intensity of official contacts and political agenda. Ultimately, Russian diplomacy abandoned the policy towards Slovakia developed in the Mečiar period. In January 2001 the then Russian Foreign Minister Igor Ivanov visited Slovakia. It was the first high-level Russian visit since the 1998 parliamentary elections. Ivanov told the Slovak political elite and wider public that Russia respected Slovakia's Euro-Atlantic orientation and the decision of its government to seek NATO membership. Ivanov's visit had enormous importance for post-Mečiar Russian-Slovak relations, as it was interpreted as sending the message that Moscow respected the new Slovak government's choices and was open to a fresh start.²⁸ The political relationship was repaired in November 2001, when Slovak President

26 Priority zahraničnej politiky Slovenskej republiky na obdobie rokov 2000–2003. Strednodobá koncepcia (Foreign Policy Priorities of the Slovak Republic from 2000 to 2003. A Medium-Term Conception). Bratislava: Vláda SR, 2000; Programové vyhlásenie vlády SR (The Program Declaration of the Government of SR). Bratislava: Vláda SR, 1998.

27 Programové vyhlásenie vlády SR (The Program Declaration of the Government of SR). Bratislava: Vláda SR, 1998.

28 See Javúrková, Baša. Rusko hľadá k inému Slovensku iný prístup (Russia looks for a new approach to a new Slovakia). SME, 2 February 2001.

Rudolf Schuster visited Moscow. It was the first official visit of the head of the Slovak Republic to Russia since 1993.

The second government of Dzurinda, formed after the 2002 elections, continued its Russia policy of 1998-2001. Dzurinda paid his first official visit to Moscow in April 2003. His counterpart, Russian Prime Minister Kasyanov, appreciated the favourable investment environment for Russian companies in Slovakia as well as the decision of the Slovak government to use Russian capacities in the field of modernization and maintenance of military technology.²⁹ Indeed, Slovak-Russian relations in 2004-2006 were focused on economic cooperation and trade.

First of all, there was the need to update the bilateral foreign trade regime and respective economic agreements in terms of Slovakia's EU membership from 2004. Another issue was the repayment of Russia's debt to Slovakia (\$1.6 billion). The repayment process was mostly completed by the end of 2005. A further focus of political contacts at the highest level since 2004 was the fate of the 49% of stocks of the Slovak oil transit company Transpetrol, which had been acquired by the Russian oil company Yukos in 2001. The issue gained prominence after Yukos was sent into bankruptcy in 2004.

Apart from the business-like approach to mutual relations under the second Dzurinda government, both sides recognized that they differed on a number of important international issues, and on the assessment of developments in the "common neighborhood" in particular. They differed significantly in their view of the Orange revolution in the Ukraine in 2004 and of the political regime in Belarus under President Lukashenka. The second government of Dzurinda became an active supporter of political changes in Ukraine and of civil society in Belarus. In 2004 the Slovak government launched a special Official Assistance Program aimed at supporting democratization processes in Ukraine and Belarus via

29 Drábek, Ivan. *Moskva si cení Dzurindov pragmatizmus* (Moscow appreciates pragmatism of Dzurinda). *Pravda*, 9 April 2003.

the cooperation of Slovak NGOs with their Ukrainian and Belarusian partners.³⁰ At the official level both Russia and Slovakia referred several times to profound differences on those issues.³¹ Nevertheless, Russia accepted Bratislava as the venue for a meeting of Vladimir Putin and George W. Bush in February 2005. It appears that the second Dzurinda government managed to succeed in making Slovakia a bridge between the West and the East to an even greater extent than Mečiar.

Fico government (2006-2010)

The third period of Slovakia's Russia policy began after the 2006 parliamentary elections. The new left-oriented government, led by Robert Fico, declared that it would pursue continuity in the field of foreign policy. Nevertheless, Fico's government approached relations with its Eastern neighbors by emphasizing new aspects in comparison with its predecessor. First of all, it committed itself to intensifying the economic dimension of Slovak diplomacy³². Fico specified that diplomacy's economic dimension would chiefly concern the further development of Slovakia's relations with Russia and the countries of Eastern Europe. He stated that he would personally advocate for the improvement of Slovak-Russian relations.

30 Národný program oficiálnej rozvojovej pomoci na rok 2005 (National Program of the Official Development Assistance for the year of 2005). Bratislava: Ministry of Foreign Affairs of the SR, 2005.

31 See e.g.: Kukan a Lavrov sa zhodli vo všetkom s výnimkou Bieloruska (Kukan and Lavrov agree on everything, but not over Belarus). SME, 5 April 2006; Lavrov zajavlyayet, chto Rossija chochet videt' Ukrainu demokraticheskoy stranoy (Lavrov declares Russia wants to see Ukraine a democratic country). Korrespondent.ua, 5 April 2006.

32 Programové vyhlásenie vlády SR (Program Declaration of the Slovak Republic) Vláda SR, Bratislava 2006. <http://www-8.vlada.gov.sk/index.php?ID=1672>.

Despite the emphasis on a pragmatic economic approach towards Russia and Ukraine, Fico government was unable to prevent the gas crisis in January 2009. The supply of Russian natural gas via Ukraine to Slovakia was fully disrupted for the first time since 1972, when the transit pipeline had come into operation. In January 2009 circa 1000 Slovak companies had to suspend production for almost two weeks. According to the official estimate of the Slovak Ministry of the Economy, the total economic losses for Slovakia came to more than 1 billion EUR.³³ The gas crisis of January 2009 compelled Fico's government to address the issue of the security of the energy supply, including a search for alternative ways to secure its natural gas supply.

There were two principal similarities in Mečiar's and Fico's approaches to Russia. Both emphasized developing pragmatic economic relations with Russia, and both exhibited a certain sympathy for Russia's positions on a number of issues on the European and international security agenda.

Fico paid his first official visit to Russia on 4 May 2007. Before and during the talks with Putin, he heralded his understanding of Russia's concerns with regard to the then anticipated deployment of elements of the US National Missile Defence (NMD) in the Czech Republic and Poland and stressed that he personally would never have agreed to such deployments on the territory of the Slovak Republic. The President of Russia highly appreciated the Slovak Prime Minister's position on the issue of NMD.³⁴ Both sides also agreed on the resolution of Kosovo's final status. Putin notified Fico that Russia would be ready to defend Serbia in the UN Security Council and would not support any resolution against its interests. Should

33 SITA, 6 February 2009.

34 Informácia o priebehu a výsledkoch oficiálnej návštevy predsedu vlády Slovenskej republiky Roberta Fica v Ruskej federácii dňa 4. mája 2007. Government of the SR, Bratislava 2007; Načalo rossijsko-slovackich peregovorov, 4 maja 2007 goda, Novo-Ogarevo. Rossijsko-slovackije otnošenija, 2007. Posol'stvo Rossijskoj Federacii, Bratislava 2007.

Kosovo declare independence unilaterally, Russia would apply the same approach to the solution of protracted conflicts in post-Soviet space. Fico informed Putin of the resolution passed by the National Council of the Slovak Republic (the parliament) rejecting the option of a unilateral solution of Kosovo's status. He added, however, that "the Slovak Republic will not be more Serbian than the Serbs themselves".³⁵

It is important to note that the NMD position articulated by Fico in Moscow did not enjoy sufficient support back home, including in the Slovak government. The gap between his statements and the policy of the Slovak Foreign Ministry or the President of the Slovak Republic Ivan Gašparovič was obvious, since Slovakia, as a NATO member state, endorsed the Bucharest Summit Declaration of April 2007 – before the Prime Minister's visit to Moscow. Article 37 of that Declaration approved the deployment of American NMD in Europe as a contribution to the security of all members of the Alliance. The statements of Fico also provoked critical comments from the Czech and Polish governments.³⁶

In short, when it came to certain key issues of the international security agenda which caused tensions between the majority of NATO and EU countries on one side and Russia on the other, Fico articulated a position close to or identical with that of Russia. However, the first Foreign Minister in Fico's cabinet, Ján Kubiš (2006-February 2009), did not share the assessments of his Prime Minister at least on two issues: the deployment of NMD in the

35 Informácia o priebehu a výsledkoch oficiálnej návštevy predsedu vlády Slovenskej republiky Roberta Fica v Ruskej federácii dňa 4. mája 2007. Government of the SR, Bratislava 2007. <http://www.rokovania.sk/appl/material.nsf/0/2A5FC6BB35397F74C12572EA0047DC18?OpenDocument>.

36 Bucharest Summit Declaration Issued by the Heads of State and Government Participating in the Meeting of the North Atlantic Council in Bucharest on 3 April 2008. In: NATO Press Release 2008(049); Topolánek a Fico sa na radare nezhodli (Topolánek and Fico did not agree over radar). In: TASR, 18 November 2007.

Czech Republic and Poland, and the reasons for the Russia-Georgia military conflict in August 2008.³⁷

In order to explain the new emphasis of Slovakia's foreign policy, Kubiš pointed out the following: "unlike Dzurinda's government, Fico's is more oriented towards the EU and its policies and less towards the US."³⁸ In any case, discrepancies among the members of the Slovak government over key international issues relevant to Russia's position within the European security architecture had once again appeared in the Slovak discourse, many years after the Mečiar period.

The official two-day visit of the Russian President Dmitry Medvedev to Bratislava on 6—7 April 2010 marked the main event of official bilateral contacts during the Fico government. It was the third official visit of the Russian President to Slovakia. In addition to talks with senior Slovak representatives, Medvedev took part in the ceremonial event marking the 65th anniversary of Bratislava's liberation at the national World War II memorial Slavín. The Presidents signed a joint declaration on the 65th anniversary commemorating the end of World War II and friendly Slovak-Russian relations.³⁹ Eight new bilateral intergovernmental and trade agree-

37 Fico: Vojnu vyprovokovalo Gruzínsko (Georgia has provoked the war). In: *Sme*, 13.8.2008; Za zhoršenie vzťahov môže NATO, nie Rusko, povedal Fico (NATO is responsible for worsening relations, not Russia). SITA, 22 August 2008; Kubiš: Rusko je spoľahlivý, aj keď zložitý partner (Russia is a reliable but still not an easy partner), SITA, 4 September 2008; Kotian, Robert, Slovensko a rusko-gruzínsky konflikt (Slovakia and the Russia-Georgia conflict). In: *Český rozhlas 6*, 5 September 2008 (<http://www.rozhlas.cz/cro6/komentare/zprava/491716>).

38 Havran Jr., M. Predchádzajúca vláda sa orientovala na USA, táto na EÚ (The former government has been oriented towards the U.S. whereas this one is oriented towards the EU). Interview with J. Kubiš for the Internet portal *www.JeToTak.sk*, 11 March 2007.

39 Prezident Ruskej federácie Dmitrij Medvedev na oficiálnej návšteve Slovenskej republiky, Press department, Office of the President of Slovakia, April 6, 2010. http://www.prezident.sk/?spravy-tlacoveho-oddelenia&news_id=10998

ments were signed during the visit,⁴⁰ which became the high point in Fico's efforts to improve economic relations between Slovakia and Russia.

Radičová Government (July 2010–April 2012)

As mentioned above, former Prime Minister Dzurinda served as the Foreign Minister in the cabinet of Iveta Radičová. Thus, Slovakia's foreign policy returned to the strategic points it had developed after the end of Mečiar's rule in the 1990s. Unlike relations with its Eastern Partner countries, where Slovakia's policy had maintained its continuity between the governments of Fico and Radičová, relations with Russia were subject to change in 2010. The New Slovak government adopted distinct positions on the NMD and the natural gas crisis of January 2009.⁴¹ It also reversed Slovakia's official view of the construction of a wide-gauge railway track from Košice to Bratislava and Vienna – the previous government's preferred project of bilateral cooperation with Russia.

The Radičová Government declared it did not support the construction of a wide-gauge railway track on Slovak territory.⁴² In November 2010, Prime Minister gave a clear and concise answer to a journalist's question, asking whether a wide-gauge railway track would be constructed across Slovakia: "No. Transshipment will

(February 3, 2011).

40 Ibid.

41 Interview of SDKU expert on foreign policy, M. Ježovica, with Lucia Nicholson before the parliamentary elections in February 2007: Ježovica, M.: *Premiér riskuje stratu partnerov v Európe*. Aktuálne.sk, February 20, 2007. Available online: <http://aktualne.centrum.sk/clanek.phtml?id=228345> (3 February 2011).

42 *Občianska zodpovednosť a spolupráca*. Programové vyhlásenie vlády Slovenskej republiky na obdobie rokov 2010–2014. Bratislava: Government of the Slovak Republic, August 2010.

The wide-gauge railway track connecting Asia with Europe

During the 2010 Medvedev's visit, the Office of the Government organized a presentation of the construction project of the wide-gauge railway track from Košice to Bratislava and Vienna. The aim of the project was to make continental rail transport of Eurasian cargo competitive to sea transport in shipping goods from Asia to Europe and vice versa. The Slovak part of the project would extend the existing wide-gauge railway network on the territory of Russia, Ukraine and Central Asian countries in order to connect it to the cargo terminal in Austria. The project became the most prominent endeavour of Slovak-Russian relations during the Fico government.

continue in Čierna nad Tisou.”⁴³ The Government Manifesto from August 2010 reads: “The Government has a vested interest in good political, economic and cultural relations with Russia. The depth of these relations will be determined by the values to which Russia adheres and by the clearly defined interests of Slovakia. In the bilateral field, it will pursue the pragmatic objective of developing mutually beneficial economic relations, the deepening of cultural relations and learning about one another. Slovakia has a natural interest in a modern, plural and democratic Russia respecting the freedom of individuals, and will support Russia on this road both bilaterally and within the EU, NATO and in other international organizations. It will support strong and transparent relations between the EU and Russia (including in the energy field), and will endorse the membership of Russia in the World Trade Organization (WTO).”⁴⁴

43 Radičová sklamala Rusov. Širokorozchodná nebude, ČTK, 25 November 2010.

44 Občianska zodpovednosť a spolupráca. P. 52-53.

With regard to the visit of the Russian President to Slovakia in April 2010, the 2010 Slovak Foreign Policy Report reads: “The visit of the Russian President was met with a critical public response, because issues that are historically important to the SR were not addressed”.⁴⁵ Even though the report did not specifically list historical events, some of the Slovak public expected a mention of the occupation of Czechoslovakia by Warsaw Pact armies in 1968 in the Presidents’ assessments of post-war history, during the commemoration of Bratislava’s liberation in April 2010.⁴⁶

The first talks between Dzurinda and his Russian counterpart Lavrov took place on 21 September 2010 at the margins of the 65th Session of the UN General Assembly in New York. The ministers discussed bilateral issues in the context of the implementation of agreements concluded during Medvedev’s visit to Slovakia and prospects for collaboration in multilateral formats.⁴⁷ The Slovak Ministry offered humanitarian assistance in the form of medical and wellness trips for children from socially underprivileged Russian families, after the catastrophic wildfires in Russia in 2010.⁴⁸ The policy shift of the new government in relation to Russia had no effect on mutual foreign trade. On the contrary, in 2010 trade turnover grew by more than 1 billion EUR to 6 billion EUR (4.8 billion in 2009).⁴⁹

45 Správa o plnení úloh zahraničnej politiky Slovenskej republiky v roku 2010. Bratislava: Ministerstvo zahraničných vecí SR, 2011. P. 8.

46 See the full text in: Medvedev a Gašparovič spomínali na rok 1945, na august 1968 zabudli. In: Pravda, 7 April 2010.

47 O vstrechee Ministra inostrannykh del Rossiya S.V. Lavrova s Ministrom inostrannykh del Slovakiya M. Dzurindoi. Ministry of Foreign Affairs of the Russian Federation, 22 September 2010. <http://www.mid.ru/bdomp/ns-reuro.nsf/348bd0da1d5a7185432569e700419c7a/432569d80022027ec32577a6002cfa0f!OpenDocument> (16.4.2011).

48 Správa o plnení úloh zahraničnej politiky Slovenskej republiky v roku 2010. P 10.

49 Zahraničný obchod SR za rok 2010 (a rok 2009). Bratislava: Ministerstvo hospodárstva SR, 2011.

However, Russia was apparently seeking to reduce the transit of natural gas via the Ukraine and thus via Slovakia through the construction of the new pipelines Nord and South Stream. This would most probably harm the long-term interests of the Slovak Republic. Nor would it serve the purpose of improving Slovak-Russian relations. Slovakia and Russia seemed to be heading in different directions on this issue. At the same time, the natural gas crisis of January 2009 showed that even Fico's support of Russia's positions in international security issues could not prevent the disruption of the supply to the Slovak Republic and resultant damage to Slovakia's economic interests. The new government made it clear that it would not deal with Russia on political and security issues outside of NATO and the EU.

The government's rejection of the plans for the construction of a wide-gauge railway track through the Slovak Republic, at the same time, deprived the country of another project which could become a symbol of Slovak-Russian cooperation while providing a meaningful and constructive agenda for both of them. In the past, this role was fulfilled by the strategic importance of cooperation in the field of oil and natural gas transit. However, this seems to be slowly becoming a historical niche. Slovakia and Russia are gradually losing common interests, agendas and shared stakes. The only question is whether this trend has already become irreversible.

IMPACT OF EU ENLARGEMENT

The key institutional tool for cooperation between Slovakia and Russia was previously the Intergovernmental Commission for Economic and Trade Cooperation, established by the 1993 basic treaty. During regular meetings of the Commission, key bilateral issues of economic cooperation, including conditions of mutual trade, were negotiated. After Slovakia's EU accession in 2004 this became

largely obsolete, thereby highlighting one effect of the EU enlargement – that of narrowing the toolbox available to Slovakia for the purpose of regulating its trade relations with Russia.

The representation of Slovak interests related to trade with Russia was transferred to the EU, as the European Commission is the single body that negotiates terms of foreign trade with goods⁵⁰ on behalf of all member states in relation to third countries as well as in the World Trade Organization (WTO). In order to comply with the EU *acquis* the Dzurinda government had to abandon the previous legal regime of Slovakia's economic relations with Russia. The 2002 decision to disband the bilateral Intergovernmental Commission was part of that adjustment process.⁵¹

However, the Fico government (2006—2010) decided to resume the work of the Commission while exempting from its agenda any trade issues that could interfere with the EU *acquis*. The bilateral Commission was re-established under a new name: the Intergovernmental Slovak-Russian Committee for Economic and Scientific-Technical Cooperation.⁵²

DOMESTIC POLITICAL DISCOURSE IN SLOVAKIA

“Russo-phobia” is not a prevalent phenomenon in Slovakia. In comparison with the public discourse on Russia in, for example, neighboring Poland, Slovakia might probably be characterized

50 This is different as far as the trade in services is concerned. Here EU member countries may apply bilateral arrangements with third countries and are authorized to act individually, although not without supervision from the Commission.

51 Duleba, A. Relations of the Enlarged EU with its Eastern Neighbors and the Foreign Policy of Slovakia. In: Brezani, Peter (ed). Yearbook of Foreign Policy of the Slovak Republic, 2004. Bratislava: Research Center of the SFPA, 2005.

52 Informácia o priebehu a výsledkoch oficiálnej návštevy predsedu vlády Slovenskej republiky Roberta Fica v Ruskej federácii dňa 4. mája 2007. Government of the SR, Bratislava 2007.

even as a rather “Russophile” country. This phenomenon is rooted in history, which granted Russia a special role in the formation of the Slovak political identity.

It is only natural that there are differences in the perspectives of different political groups. However, in contrast to the view in Poland or the Baltic states, the appreciation of “post-communist Russia” in Slovak political discourse is not simply an extension of the image of the Soviet Union and/or of the Russian empire. Slovaks did not have too many dramatic or negative experiences with Russian imperialism in the past, especially with regard to the history of their national emancipation. For this reason, the historical appreciation of Russia in Slovakia is derived from the theory of pan-Slavism rather than from that of Russian imperialism. In fact, pan-Slavism was born in Slovakia and the Czech lands of the former Habsburg monarchy and provided a basic mental framework for the political consciousness of the Slovak “revival elite” of the 19th century.

Central European Pan-Slavism arose in the 19th century out of the fear of an eventual assimilation of Slavic nations within the Habsburg and Ottoman empires. It was at this time that the intellectual and political elite of the Slavic nations, including the Slovaks, originated. The European “Spring of Nations” attracted the newly born elite of the Slavic nations, which sought to put into practice the principle of national self-determination. However, the “Spring of Nations” soon became a “War of Nations”, in which pan-Slavism was established as a platform opposing pan-Germanism and pan-Hungarianism within the Habsburg monarchy. As it is interpreted in Slovak history, the “treason” by the Habsburg throne after 1848, when it rejected the political program of the Slavic nations in the Monarchy despite their alliance against the Hungarian revolution, brought disappointment among the Slavic elite and buried the concept of Austro-Slavism, as well as the aspirations of the Habsburg Slavs to gain an equal position in the multinational Monarchy. In the aftermath, Russia was viewed by the first generation of the Slo-

vak national elite as the only Slavic nation which could render support to Slavs in Central Europe.⁵³

The leader of the Slovak Revival generation, Ľudovít Štúr, published his last book "Slavism and the Future of the World" in 1853. It is considered in Slovak historiography as a political testament addressed to the next generations of the Slovak political elite. He wrote: "If the Slavs are not allowed to organize themselves and to develop in the federal states or under Austria, there is only one possibility left which has a future. Tell me frankly, brothers, was it not Russia lighting our sad past like a lighthouse in the dark night of our life?"⁵⁴

After the collapse of the communist regimes, there emerged in East Central Europe certain national political forces which derived their legitimacy from the political message of the first generation of the national "revival" elite in the 19th century. This is true not only with regard to the Serbian but also the Slovak nationalists. Poles do not share this "Russian illusion", as Russia presented a direct threat to their national freedom for many centuries. The Czechs rid themselves of their own "Russian illusion" of the 19th century Slavic Revival after the invasion of 1968, if not before. The Slovak nationalists did not, however, as they did not have the same feeling of ownership with regard to the Czechoslovak state. Moreover, the former unitary state of communist Czechoslovakia became a federal state, with Slovakia as a federal republic, only after 1968. From the perspective of a "nationalist narrative" of Slovak history, one could hardly find a negative experience of Slovaks with Russia in the past. This is something which makes the Slovak perception of Russia unique in the region

53 See Popovič, Michal. *Revolucijno-demokraticne jednanja Slovjan u XIX st.* (Revolutionary and Democratic Alliance of Slavs in 19th century). Prešov, Bratislava: SNP, 1973. See also: Duleba, Alexander. Slovakia's Historical and Cultural Relations with Russia and the Ukraine. In: Iris Kempe, Wim van Meurs, Barbara von Ow (eds.). *The EU Accession States and Their Eastern Neighbours*. Gütersloh: Bertelsmann-Stiftung, 1999. P. 254-276.

54 Štúr, Ľudovít, *Slovanstvo a svet budúcnosti* (Slavs and Future of the World). Bratislava: Slovenský inštitút medzinárodných vzťahov, 1995. P. 150.

of Central Europe, especially in comparison with modern Polish or Baltic historical views on Russia. There is not such a strong identification of “Soviet Russia” with “historical Russia” in Slovakia as can be observed in the political discourse of the neighboring countries.

The Slavic idea was and still is part of the ideological identity of the nationally oriented Slovak elite, because it was a present at the birth of national awakening in the 19th century. Modern Slovak nationalism draws its message directly from the Ľudovít Štúr generation when seeking a national identity for the newly independent Slovak state. Due to the fascist character of the Slovak war state (1939-1945), which has been rejected by the majority of the Slovak population, there is no other acceptable historical and ideological background for modern Slovak nationalism. The policy process and security debates in Slovakia since 1993 have also been determined by the fact that Slovak-Hungarian relations had direct domestic political implications. Slovakia’s nationalistically oriented political forces (especially the Slovak National Party, re-established in 1990) perceive Russia as a “desirable” power in Central Europe, a Russia which is able and willing to balance German-Hungarian influence in the region, if speaking in “historical terms”.⁵⁵ This is the background for their efforts to revive the pan-Slavic idea and/or “special relationship” with Russia. The argument for “Slavic solidarity” and/or “special relations with Russia” was one of the key arguments of the opponents of Slovakia’s NATO membership during the “NATO versus neutrality” debate in Slovakia in the 1990s.⁵⁶

Russophile sentiments and attitudes are not limited to nationalistically oriented political forces in contemporary Slovakia.⁵⁷ Referring

55 Tesar, Ján. Geopolitika samostatného Slovenska (Geopolitics of an independent Slovakia). In: Literárny týždenník. 1995. no. 25.

56 For more see Bútora, Martin, Šebej, František (eds). Slovensko v šedej zóne? Rozširovanie NATO, zlyhania a perspektívy Slovenska (Is Slovakia in a shadow zone? NATO enlargement, failures of and prospects for Slovakia). Bratislava: Inštitút pre verejné otázky, 1998.

57 For instance, one of the leaders of anti-communist dissent in Slovakia, Ján

to a “Slavic identity” and/or “Slavic brotherhood” in relations with Russia has been a part of Slovak-Russian diplomatic folklore not only during the Mečiar period in the 1990s. Recently, it was Prime Minister Fico who, in his commemorative speech at the occasion of the anniversary of liberation of Bratislava by the Soviet Army in April 1945, in the presence of the then Russian Prime Minister Zubkov, pointed out that “Slavic solidarity is an inseparable part of Slovak national traditions”.⁵⁸ Furthermore, it was the President of the Slovak Republic Ivan Gašparovič who said, after his official meeting with President Putin in Moscow in November 2006, that among other points they were also talking about “Slavic solidarity” and “prospects for cooperation within an entire Slavic world”.⁵⁹

With regard to modern relations with Russia, there is a certain dividing line among the parliamentary parties in Slovakia. Fico’s SMER party (2006-2010) and the Slovak National Party hold an ambiguous position, pursuing a policy of alliance with NATO and the EU, as well as of good relations with Russia. On the other hand, the political parties that formed the government of Radičová after parliamentary elections in June 2010 – the Slovak Democratic and Christian Union - Democratic Party (SDKÚ), Freedom and Solidarity

Čarnogurský, the founder of the Christian Democratic Movement and the Prime Minister of Slovakia in 1991-1992, recently became the founder and chairman of the Slovak-Russian Association. The association declares Russian culture to be the closest to Slovak culture and supports the development of friendly relations between the two nations (<http://www.srspol.sk/>). He arguea against NATO expansion and Slovakia’s membership in it and for the recognition of Russia’s legitimate interests in European security affairs. See for instance: *Identita Európy. Európske kultúrne tradície a nové geopolitické usporiadanie* (Identity of Europe. European cultural traditions and new geopolitical order). In: *Literárny týždenník*. 1995, No. 1.

58 ČTK, 4 April 2008.

59 Zajavlenija dl’a pressy po itogam peregovorov s Prezidentom Slovakiji Ivanom Gašparovičem (Press statements on the outcomes of the talks with President of Slovakia Ivan Gašparovič) Moscow, Kremlin, Press-Služba Prezidenta Ros-sijskoj federaciji, 7 November 2006.

Party (SAS), Christian-democratic Movement (KDH) and Most-Híd (“Bridge”) – subordinate the interest “to have good relations with Russia” to the more important alliance politics of NATO and EU.

There is one exception though, in which the attitudes towards foreign policy of both the governing and opposition parties mirror the opinion of Russia and are in conflict with the position of most of the EU and NATO countries. That is the question of the status of Kosovo. Slovakia does not recognize the independence of Kosovo as declared in February 2008. This opinion has not changed, despite the formation of the Radičová government or the advisory opinion of the International Court of Justice of 22 July 2010, according to which the declaration of the independence of Kosovo was not in breach of international law. In reaction to the decision of the International Court of Justice, the Slovak Foreign Ministry accounted for its position as follows: “The position of the Slovak Republic is based upon the statement of the Parliament of the Slovak Republic from 28 March 2007. The Slovak Republic believes that the principle of territorial integrity of the state is a basic principle of international law, upon which the international community is built and functions”.⁶⁰ Using the same argument, Slovakia also does not recognize the existence of independent South Ossetia and Abkhazia.

SUMMARY AND CONCLUSIONS

Slovakia has experienced three different concepts of and/or strategic frameworks for its policy towards Russia, in line with the three different periods of modern Slovak politics since 1993. The above periods can be characterized by the names of the three political leaders who formed the Slovak governments in the respective periods – Vladimír Mečiar, Mikuláš Dzurinda and Robert Fico. Mečiar led three Slovak

60 MZV SR: opinion on Kosovo’s independence. Ministry of Foreign Affairs of SR, 22 July 2010; <http://www.mzv.sk/App/WCM/main.nsf?Open>.

governments un the period from 1992 to 1998. Dzurinda was Prime Minister of two governments between 1998 and 2006 and served as Foreign Minister in the cabinet of Iveta Radičová (July 2010-April 2012). Finally, Fico led the Slovak Governement in 2006-2010 and again from April 2012. All of them came to power in Slovakia with different political programs, including foreign policy in general, and relations with Russia in particular.

The evolving international environment of Slovakia since 1993 has been another key variable for the differing projection of national interests by different parts of the Slovak elite, especially during the 1990s. First of all, Slovakia's aspiration to join NATO and the EU became the main factor determining the content and nature of its modern relations with Russia. Due to its authoritarian style of domestic rule the Mečiar government disqualified Slovakia from the first round of NATO and EU enlargement in the 1990s. Confronted with strained relations with the US and the EU governments, the Mečiar government looked to the East. Especially after the parliamentary elections in 1994, the third Mečiar government (1994-1998) considered relations with Russia as an alternative foreign policy strategy for the country as opposed to Euro-Atlantic integration. In this scenario Russia was expected to provide security guaranties to Slovakia's neutrality as well as to offer a special economic status and trade regime as a sort of compensation for Slovakia's exclusion from NATO and the EU.

The Dzurinda government, which came to power in 1998, completely changed the parameters of Slovakia's foreign policy, putting it back on track towards Euro-Atlantic integration. Both the domestic and foreign policies of Slovakia under the Dzurinda government were subordinated to the need to catch up with the Visegrad neighbors in the integration process with NATO and EU. This effort led to a period of frozen relations with Russia, especially in the course of 1998-2001. The turning point in relations with Russia was the visit of the Russian foreign minister Ivanov in January 2001. Russia accepted Slovakia's

affiliation with NATO and the EU as a “matter of reality” and offered to develop mutually profitable economic cooperation.

The Fico government (2006-2010) declared its continuity in the field of foreign policy with the previous Dzurinda regime. At the same time, the government made a commitment to intensify the economic dimension of Slovak diplomacy, especially with regard to the further development of Slovakia’s relations with Russia and the countries of Eastern Europe. However, unlike his predecessor, Fico showed more sympathy for and understanding of Russia’s positions concerning some key issues of international security (e.g. the deployment of the elements of the US NMD system in the Czech Republic and Poland; interpretation of the reasons for the Russia-Georgia military conflict in August 2008, etc.). Nevertheless, even Fico’s government was unable to stop the negative trend in bilateral relations. Slovak-Russian relations lack any “joint project,” such as the aborted wide-gauge railway track, which would represent a meaningful, constructive, and developing agenda for either or both sides. In the past, this role was fulfilled by the strategic importance of cooperation in the field of oil and natural gas transit. However, due to decisions adopted by Russia, this is slowly becoming a historical niche. Slovakia and Russia are gradually losing larger common issues in bilateral relations and it seems this trend is irreversible.

The boom of the automotive industry in Slovakia in the 2010s does have an important political context, which should be mentioned, since it provides a nice coda to the modern political history of Slovakia, including its modern relations with Russia. Here one must bear in mind the fact that most of former Czechoslovakia’s heavy military industry (production of tanks, armored vehicles and artillery) was concentrated in Slovakia. Behind this fact was the political-military decision of the former Warsaw Pact political leaders and generals, who decided to develop the military industry in Slovakia so that it could serve as a supply base for expected front lines on the Czech-German border in the event of a NATO-

Warsaw Pact military conflict. The heavy military industry of Slovakia developed after World War II and formed the basis of the Slovak economy in the 1960s-1980s. The state management of this very important segment of the Slovak economy resisted the federal Czechoslovak government's program on the conversion of military industry begun in the late 1980s. This helps to explain firstly, one of the key factors that led to the division of Czechoslovakia in 1993 and, secondly, the political phenomenon of Mečiar, who became the strongest political actor in Slovakia in the 1990s as he and his HZDS party voiced the political interests of this very part of the Slovak economy, and, finally, the drive of the Mečiar governments to develop special relations with Russia.⁶¹

By attracting foreign direct investments into Slovak automotive industry, the Dzurinda government especially during its second term (2002-2006) managed to solve a structural problem of Slovakia's economy, which it had inherited from the communist past, a problem which had profound impact on Slovakia's domestic politics and affected its foreign policy in the 1990s. The engineering sector of the Slovak economy, which had furthered Slovakia's international isolation under Mečiar's rule in the 1990s, became again the vehicle of the Slovak economy in the 2010s. The successful conversion of the former military industry is one of the major achievements of the second Dzurinda government. Leading car-producing companies came naturally to Slovakia not only because of good business climate, but also because of its engineering capacity, including a skilled and relatively inexpensive labor force. The conversion of the military industry to a car-producing industry in Slovakia has also been a structural factor in terms of foreign policy in general and bilateral relations with Russia in particular, since it has made Russia a less relevant economic partner for Slovakia.

61 See also the author's paper *The Blind Pragmatism of Slovak Eastern Policy...*, 1996, *ibid.*

**Table 1. Three different perceptions of Russia
by the Slovak governments, 1993-2012**

Foreign policy priorities/perception of the role of Russia	Mečiar (1993-1998) Movement for Democratic Slovakia	Dzurinda (1998-2006), Radičová (2010-2012) Slovak Democratic and Christian Union	Fico (2006-2010, since 2012) SMER – Social Democracy
NATO/International security	Membership in NATO which includes Rus- sia and/or neutrality guaranteed by NATO and Russia.	Membership in NATO, which is a cornerstone of European security regardless of Russia's positions.	NATO-Russia strategic partnership in European security; understanding of Russia's security concerns.
EU/International inte- gration versus bilateral relations	Membership in EU plus privileged relations with Russia, including participation in CIS programs.	Membership in EU; subordination of bilateral relations to the EU-Russia agenda.	Strengthening EU-Russia relations together with searching for a new potential for bilateral cooperation.
Energy security	Special strategic importance of Slovakia for Russia as a transit country as the basis for a strategic partnership.	Strategic importance of Russia as energy supplier; seeking EU/regional solutions, including diversification; abandoning the “energy transit dream”.	Russia is the strategic partner in energy supply; importance of EU/ regional solutions to the energy security of Slo- vakia, especially after the 2009 gas crisis.
Economic cooperation	Re-entering “lost East- ern markets” via strate- gic political partnership with Russia; creation of bilateral economic cooperation commission.	It is a job for busi- nesses, less so for governments; the EU-Russia trade and investment regime is crucial for bilateral cooperation; disbanding the bilateral economic cooperation commission.	The EU-Russia legal framework is crucial for bilateral cooperation; however, the govern- ment should intervene bilaterally; reestablishment of the bilateral economic co- operation commission.
Ideology	Political centrism and a post-Soviet pragmatism; flirting with pan- Slavism as a historical intellectual ground for privileged bilateral relations; democracy and human rights are not an issue for bilateral relations.	Liberal-conservative; Values-based politics; criticism of authori- tarianism in Russia, including disregard for human rights.	Center-left; acceptance of the EU policy on strengthen- ing rule of law in third countries; a business-oriented pragmatism rather than values-based politics in the bilateral context.

Towards Increasingly Balanced Relations: Hungary and Russia Since 1989

András Rácz

INTRODUCTION

This chapter provides an overview of the evolution of Hungarian-Russian relations from the democratic transition of Hungary until 2012. In doing so, it identifies the turning points of those relations in the period following 1989, and the motives behind the political choices made in this period. It further analyzes the impact of Hungary's accession to NATO (1999) and the EU (2004) on its relations with Russia. The chapter concludes with a review of the contemporary agenda of the bilateral relationship and its prospects.

THE LEGACY OF HISTORY

The history of Hungarian-Russian relations was particularly troubled in the 19th and 20th century. The Hungarian uprising against the Habsburg Empire in 1848-1849 was defeated with the help of the Russian Empire, when Czar Nicholas I fulfilled his duty as an

ally of the Habsburg Emperor Franz Josef I. During World War I tens of thousands of Hungarian troops fought on the Eastern Front against the Russian army until 1917. In 1919 post-war Hungary saw the brief period of the Hungarian Soviet Republic, whose leaders intended to establish a close alliance with their Russian comrades against the imperialist West.¹ But then in 1941 Hungary joined the attack of Nazi Germany against the Soviet Union.²

Following World War II, Hungary became part of the Eastern Bloc. After a brief democratic period in 1945-1948, Moscow-controlled Communist rule was established.³ The 1956 Hungarian uprising and revolution reverberated throughout the world, yet were crushed by the Soviet Union in less than two weeks. Nonetheless, although the revolution had failed, the political system of Hungary became much milder than it had been before. Over the next 33 years Hungarian Communists ruled the country by offering society the tacit compromise of relative freedom and welfare in exchange for political loyalty.⁴ This made Hungary the “happiest barrack” of the Eastern Bloc, as described by several Western journalists. In order to guarantee the stability of Communist power, Moscow kept tens of thousands of troops stationed in Hungary.

Despite this troubled past, history plays a very minor role in present Hungarian-Russian bilateral relations, the reasons for which are multifold. First, Russia and Hungary share no common borders; consequently, any territory-related concerns are out of the question by definition. Second, there are neither considerable Russian-speaking minorities living in Hungary, nor any Hungarian ethnic groups living in Russia. Thus, though responsibility for compatriots living

1 Romsics, Ignác. *Magyarország története a XX. században* (Hungary's History in the 20th Century). Budapest: Osiris Kiadó, 1999. P. 121-130.

2 Vargyai, Gyula. *Magyarország a második világháborúban* (Hungary in the Second World War). Budapest: Korona Kiadó, 2001. P. 154-213.

3 Pallai, Péter and Sárközi, Mátyás. *Némi demokráciától a népi demokráciáig*. (From Some Democracy to People's Democracy). Budapest: Helikon, 2008.

4 Romsics, *ibid.* P. 333-535.

abroad has played an important role both in Hungarian and Russian foreign policies, this factor is not significant in Russian-Hungarian relations. Although the protection of the various ethnic groups of Finno-Ugric origin living in the Russian Federation emerges in the Hungarian political discourse from time to time, this issue has always been relatively low on the bilateral agenda.

Third, as Hungary was never part of the Soviet Union, the heritage of a common past affects everyday life only to a very small extent. A good example is the question of ex-Soviet monuments. In Hungary, following the democratic transition and the withdrawal of Russian troops, Communist statues were removed from public places peacefully, without any major protests from the Russian side. Some of these monuments have become parts of a special exhibition and famous tourist attraction, the Communist Statue Park in Budapest.⁵ Soviet war monuments, however, constitute a different question. Throughout the country there are still several Soviet war memorials commemorating the Soviet soldiers who lost their lives during battles in 1944-1945. The most famous of these monuments is the large obelisk that stands in the central Szabadság (Liberty) square of Budapest, and commemorates the Soviet soldiers who liberated Budapest. Though the idea of removing this monument is periodically injected into Hungarian domestic political discourse by rightist groups, mainstream political forces seem to understand that such a move would do much harm without doing any good.⁶ Moreover, Russia maintains the Hungarian military cemetery in Rudkino (Voronezh oblast) in perfect condition; this gesture also apparently plays a role in the generally tolerant Hungarian attitude towards the last remaining central Soviet war monument.

There are still, of course, certain issues inherited from the trou-

5 Memento Park Budapest. www.szoborpark.hu Accessed 21 February 2012.

6 Interview with a leading Hungarian diplomat engaged in Hungarian-Russian relations. Budapest, October 2009.

bled pre-1989 past that remain unresolved, but these do not influence everyday political and business contacts. One of them is the question of restitution. In 1944-1945 several thousand Hungarian artifacts were confiscated by Soviet troops and taken to the Soviet Union. The fate of these artifacts has remained largely unresolved, as the Hungarian and Russian governments have fundamentally different interpretations of the post-war agreements on compensation and on goods removed to the Soviet Union during the war. While Hungary states that the artifacts were taken illegally and by force, from the Russian perspective these actions were fully legitimate. Hence, the reluctance of the Russian side to agree to the restitution demanded by Hungary is entirely unsurprising.⁷ A gesture of high symbolic importance was made in 2006, however, when 146 precious antique books of the Sárospatak Library were given back by the Russian Federation.

Regardless of this progress, the public attitude towards the role of Russia in Hungarian history remains negative, though in a differentiated way. According to a 2006 survey, 56% of adult Hungarians thought that Russia/the Soviet Union was the most harmful external power in Hungarian history. Contrary to this clearly negative result, 65% of the respondents approved the intensification of economic ties with Russia, while only 5% opposed the idea.⁸ This pragmatic attitude is well reflected also in the increasing popularity of Russian language and culture, to be discussed later in detail.

7 "Pontosan tudták, mit visznek magukkal" – vadászat elhurcolt magyar műkincsek után ("They knew exactly what they were taking" – hunting for looted Hungarian artifacts). Interview with Russian art historian Konstantin Akinsha. 14 Dec 2010. Available: <http://www.origo.hu/kultura/20101213-konsztantyn-akinsa-muveszettortenesz-restitucio-sarospataki-konyvtar-mukincslopas-szovjetunio.html>. Accessed 21 February 2012.

8 A orosz nyelv helyzete Magyarországon (Situation of the Russian language in Hungary). Budapest, 2007. Alapítvány az Orosz Nyelvért és Kultúráért. Available at <http://www.russtudies.hu/Aindex.php?menu=54&dir=&lang=h>. Accessed 21 February 2012.

Withdrawal of Soviet troops

The presence of Soviet troops on Hungarian soil was a particularly sensitive issue. Altogether more than 100,000 Soviet citizens were stationed in the country. Some 50,000 were active soldiers, more than 16,000 were performing civilian duties, and the rest, approximately 32,000, were family members. Soviet units in Hungary had more than 27,000 military vehicles, among them 860 tanks, and they used 60 military facilities, including six airports.⁹

Speaking at the UN General Assembly on 7 December 1988, Mikhail Gorbachev declared that the Soviet Union would not use force in the event of political changes in Central Europe. Although it took the Soviet Union several more months to ultimately abandon the Brezhnev doctrine in July 1989, in the aftermath of the Polish elections – which paved the way for the first non-communist government in Central Europe – Gorbachev's statement in December 1988 was largely interpreted in Hungary as a sign that the Brezhnev doctrine had already been abandoned by the USSR.

At the UN, Gorbachev also announced that the number of Soviet troops stationed in Central Europe was to be gradually reduced. Following this statement, the first Soviet unit, the 13th Guard Tank Division, left Hungary already in April 1989. This was in connection with the beginning of the Vienna disarmament negotiations, which later led to the Conventional Forces in Europe (CFE) Treaty. However, this first political declaration was still a long way from actual realization.

The Hungarian political elite was highly divided on the issue of the withdrawal, both on what to demand and on how to demand it. On 16 June 1989, during the re-burial ceremony of former Prime Minister Imre Nagy, who was executed after the 1956 revolution,

9 Burucs, Kornélia. A szovjet csapatok kivonása Közép-Kelet-Európából (Withdrawal of the Soviet troops from Central Eastern Europe). *História*. No. 5-6. 1989. P. 5.

the leader of the opposition Alliance of Young Democrats (Fiatal Demokraták Szövetsége, Fidesz) Viktor Orbán publicly demanded the immediate withdrawal of Soviet troops. This was the very first speech and open demand of this kind. Not only the government, but also many opposition politicians considered this move to be premature and even dangerous.¹⁰

In reaction to the opposition demands, the government of Miklós Németh started intensive negotiations with Moscow on the withdrawal already in 1989. The formal intergovernmental agreement between the Soviet Union and Hungary on the withdrawal of the Soviet troops was signed by Hungarian Minister of Foreign Affairs Gyula Horn and his Soviet counterpart Eduard Shevardnadze on 10 March 1990, well after the proclamation of the democratic Hungarian republic on 23 October 1989.¹¹

The agreement anticipated that Soviet troops would withdraw by 30 June 1991. However, the last Soviet soldier, General Viktor Shilov, commander of the Soviet Army Group South, departed already on 19 June 1990. The whole withdrawal operation was conducted without major problems. Although in a few cases the departing troops confronted the local civilian population, all such instances were resolved peacefully.¹²

A particularly sensitive question remained however: the reciprocal financial claims related to the withdrawal, which reached tens of millions of US dollars. Hungary demanded 100 billion Hungarian Forints for the – mostly environmental – damage done by the Soviet troops, while Moscow first wanted 48.2 billion Forints, later 60, and finally one hundred billion for operational costs and for the facilities left behind. Finally a “zero solution” agreement was

10 Szegő, Iván Miklós. Szovjet kivonulás 1991-ben: az utolsó fricska (Soviet withdrawal in 1991: the last flick) HVG, 17 June 2011.

11 Burucs, *ibid.*

12 Nadovič, Svetozár et al. The great withdrawal: Withdrawal of the Soviet-Russian Army from Central Europe 1990-1994. Ministry of Defence of the Slovak Republic.

brokered between the two governments: Hungarian Prime Minister József Antall and President of the Russian Federation Boris Yeltsin agreed in Moscow in December 1991 that neither side would have to pay any additional compensation. The relevant protocol was signed in November 1992 in Budapest during the visit of Yeltsin. While in Budapest, the Russian president made an important symbolic gesture as well: he officially apologized for the suppression of the 1956 revolution.

HUNGARY TURNS WEST

The December 1988 promise of Gorbachev and the subsequent withdrawal of the Soviet troops made it possible for Hungary to fundamentally alter its foreign and security policy course. A critical moment was the decision of the Németh government (1988-1990) to open the Hungarian border with Austria on 27 June 1989. Gorbachev was informed ahead of the Hungarian action.¹³ Although his response was ambiguous, at least it was not explicitly negative. Consequently, the Hungarian border to Austria could be opened as planned.

On 24-25 July 1989 a delegation of the Hungarian People's Workers Party (the Communist Party) visited Moscow, led by Rezső Nyers and General Secretary Károly Grósz. They informed Gorbachev that Hungary intended to play a bridging role between the East and the West. For this role to be played, Nyers asked for the complete withdrawal of Soviet troops from Hungary. The So-

13 Following the secret talks between Hungary and the Federal Republic of Germany in Gymnich in Germany on 25 August 1989, Chancellor Helmut Kohl informed Gorbachev of the planned move of the Hungarian government. The Soviet General Secretary reportedly approved the action, most probably because Moscow underestimated the significance of opening the Western border of Hungary. For more information, see: Oplatka, András. *Egy döntés története* (History of a decision). Budapest: Helikon Kiadó, 2008. P. 215-216.

viet leader agreed in general to gradual decrease in the number of Soviet troops in Hungary, but not yet to complete withdrawal. At this point in time Moscow still perceived its military presence in Hungary as an important element of the balance of power in Europe and was not ready to pull out completely.¹⁴ Formal negotiations on withdrawal began only in January 1991, as described in the previous chapter.

This foreign policy ambition regarding the relationship with Russia prevailed following the elections of the first democratic government, led by József Antall (1990-1993) in May 1990. The new, democratic Hungary defined its foreign policy along three main pillars. These were 1. Euro-Atlantic integration 2. Good relations with neighboring countries 3. Responsibility towards the Hungarian minorities abroad.¹⁵ Some experts argue that the first government, though it made important steps towards the Euro-Atlantic integration of the country, failed to realize how strongly the three priorities were interconnected. Thus minority policy became an absolute priority between 1990 and 1993.¹⁶

Regarding Russia, the new government originally pushed for stable, neighborly relations with the Soviet Union, for several reasons. First, Soviet troops were still stationed in Hungary, which indeed limited the scope of foreign and security policy. Second, the Warsaw Pact existed until July 1991. Third, there were hopes that economic and foreign trade ties with the Soviet Union could be preserved.

14 Keskeny, Ernő. *A magyar-orosz kapcsolatok 1989-2002* (Hungarian-Russian relations 1989-2002). Budapest: Századvég, 2012. P. 49-50.

15 For more information, see the program of the Antall government: *A nemzeti megújulás programja. A Köztársaság első három éve*. Budapest, 1990. The three priorities are discussed on P. 177-184.

16 Dunay, Pál. *Az átmenet magyar külpolitikája* (Foreign policy of the transition). In: Gazdag, Ferenc and Kiss, László J., eds. *Magyar külpolitika a 20. Században* (Hungarian foreign policy in the 20th century). Budapest: Zrínyi Kiadó, 2004. P. 227.

Political hopes were quickly shattered by the August 1991 coup. Hungarian decision-makers could not but realize that the dissolution of the Soviet Union was inevitable. Moreover, there was the danger that the process would be much more rapid and unstable than anyone had anticipated. The fact that, during his December 1991 visit to Moscow, Prime Minister Antall met not only Gorbachev, but also Yeltsin, demonstrated that Hungarian foreign policy quickly adapted itself to the new situation. Overall, the rapid post-coup destabilization of the Soviet Union, and the subsequent conflicts that erupted, indeed played a role in Hungary's orientation towards NATO.¹⁷

However, the main factor pushing Budapest to adopt a clearly pro-NATO foreign policy course was the Yugoslav civil war. Just after the democratic transition there were several options under consideration in Hungarian security and defense policy thinking. In addition to a Euro-Atlantic orientation, the OSCE was also considered as a possible guarantor of European security, as well as Central European security integration. The idea of self-guaranteed security was also popular. Minister of Defense Lajos Für openly advocated the concept of "all-around defense", even though it was neither feasible, due to financial constraints, nor reasonable, considering the above-mentioned goal of developing good neighborly relations with the countries around Hungary.

These competing alternative policy options for security were first harshly challenged, then quickly reduced by the eruption of the Yugoslav civil war right on Hungary's doorstep. The conflict demonstrated the inability of the OSCE to prevent armed conflicts, and also the irrationality of any wider Central European security integration. Hence, the majority of the Hungarian political elite gradually adopted the view that in the long run only the collective

17 Sz. Bíró, Zoltán. A magyar-országi politikai kapcsolatok (1991-2005) (Hungarian-Russian political relations (1991-2005)). Available at <http://www.russtudies.hu/php/upload/File/14SzBiro-M.pdf> pp. 90-91. Accessed 23 February 2012.

defense provided by NATO accession could guarantee Hungary's security.¹⁸

From 1992-1993, Hungarian security and defense policy oriented itself towards NATO integration. This objective was reflected in the first national security strategy of Hungary, adopted in 1993. Taking into account regional instability, it prescribed that Hungary should continue its movement towards the Euro-Atlantic integration structures, including the Western European Union and NATO.¹⁹ The issue of "regional instability" was addressed in detail by a parliamentary resolution on the basic principles of national defense, which openly referred to the Yugoslav civil war in the direct neighborhood of Hungary.²⁰

However, neither the post-Soviet region nor Russia was mentioned directly in either strategic document. This not only demonstrated that the threat from the East was perceived as far less pressing than that from the South, but also illustrated how little attention Hungarian foreign and security policy-makers paid to Russia. Not even the need for a stable Russian Federation was mentioned in the two strategic documents, nor was the post-Soviet region addressed in further detail.

The economic hopes of Hungary to preserve bilateral trade with Russia also failed to materialize. Following the break-up of the So-

18 Gazdag, Ferenc. Szövetségtől szövetségig: Magyarország útja a Varsói Szerződéstől a NATO-ig (From alliance to alliance: Hungary's way from the Warsaw Pact to NATO). In: Gazdag, Ferenc and Kiss, J. László, eds. Magyar külpolitika a 20. században (Hungarian foreign policy in the 20th century). Budapest: Zrínyi Kiadó, 2004. P. 201.

19 11/1993 (III. 12.) OGY határozat a Magyar Köztársaság biztonságpolitikájának alapelveiről (Parliamentary resolution No. 11/1993 (III.12.) on the basic principles of the security policy of the Republic of Hungary). Points No. 3 and 4.

20 27/1993 (IV. 23.) OGY határozat a Magyar Köztársaság honvédelmének alapelveiről (Parliamentary resolution No. 27/1993 (IV.23.) on the basic principles of the national defense of the Republic of Hungary). Points II/9 and 10 in particular.

viet Union, the Russian economy declined rapidly, as did the other post-Soviet economies. Hence the fact that its former Eastern markets practically vanished was not a result of actions by Budapest, but a consequence of the Soviet collapse.²¹ Hungary made certain efforts to establish direct economic contacts with certain Russian regions, in some cases even by almost bypassing the central Moscow authorities. In 1992-1993 negotiations were held with the authorities of the Stavropol, Krasnodar, Tyumen and Chelyabinsk regions, with Tatarstan, and also with the Finno-Ugric republic of Mari-El. In 1993 the President of the Republic of Hungary Árpád Göncz travelled to Russia, and personally visited all Finno-Ugric republics and the Khanty-Mansiysk region as well in order to improve bilateral ties.²² However, these efforts brought only limited results, due to the economic problems of the targeted regions, and also of Hungary itself.

IMPACT OF NATO AND EU ACCESSION

This section focuses on the dynamics of Russian-Hungarian bilateral relations from the late 1990s to the mid-2000s. The period studied includes both the NATO and EU accessions of Hungary, in 1999 and 2004 respectively.

Cooling of relations in the late 1990s

In the analysis of Russia-experts, including Ambassador Ernő Keskeny, following the 1989 transition, the years 1991-1995 were dedi-

21 Sz. Bíró, *ibid.* P. 88.

22 Magyarország külgazdasága 1993 (External economic relations of Hungary). Budapest: Nemzetközi Gazdasági Kapcsolatok Minisztériuma, 1993. P. 282-283.

cated to the establishment of a new framework of relations between Hungary and the Russian Federation. However, bilateral relations stagnated, as the two sides had only a limited interest towards one another. Russia gradually lost interest in the whole Central European region, including Hungary, and did not even attempt to renew the economic relations it had enjoyed with the former Communist countries of the region.²³ It was quite telling that in the Foreign Policy Concept of the Russian Federation issued in 2000 Africa was discussed in much greater detail than the Central European region. At the same time, Hungary was focused on its European integration. Thereafter, the year 1998 brought a significant cooling in bilateral relations, for several reasons.²⁴

In spring 1998 a new Hungarian government led by Viktor Orbán came to power. The new government began using a fundamentally new, sometimes openly anti-Russian tone, strengthened also by the coming NATO accession of Hungary.

Russian concerns about the 1999 enlargement of NATO have been well documented by several Western and Russian authors. Moscow perceived the NATO enlargement not only as a principal violation of the principles agreed during the Gorbachev-Baker talks in early 1990, but also as an important national security threat.²⁵ The latter was well reflected in the Military Doctrine of the Russian

23 Shishelina, Ljubov Nyikolajevna. Közép-európai perspektívák: az orosz és a magyar nézőpont (Central European perspectives: the Russian and Hungarian perspectives). In: Prága után, Koppenhága előtt. Bővülő Európa kettős szemszögéből. Orosz-magyar tudományos kerekasztal. Budapest: Teleki László Intézet Külpolitikai Tanulmányok Központja, 2002. P. 59-60.

24 Кешень, Эрнэ. Венгеро-российские отношения после изменения политических систем. In: Россия и Центральная Европа в новых геополитических реальностях. Международная научная конференция. Moscow, 8-9 September 2006. Российская Академия Наук Институт Европы - Фонд исторической перспективы. P. 140-146.

25 Arbatov, Alexei G. The Transformation of Russian Military Doctrine: Lessons Learned from Kosovo and Chechnya. George C. Marshall Center Papers, No. 2. George C. Marshall European Center for Security Studies. 2000.

Federation adopted in 2000.²⁶

The overall negative Russian attitude to Central European NATO enlargement prevailed in the late 1990s, despite the fact that already in 1997 the Russian Council for Security and Defense had published an analytic report on the interests of Russia in the Central and Eastern European region.²⁷ The document was remarkably sober compared to the earlier “flat refusal” attitude of Russia regarding NATO’s Eastern enlargement.²⁸ It pointed out that despite the historical attractiveness of the Balkans region, the real interests of Russia lay in nearby Central Europe. Consequently, it suggested that Russia should strive to strengthen its economic position in the Visegrad countries before they became members of the EU, then expected for 2005.

In the end, the NATO accession of Hungary on 12 March 1999 did indeed affect bilateral relations negatively. Both Hungarian decision-makers and members of the academic community had naturally been well aware of the risk, but this did not alter the security policy course of Budapest.

In addition to its actual NATO accession, Hungary’s role during the 1999 NATO air campaign against Serbia was also negatively received in Russia. In April 1999 a Russian truck convoy that was heading for Serbia was halted at the Záhony border crossing point between Hungary and Ukraine. The convoy officially was a humanitarian one; however, it was carrying armored all-terrain-vehicles and was also delivering fuel, even though Serbia was under a UN embargo on arms and fuel products. The affair developed into

26 Military Doctrine of the Russian Federation. Ministry of Defense of the Russian Federation, 2000.

27 Analyzed by Sz. Bíró, Zoltán. Kelet-Közép Európa és Oroszország érdekei. A negyedik jelentés (Central and Eastern Europe and the Interests of Russia. The fourth report). Külpolitika, 1997/2. P. 110-114.

28 On the Karaganov Doctrine, see for example Valki, László, Szeret, nem szeret... A NATO kibővítés kérdőjelei (He Loves It, He Loves It Not... Question marks of the NATO enlargement). Külpolitika. 3-4. 1995. P. 97-129.

a major scandal: the Hungarian ambassador to Moscow, Ernő Keskeny, was summoned to the Russian Ministry of Foreign Affairs, while the Russian ambassador to Budapest, Felix Bogdanov, was called back home for consultation. According to Keskeny: “Hungarian-Russian relations have probably never been at such a low point since 1956, as they are now, following the recent steps of Moscow.”²⁹

The August 1998 financial crisis in Russia also contributed to the cooling of Hungarian-Russian relations. Bilateral trade dropped radically, and the dominant players of Hungarian exports to Russia either ceased their trade activities, or decreased them significantly.

Another negative factor was that Hungary intensively began to decrease its dependence on Russia in terms of military industry and arms procurement. Along with the on-going defense reform, and the intended procurement of a new type of fighter for its air force, Hungary needed to modernize its MiG 29 fighters for the interim period until the first new fighters arrived. The same German-Russian consortium which had also modernized the MiG-29s of the German air force bid for the contract, but despite long negotiations and intensive lobbying by Russia³⁰ Prime Minister Orbán ultimately did not authorize the deal.

A similarly sensitive issue involved the BorsodChem petrochemical company. In 2000 Gazprom acquired 24.7% of the shares of BorsodChem through one of its intermediaries. This action was apparently part of a larger effort aimed at gaining control of the dominant companies of the Hungarian petrochemical sector. The Hungarian government tried to intervene through the MOL Hun-

29 Ackermann, Sándor. Váltakozó sikerű orosz-magyar kapcsolatok (Russian-Hungarian relations: fluctuating success). Kitekinto.hu, 30 November 2011. http://m.kitekinto.hu/europa/2011/11/30/valtakozo_siker_orosz-magyar_kapcsolatok/. Accessed 21 February 2012.

30 Légiharc indult a MiG-29-esek korszerűsítésért (The air battle has started for the modernization of MIG 29s). Origo.hu 21 August 2000. <http://www.origo.hu/nagyvilag/20000821legiharc.html>. Accessed 23 February 2012.

garian Oil and Gas Company and also by using various administrative measures, including the Financial Supervision Authority (PSZÁF).³¹ Finally, although it did not manage to prevent a joint Russian-Austrian business group from taking over BorsodChem, it nonetheless considerably delayed the deal, thus discouraging Gazprom from continuing its business offensive. The maneuver certainly did not enhance mutual trust between Budapest and Moscow.

All in all, NATO accession was just one – though an important – element of the cooling of Hungarian-Russian relations following 1998. In other words, NATO accession alone was not a turning point, but only contributed to a trend generated by several other factors as well.

Reinvigoration of relations after 2001

Hungarian-Russian relations began to warm again from the year 2001, motivated by both political and economic elements on both sides. The rapid recovery of the Russian economy played a role: the Russian market became increasingly attractive for Hungarian export companies again, and Russian business circles also became more active in the Central European region.

The political environment had also changed gradually. From 2001 on, as Moscow realized the inevitability of EU enlargement, the Russian attitude towards Central Europe gradually shifted to a more cooperative course. This change was well demonstrated by the declarations of various Russian decision-makers. For example, First Deputy Foreign Minister Alexandr Avdeyev remarked in Moscow at the scientific conference “Russia and Central Europe in the

31 Gazprom moves closer to gaining control of Hungary’s BorsodChem. icis.com. 8 January 2001. <http://www.icis.com/Articles/2001/01/08/129673/gazprom-moves-closer-to-gaining-control-of-hungarys.html> Accessed 23 February 2012.

New Geopolitical Situation” in 2001 that “In light of the coming enlargement of the European Union, Russia considers the development of lasting good neighborly relations with the countries of Central and Eastern Europe of high importance.”³²

Moreover, following the 11 September 2001 attacks, the United States considerably improved its relations with the Russian Federation, as did NATO. Consequently, Hungary as a NATO member state followed this same trend, in addition to the above-mentioned economic factors. The fact that Russia was highly respected by the dominant Western states of the European Union also influenced the Hungarian attitude positively.

However, the most important element in improving bilateral Russian-Hungarian relations was the change of government in Budapest in 2002. Following the 2002 elections, a Socialist-dominated government was established in Budapest, led by Prime Minister Péter Medgyessy. The Socialists used a fundamentally different political voice with Moscow, which was very well received by their Russian partners.³³

Medgyessy and President Vladimir Putin had their first meeting as early as May 2002, during the Rome summit of NATO, where the Hungarian Prime Minister emphasized his readiness to significantly improve bilateral relations. The initiative was successful, paving the way for Medgyessy to visit Moscow already in December 2002. The next March the Speaker of the Parliament Katalin Szili visited Moscow, while in May 2003 Medgyessy participated in the ceremony commemorating the 300th anniversary of the foundation of St. Petersburg. In September 2003 Russian Prime Minister Mikhail Kasyanov visited Budapest, and in November Putin and Medgyessy met again in St. Petersburg. This frequency of highest-level visits

32 Quoted by Shishelina, *ibid.* P. 61.

33 Sz. Biró, Zoltán. A magyar-orsz politikai kapcsolatok (1991-2005) (Hungarian-Russian political relations (1991-2005)). Available: <http://www.russtudies.hu/php/upload/File/14SzBiro-M.pdf> pp. 90-91. Accessed 23 February 2012.

was in sharp contrast to the first Orbán-government (1998-2002), during the tenure of which the highest-ranking Hungarian official who was invited to Moscow was Zsolt Németh, then Chairman of the Foreign Affairs Committee of the Hungarian Parliament.³⁴

Progress continued in the mid-2000s as well, during the first and second Socialist governments of Ferenc Gyurcsány. In February 2005 Gyurcsány was invited to Moscow, when a memorandum on cooperation in the business sphere was signed between the two governments. The visit was reciprocated by Russian Prime Minister Mikhail Fradkov in September of the same year.

The highest level Russian visit to Hungary took place in March 2006, when President Putin came to Budapest. During his meeting with Gyurcsány, several agreements were signed, including agreements on the main directions of economic cooperation, cooperation in migration-related issues and education.

The rapid improvement of bilateral relations was also demonstrated by the increase in trade. Between 2002 and 2005, bilateral trade turnover increased more than three times, from 117 billion Forints in 2001 to 422 billion Forints in 2006.³⁵ The change began already in 2002-2003, when trade turnover increased to 146 billion in 2003, and to 184 billion in 2004. The growth continued to 233 billion in 2005, and 422 billion in 2006. Hence, one could well note that it was not the 1 May 2004 EU accession of Hungary that fundamentally intensified bilateral trade: it played a role, naturally, but the transformation had begun much earlier, along with the improvement of bilateral political relations. The main trends of bilateral trade, however, remained unchanged: the dominance of imports from Russia prevailed. More

34 Kétoldalú kapcsolatok, fontosabb egyezmények (Bilateral relations, main agreements). Embassy of Hungary to the Russian Federation. Available at http://www.mfa.gov.hu/kulkepviselet/RU/hu/Bilateralis/orosz/politikai_kapcsolatok.htm. Accessed 23 February 2012.

35 Based on the data of the Central Statistical Office of Hungary on bilateral trade turnover. Available at http://portal.ksh.hu/pls/ksh/docs/hun/xstadat/xstadat_eves/i_qkt009a.html?7082. Accessed 24 February 2012.

than 90% of this import consisted of energy resources (more than 93%), while the most important exported goods from Hungary were machinery and pharmaceutical products.

Considering all this, it is clear that – as with NATO accession – the EU membership of Hungary was also not a turning point in and of itself. It was part of an already on-going positive trend that had begun in 2001, and became much more intensive following the change of government in 2002.

CURRENT STATE OF RELATIONS

This chapter is dedicated to the overview of the present state of Hungarian-Russian bilateral relations. In line with the focus of the research project, first the present Hungarian interests are examined, then the main sources of tension are enumerated.

Current objectives and interests

In current Hungarian foreign policy thinking, Russia is viewed as a key energy supplier and also as a prospective trade partner, with whom Hungary has no political conflicts, and with whom Budapest strives for a pragmatic relationship. This perception is well reflected in the relevant strategic documents of Hungarian foreign and security policy, and was not significantly changed even by the recent change of government in 2010. The External Relations Strategy, which was adopted in 2008 by the Socialist government and is considered valid until 2020, states that “Hungary develops relations of partnership with Russia in the framework of the dialogue pursued by the European Union and NATO, and on the basis of bilateral economic interests.”³⁶ It also declares

36 Hungary’s External Relations Strategy. 2008. Available at <http://www.kulu->

that “markets of Russia and some East European countries [...] constitute priority directions in the development of external economic relations.”³⁷

The present Hungarian government, which came to power in 2010, has had basically the same priorities regarding Russia. The government program stated the intention to open up the Hungarian economy towards the East, including Russia. This had to be done, naturally, while maintaining the advantages originating from EU membership. The importance of developing transport infrastructure towards Russia was particularly emphasized in the government program, together with opening new markets for Hungarian agriculture, the processing industry and tourism.³⁸

In addition to the government program, Prime Minister Viktor Orbán and members of his government often emphasized in interviews that Hungary hoped to re-launch cooperation with Russia on a pragmatic basis. They also intended to put an end to the “non-transparent and shady relations” that had characterized Hungary-Russia relations under the previous, Socialist governments.³⁹ In order to explore possible abuses of power and cases of corruption linked to the Socialist government, the position of a Government Commissioner for Accountability was created.

The first semester of 2011 was naturally dominated by the EU Presidency. In the official presidency program not much was said

gyminiszterium.hu/kum/en/bal/foreign_policy/external_relations_strategy/. Accessed 23 February 2012.

37 Ibid.

38 A Nemzeti Együttműködés Programja (Program of National Cooperation). 22 May 2010. Available at <http://www.parlament.hu/irom39/00047/00047.pdf>. Accessed 23 February 2012. P. 39.

39 Fellegi Tamás a Világgazdaságnak adott interjút (Tamas Fellegi has given an interview to the Világgazdaság daily). www.kormany.hu. Official website of the Hungarian Government. 24 February 2011. Available at <http://www.kormany.hu/hu/nemzeti-fejlesztési-miniszterium/a-miniszter/beszedek-publikaciok-interjuk/fellegi-tamas-a-vilaggazdasagnak-adott-interjut>. Accessed 23 February 2012.

about Russia. Hungary only declared that the Presidency supported the WTO accession of Russia⁴⁰ and “sought to achieve progress in the visa dialogue with Russia, Ukraine and Moldova.”⁴¹

Since the end of the EU Presidency, the importance of bilateral issues has grown again in Hungarian foreign policy. Regarding Russia, Prime Minister Orbán set the guidelines in his briefing for the Hungarian Heads of Missions serving abroad on 31 August 2011. In his speech Orbán spoke about a “competition for allies”, namely that several members of the transatlantic community are competing to establish close alliances with Russia, China and the Arab countries. Consequently, as Orbán declared, Hungary should do the same and strive for a deeper alliance with these countries, though naturally without abandoning its transatlantic commitment. With regard to Russia, he pushed for the establishment of mutually beneficial cooperation.

In December 2011 a new comprehensive document was elaborated in the Ministry of Foreign Affairs, entitled: “Hungarian Foreign Policy After the EU Presidency.”⁴² This is not a government-level strategy, but is intended to serve as a guideline for producing a strategy in the future, and also to inform the public on the priorities and functioning of foreign policy.

This document elaborated the Hungarian priorities in relations with Russia to a considerable – and unprecedented – extent. In addition to repeating the general intention to restructure Hungarian-Russian relations and to recognize the growing global importance

40 Strong Europe. Hungarian Presidency of the Council of the European Union, 1 January-30 June 2011. Available at http://www.eu2011.hu/files/bveu/documents/HU_PRES_STRONG_EUROPE_EN_3.pdf. Accessed on 23 February 2012. P. 54.

41 Ibid. P. 28.

42 Magyar külpolitika az uniós elnökség után (Hungarian Foreign Policy After the EU Presidency). December 2011. Available at http://www.kormany.hu/download/a/cb/60000/kulpolitikai_strategia_20111219.pdf. Accessed 23 February 2012.

of Russia and the BRIC countries, the document named several concrete priorities:

- to resolve problematic bilateral economic questions;
- to strengthen EU-Russia and NATO-Russia relations;
- to improve cooperation in security policy;
- to liberalize visas with Russia and the CIS countries with the aim of a future visa-free regime;
- to foster Hungarian investments and capital inflow to the CIS region and Russia;
- to develop contacts with Russian regions, particularly with those where Finno-Ugric ethnic groups are present;
- to develop scientific and educational contacts, including the launch of exchange programs.⁴³

The document was published only a few days after the Russian parliamentary elections, which took place on 4 December 2011. The elections and the demonstrations that followed were intensively covered by the Hungarian media, and also by the academic community. A number of analytic papers were published on the prospects of possible democratization.⁴⁴ However, the government remained surprisingly silent and avoided any extensive criticism, presumably in order not to endanger the pragmatic relations it intended to pursue with Russia.

The new National Security Strategy of Hungary, adopted on 21 February 2012, contains no direct reference to Russia. However, it confirms both the gas supply diversification intentions mentioned above, and also the lasting role of nuclear energy in fulfilling Hungary's electricity needs.⁴⁵ Both factors deserve a closer look.

43 Ibid. P. 38-39.

44 For example, see Molnár, Gergely. *Politikai liberalizáció Oroszországban?* (Political liberalization in Russia?). Institute for a Democratic Alternative (IDEA). Available at http://www.ideaintezet.hu/sites/default/files/politikai_liberalizacio_oroszorszagban_IDEA.pdf. Accessed 23 February 2012.

45 A Kormány 1035/2012 (II. 21.) Korm. határozata Magyarország Nemzeti

Decreasing dependence on Russian gas

In terms of energy security, and particularly with regard to natural gas, Hungary is highly dependent on the Russian Federation. More than 80% of imported natural gas comes from Russia, through the Druzhba pipeline that crosses the Ukraine. As Hungary itself has no significant transit positions, the situation may well be described as a triple dependence: Hungary lacks any alternative sources of natural gas, any alternative transit routes and any transit positions.

Hence, diversification has been high on the energy security agenda of consecutive Hungarian governments since the mid-1990s.⁴⁶ The two main alternative pipeline options on the table were the Nabucco and the South Stream projects, in addition to the idea of connecting the Central European gas systems and constructing LNG terminals in Croatia and Poland. Budapest is actively participating in building gas interconnectors across the wider Central European region, and in a wider Visegrad Four context it advocates the establishment of a North-South corridor, thereby eliminating energy islands. Hungary's commitment to the diversification of European gas supply routes is also confirmed by the results of the recently published European Foreign Policy Scorecard 2012 research project.⁴⁷

The Gyurcsány and Bajnai governments (2006-2009, and 2009-2010 respectively) deliberately avoided any final choice between

Biztonsági Stratégiájáról (Government Resolution No. 1035/212 on the National Security Strategy of Hungary). Point No. 32.

46 Andzsans-Balogh, Kornél. The Road to Hungarian Energy Security. *Journal of Energy Security*. www.ensec.org. 15 March 2011. Available at http://www.ensec.org/index.php?view=article&catid=114%3Acontent0211&id=278%3Athe-road-to-hungarian-energy-security&tmpl=component&print=1&page=&option=com_content&Itemid=374. Accessed 23 February 2012.

47 European Foreign Policy Scorecard 2012. European Council on Foreign Relations. Available at http://www.ecfr.eu/page/-/ECFR_SCORECARD_2012_WEB.pdf. Accessed 23 February 2012. P. 136.

Nabucco and the South Stream, and kept Hungary committed to both pipeline projects. While in opposition, current Prime Minister Viktor Orbán often attacked the previous governments because of their engagement in the South Stream project. He even accused then Prime Minister Ferenc Gyurcsány of a coup d'état against Hungary, when Gyurcsány signed the South Stream agreement with Putin.⁴⁸ However, according to a WikiLeaks cable, in 2010 behind closed doors Orbán admitted to American diplomats that he would have followed the same multi-track policy that the Gyurcsány and Bajnai governments pursued.⁴⁹

Though the credibility of WikiLeaks in general is questionable, in fact, this was exactly what Orbán did: his new government has continued the multi-track, diversification-oriented policies of its predecessors. The government program openly aims at achieving “energy independence.”⁵⁰ Thus Hungary has preserved its commitment both to the Nabucco and South Stream pipelines. Moreover, in September 2010 Viktor Orbán signed the Baku Declaration and joined the AGRI (Azerbaijan-Georgia-Romania Interconnector) project.⁵¹ This move reportedly raised some concern in Moscow.⁵²

48 OrbánViktor. Magyarországon puccs van (Viktor Orbán: a coup d'état is taking place in Hungary). www.origo.hu. 28 February 2008. Available at <http://www.origo.hu/itthon/20080228-orban-viktor-magyarorszagon-puccs-van.html>. Accessed 23 February 2012.

49 WikiLeaks: Politikai játékszernek használta Orbán az orosz gázvezetékét (WikiLeaks: Orbán used the Russian gas pipeline as a political toy). 2 September 2011. www.origo.hu. Available at <http://www.origo.hu/itthon/20110901-wikileaks-deli-aramlat-vezetek-es-orban-viktor.html>. Accessed 23 February 2012.

50 A Nemzeti Együttműködés Programja (Program of National Cooperation). 22 May 2010. Available at <http://www.parlament.hu/irom39/00047/00047.pdf>. Accessed 23 February 2012. P. 38.

51 Aláírták a bakui nyilatkozatot (Baku Declaration has been signed). 10 September 2010. www.miniszterelnok.hu. Official website of the Prime Minister. Available at http://www.miniszterelnok.hu/cikk/alairtak_a_bakui_nyilatkozatot. Accessed 23 February 2012.

52 Nehezen tudunk majd megegyezni az oroszokkal (It will be hard to reach an

In addition to this, the construction of new interconnectors has also been proceeding. An interconnector has existed with Austria since 1995, although it transits the same Russian gas as the Brotherhood pipeline.⁵³ Parallel to the Nabucco and South Stream projects, Budapest also fostered the construction of pipelines that connect the gas systems of Central Europe. The Hungary-Romania interconnector was completed in October 2010 and one with Croatia in December 2010, while the Slovakia-Hungary pipeline is currently under construction. The feasibility study of the Hungary-Slovenia pipeline is also ready.

In general, one can state that the Orbán-government in 2010-2011 successfully continued the diversification policy of its predecessors, aimed at decreasing Hungary's dependency on Russian natural gas. However, there are two constraining factors. The first is that completely replacing Russian gas is not an option.⁵⁴ The second is related to the long-term gas delivery contract with Russia, to be discussed later. All in all, important steps were taken towards decreasing Hungary's gas dependence on Russia, even though this did not necessarily help to improve bilateral relations with Moscow.

Nuclear energy

Hungary has a Soviet-type nuclear power plant with four reactor units in the city of Paks. The Paks power station satisfies approximately 40% of the country's electricity needs. In May 2009 the Hungarian government decided to both reconstruct and extend the power plant by building one or two new reactor units, with an ap-

agreement with the Russians). 30 September 2010. [www.kitekinto.hu](http://kitekinto.hu). Available at http://kitekinto.hu/bem-rakpart/2010/09/30/nehezen_tudunk_majd_megegyezni_az_oroszokkal/. Accessed 23 February 2012.

⁵³ Andzsans-Balogh. 2011. Ibid.

⁵⁴ Andzsans-Balogh. 2011. Ibid.

Struggle for the MOL

In 2009, the Russian gas company Surgutneftegaz acquired 21.22% of the shares of the Hungarian Oil and Gas Company (MOL) from the Austrian OMV for 1.4 billion euros and became the largest shareholder of the MOL. The Hungarian government perceived the deal as the overture of a hostile takeover of the oil-refining capacities of the MOL, or even as an attempt to gain access to the technical documentation of the Nabucco pipeline. The Hungarian Financial Supervision Authority refused to register the acquisition, thus preventing Surgutneftegaz from exercising its shareholder rights for two years. The controversy over MOL remained a thorny issue in Hungarian-Russian relations until a deal was reached in 2011 allowing Hungary to buy back the MOL shares for 1.88 billion euros. The deal was ratified by the Hungarian Parliament. Although the Hungarian government conceded that security considerations were its motive for keeping Russian investment out of MOL, the affair produced a lasting fallout because of the questionable methods used by the government to achieve its goal.

proximate capacity of 1600 MW each. Although the tenders for the construction have not yet been launched, the United States, Russia, France, and South Korea have already voiced their interest in participating in the project.

While still in opposition in 2009, Viktor Orbán once said in an interview about Paks: “It is a Russian-type power plant. Thus in my opinion we can neither conduct the reconstruction without the Russians, nor leave them out of building a new one. Thus Russians are likely to participate [...] in one of the great national endeavors of becoming independent of natural gas.”⁵⁵

55 A fölüjítást sem tudjuk megcsinálni az oroszok nélkül, ha újat akarunk építeni, sem tudjuk őket kihagyni belőle szerintem. Tehát például a gáztól való függetlenség – az egy külön kérdés, hogy mikor, hogyan, van-e rá pénzünk, milyen konstrukcióban, de – egyik nagy nemzetgazdasági vállalkozásában

Thus it is not surprising that when Orbán came to power in 2010, Russian participation in the Paks project became an important item of the Russian-Hungarian intergovernmental agenda. According to various news sources, the government does not wish to re-open the debate on the extension of the power plant, but intends to move forward quickly. Minister Fellegi has met several times with representatives of Rosatom and Atomstroyeksport during his frequent visits to Moscow. In January 2011 he personally met the Director of Rosatom Sergey Kirienko.⁵⁶

Russian participation in the project becomes even more likely in light of an interview given in April 2011 by Ernő Keskeny, Deputy Chairman of the Hungarian-Russian Intergovernmental Commission on Economic Cooperation. Keskeny said that though the Americans, Japanese, Finns, South-Koreans and French were also interested in the Paks reconstruction, “the Russian offer will obviously be very strong.” An opposition MP, Benedek Jávor, expressed his concern that in exchange for buying back the MOL shares, Hungary would have to give the Paks reconstruction to Russia.⁵⁷ The decision has not yet been taken.

valószínűleg az oroszok részt fognak venni. Author’s translation. In: A parlamentet kell a középpontba helyezni (The parliament needs to be put in the center). Interview with Viktor Orban, 25 November 2009. Available at http://www.orbanviktor.hu/interju/a_parlamentet_kell_a_kozeppontba_helyezni. Accessed 24 February 2012.

56 A színpad mögött pörög a kormány a sokmilliárdos atomüzleten (The government is pushing for the multi-billion nuclear business behind the scene). 26 May 2011. Available at <http://www.origo.hu/itthon/20110526-a-szinfalak-mogott-folyik-az-uj-atomeromu-elokeszitese.html>. Accessed 24 February 2012.

57 Mol-ügy: Paksra is hatással lehet a visszavásárlás (MOL-case: the buy-back may affect Paks as well). HVG, 24 May, 2011. Available at http://hvg.hu/gazdasag/20110524_mol_visszaszerzes_paks_metro. Accessed 24 February 2012.

Education and culture

In contrast to the political and economic tensions, cultural and academic cooperation has grown intensively in recent years. Academic and scientific ties are coordinated by the Russian Academy of Sciences and the Hungarian Academy of Sciences. Cooperation has long been dominated by the natural sciences; in the field of nuclear physics, the Hungarian Academy of Sciences even has a special exchange program with the Joint Institute of Nuclear Research operating in Dubna, Russia. With regard to the social sciences, an important step was made in 2004 with the establishment of the Hungarian-Russian Committee on Social Sciences. Scientific inter-academy exchange now covers several dozen fields, from robotics to linguistic studies.⁵⁸

Concerning culture, in 2005 the Season of Russian Culture was organized in Hungary, and the Season of Hungarian Culture in Russia. In this framework some 200 events took place in both countries, dedicated to the culture of each other. In 2009 the Hungarian Book Fair hosted Lyudmila Ulitskaya as its special guest, and she was awarded the Budapest Grand Prize. The year 2011 was declared in Russia to be the Year of Friendly Relations with Hungary, coordinated by the famous writer and editor of *Literaturnaya Gazeta*, Yuri Polyakov, who currently heads the Russian Society for Russian-Hungarian Friendship as well.

In general, it is evident that the Russian language is becoming increasingly popular in Hungarian secondary schools and universities: young people see definite prospects in learning Russian. Moreover, in addition to the common university curriculum that trains teachers of the Russian language, in 2010 a separate 2-year M.A.

58 A orosz nyelv helyzete Magyarországon (The Situation of the Russian language in Hungary). Budapest, 2007. Alapítvány az Orosz Nyelvért és Kultúráért. Available at <http://www.russtudies.hu/Aindex.php?menu=54&dir=&lang=h>. Accessed 24 February 2012.

program in Russian studies was launched at the Institute of Russian Studies at Eötvös Loránd University.⁵⁹ The new program has been highly popular among the students, although it remains to be seen how well this degree will be received on the labor market.

SOURCES OF TENSION

The plans of the Hungarian government to decrease dependence on Russian natural gas are an important source of tension. In addition, there are a number of other issues that further hinder bilateral relations. The above-mentioned struggle over the MOL shares was a stumbling-block for years, though it is now settled. The most sensitive issues currently on the agenda are thus connected to the long-term gas delivery contract between Russia and Hungary and to MALÉV Hungarian Airlines.

The long-term gas delivery contract

The long-term gas delivery contract between Hungary and Russia ends in early 2015, and as of mid-2012, there seems to be no progress towards signing a new one. According to former Minister of National Development Tamás Fellegi, the Hungarian government intended to launch negotiations already in 2012, in order to avoid time pressure. However, Russia did not intend to begin the talks until the very last minute in 2014, shortly before the contract was due to expire.⁶⁰ Apparently, the Putin-Orban talks in January 2013

⁵⁹ Ibid.

⁶⁰ Gáz Magyarországnak: az oroszok nem tárgyalnának még (Gas for Hungary: Russians would not negotiate yet). 1 February 2011. *Piac és Profit*. Available at http://www.piacésprofit.hu/klimablog/energia/gaz_magyarorszag_nak_az_oroszok_nem_targyal_nak_meg.html. Accessed 24 February 2012.

did not change this. *Nota bene*, the next parliamentary elections in Hungary are due to take place in 2014 as well. Thus one may well presume that the question of gas may become quite politicized during the coming elections.

The main problem is that the intended diversification projects are unlikely to bear fruit before the long-term contract ends. Thus the new long-term contract on the amount of Russian gas to be delivered to Hungary will apparently need to be signed without knowing the exact amount possibly available from non-Russian sources.

The case of MALÉV Hungarian Airlines

When the Orbán-government came to power, 95% of the extremely unprofitable and heavily indebted MALÉV Hungarian Airlines was owned by the Hungarian state. However, the remaining 5% belonged to Vneshekonombank (VEB), as a result of several years of turbulent privatization and re-privatization deals, which involved also the Airbidge Co. Ltd. of Boris Abramovich. Moreover, VEB provided a loan of 120 million euros in 2009-2010 that was not paid back on time, thus ensuring that the MALÉV issue remained high on the Hungarian-Russian intergovernmental agenda.

When in December 2011 the European Commission ruled that the financial support given earlier to the MALÉV by the Hungarian state was against EU laws, the first rumors of possible bankruptcy were started. However, it still came as a surprise when on 3 February 2012 MALÉV announced the ceasing of operations.

The Russian side obviously intends to get its investments back. According to the Hungarian media, Russian-Hungarian negotiations on MALÉV were conducted as early as mid-February 2012, and VEB was reportedly ready to provide further loans in order to save its earlier investments. It remains to be seen how VEB will be

compensated for its loss, and whether the Russian bank will participate in the launch of a new Hungarian national airline.

Education and culture

Domestic political divisions in Hungary seem also to affect ties with Russian academic circles in the field of social sciences and humanities. In the last decade bilateral ties were dominated by a group of historians and linguists forming the Society for Hungarian-Russian Friendship and Culture,⁶¹ which reportedly had connections to the Hungarian Socialist Party then in power. In May 2011, however, another organization, the Tolstoy Society,⁶² was set up by other intellectuals more sympathetic with the current rightist-conservative government. The new organization held its founding ceremony in the Hungarian Parliament, and seemingly enjoys strong state support. There thus appear to be two rival groups currently on the scene. It remains to be seen, whether this competition will be good or bad for Russian-Hungarian cultural relations.

SUMMARY AND CONCLUSIONS

The pro-Western turn of Hungary's foreign policy after 1989 was made possible by the changing geopolitical realities, namely the weakening of the Soviet Union. The 1988 promise of Gorbachev of the end of the "Brezhnev doctrine" was a key precondition to these changes, as well as the withdrawal of the Soviet troops from Hun-

61 Magyar Orosz Művelődési és Baráti Társaság (Society for Hungarian Russian Friendship and Culture). Available at www.mobt.hu. Accessed 24 February 2012.

62 Tolsztoj Társaság (Tolstoy Society). Available at www.tolsztojtarsasag.hu. Accessed 24 February 2012.

gary. The change itself, however, was a direct result of the country's history, its political and economic interests and the self-perception of Hungarian society. In other words, it was perceived as the restoration of the natural European stance of Hungary. In terms of defense policy, however, abandoning its Eastern orientation did not automatically mean a pro-NATO course. At the beginning of the 1990s there were several other plans for ensuring Hungary's security and territorial defense. There was the option of self-guaranteed security, a Central European variation, and reliance on the OSCE as a guarantor of regional security.

The Yugoslav civil war quickly demonstrated that these alternative options were neither realistic nor feasible. The conflict in the immediate Southern neighborhood of the country pushed Hungary towards gradually adopting a NATO integration course. Thus the main motive behind the pro-NATO turn by Hungary was not the perceived Russian threat, though post-Soviet instability indeed played a role in the decision.

Regarding interstate relations, since the early 1990s Hungary has constantly been striving for a pragmatic relationship with Russia, free of ideological and historical burdens, regardless of the troubled common past. The lack of a common border and significant ethnic minorities provides a basically supportive environment for these intentions. So does the fact that, following the withdrawal of Soviet troops, there have been no Russian plans to maintain any military presence in the Central European region.

As the pragmatic intentions of Hungary were basically in line with those of the Russian Federation, the last two decades have seen stable interstate political relations, though not without certain ups and downs. By analyzing the Russia-policies of the Hungarian governments since 1990, one may well state that the nature of the bilateral relationship has always depended more on the attitude of Budapest than of Moscow. This is not surprising, given that Hungary is a much less important partner for the Russian Federation

than Russia is for Hungary. Consequently, while the “Russia question” was always on the agenda of Hungarian domestic political struggles, the relationship with Hungary was never similarly important for the Russian elites.

However, there has always been a consensus among mainstream Hungarian political forces on the pro-Western political orientation of the country. Thus, though the relationship with Russia has always been important, it never weakened the fundamental pro-Western orientation of Hungary. This was well demonstrated both by Hungary’s NATO accession despite Russian opposition, and also by Hungary’s actions during the 1999 Yugoslav crisis, which was the most sensitive moment of post-1989 Hungarian-Russian relations.

Taking all this into account, the issue could be summarized as follows. In post-1989 Hungarian-Russian bilateral relations the first turning point was the changing behavior of the Soviet Union, which actually made possible the whole Hungarian transition. Thereafter however, all other fundamental moves were initiated by the Hungarians – though, naturally, Hungarian policies were often linked with those of its Western partners and allies. These included a series of events in the 1998-2000 period which negatively affected relations, including NATO accession, later EU-membership, and also the intention to decrease Hungary’s dependence on Russian natural gas supplies, which remains a lasting source of tension in bilateral relations. However, neither NATO accession, nor EU membership in itself were decisive turning points in bilateral relations. They did play a role in the already changing trends of Hungarian foreign policy (e.g. the cooling of relations after 1998, and improvement from 2001), but were not course-altering factors.

At the same time, the Russian attitude has always been predominantly reactive. This has been partially connected to the fact that the leverage Russia has had over Hungary has radically decreased compared to Communist times. The complete military, political

and economic control wielded by the Soviet Union over Hungary before 1989 vanished quickly after the transition. Only Hungary's dependence on Russian energy resources has remained from the formerly rich inventory of political tools. However, regardless of this lasting dependence of Hungary, Moscow has never managed to actually prevent any of the strategic political choices of Budapest.

The same is likely to apply even in the case of the long-term gas contract that expires in 2014. By delaying the start of the negotiations Russia can indeed put pressure on Hungary. However, it cannot force Hungary to change its strategic course of diversification. Russia may, of course, cause economic and political hardships via the long-term gas contract, but Hungary will continue to decrease its dependence on Russia in the long run.

Concerning present sources of tension, only one of them is of a truly strategic nature: the above-mentioned gas dependence, and the Hungarian intention to combat it, which is obviously against Russian economic interests. However, all other problems could basically be settled with political decisions. Proper inquiries are needed in instances of corruption, VEB needs to be compensated for its losses in the MALÉV collapse, restitution should be continued, etc. Espionage, on the other hand, is likely to remain an issue in bilateral relations; however, from the Russian perspective this is more or less a natural consequence of Hungary's NATO membership.

All in all, in the period since 1989, bilateral relations seem to have remained on a stable path, becoming more balanced as unilateral dependencies have steadily decreased. A more balanced relationship, free of serious dependence, could well pave the way for a meaningful pragmatism, e.g. for widening and developing bilateral relations in the fields of non-energy businesses, tourism, scientific and also cultural cooperation. If this positive trend continues, balanced Hungarian-Russian relations could well become a new model for Russia's ties with the countries of Central and Eastern Europe in the 21st century.

Latvia and the Russian Federation: Twenty Years of Relations

Ekaterina Furman,
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INTRODUCTION

Latvia and Russia have had a difficult relationship over the last twenty years. This relationship has been punctuated by the high prominence of security issues (e.g., troop withdrawal, Latvian NATO membership), harsh rhetoric and propaganda wars regarding history and minority issues, Latvian perceptions of threats and Russian visions of enemies. Some limited economic sanctions from the Russian side in 1998 and strong disagreements over transit trade have more recently been superseded by growing business ties. At the psychological level, Latvian elites can be said to have been traumatized by Soviet rule, by the violence of Soviet repressions, by Soviet language policy and by the threat of demographic minoritization due to Soviet-era migration. Conversely, Russian elites, with their legacy of having ruled a huge empire, have had difficulty understanding their Latvian counterparts' fears for their sovereignty and national identity. Notwith-

standing these difficulties, one can say that the relationship has been transformed – or at least, that a transformation has begun – over the last several years.

After accession to the EU and NATO, existential Latvian security concerns began to ease, though they were briefly rekindled by the Russian-Georgian War in 2008. Latvian membership in these organizations increased the incentives for Russia to find a more pragmatic *modus vivendi* with Latvia, as it now had a voice at the table with the potential to influence broader EU-Russia and NATO-Russia relations. A key turning point in the relationship in recent years was the conclusion of a border agreement, after which political dialogue and legal cooperation across a wide array of issues developed rapidly. However, a number of issues remain open, including the traditionally fraught issues of history and minority rights. To understand the prospects for the relationship, it is necessary to trace how the core issues on the bilateral agenda have been addressed over the last twenty years and to identify the legacy this has left in terms of unresolved problems and suspicions.

RECOGNITION, AND THE SAGA OF TROOP WITHDRAWAL

Latvia and Russia began to forge bilateral relations even before both states had emerged from the rubble of the Soviet Union. Boris Yeltsin, leader of the Russian Socialist Federative Soviet Republic after June 1990, cultivated the Baltic republics as allies in his struggle against Mikhail Gorbachev and Gorbachev's efforts to maintain a unitary Soviet state. The most dramatic incident of cooperation came when Yeltsin flew to Tallinn to meet Baltic leaders during the January 1991 crackdown in Vilnius and Riga. There, they signed statements in which each of the sides recognized the others as "sovereign states" and condemned the use of force. Estonian and Latvi-

an leaders also signed treaties with Russia laying down guidelines for future relations, including provisions allowing individuals to freely choose citizenship.¹ These treaties were never ratified by the Russian side and were primarily of symbolic importance, but critics could later point to them and argue that the Baltic States had forgotten promises made with regard to the Russian minority.

On 24 August 1991, two days after the failed putsch, Yeltsin signed a decree whereby Russia recognized Latvia's independence and urged the president of the USSR to follow suit and "engage in negotiations to settle international relations between the USSR and the Republic of Latvia."² On 6 September 1991 the USSR State Soviet adopted a decision recognizing Latvia's independence, calling for negotiations on the full range of inter-state issues, and stressing the necessity of adhering to "generally recognized international legal norms in the realm of human rights and national minority rights and freedoms".³ Thus, Russia played a key role in Latvia's quest for international recognition, with the minority issue prominent on the agenda from the very beginning. The opportunity to boost good-neighborly relations between the two countries was not pursued at that time, however.

The apparently amicable break-up masked fundamental differences in Russian and Latvian conceptions of the nature of the Latvian state. The Latvian political elite claimed that Latvia was a "restored state" that had existed in the interwar years, was illegally occupied and annexed by the Soviet Union following the Molotov-Ribbentrop Pact, and had never ceased to exist *de jure* in the post-

1 For the texts of the two joint statements, see Diena, 15 January 1991. P. 2. See also Clemens, Walter C. Negotiating a New Life: Burdens of Empire and the Baltics States – the Case of the Baltics. In: Nationalities Papers. No. 2. 1992. P. 67-78.

2 Published in Vedomosti S'ezda narodnykh deputatov SSSR i Verkhovnogo Soveta SSSR. No. 35. 1991.

3 Published in Vedomosti S'ezda narodnykh deputatov SSSR i Verkhovnogo Soveta SSSR. No. 27. 1991.

war era. Russian political elites, in turn, have always treated Latvia as a new state that emerged with significant assistance from the Russian Federation.

Moscow resisted the assertion that Latvia had been occupied, with the implied responsibility inherent in the fact. Although, in 1989, the second Congress of the People's Deputies of the Soviet Union had condemned the Molotov-Ribbentrop Pact and declared its secret protocols – which had allowed the USSR to incorporate the Baltic States in 1940 – null and void,⁴ Moscow nonetheless continued to assert that their incorporation did not contradict International Law at the time.⁵

This controversy reflected a fundamental dispute with Latvia and the other Baltic States, as Moscow would not recognize their doctrine of the legal continuity of the statehood they had possessed between 1918 and 1940. In the negotiation of basic treaties with Latvia as well as with Estonia, this gap in the legal position became a dispute over the inclusion of any reference to the peace treaties of 1920, which Moscow continuously and consequently rejected. In March 1992, the Russian Parliament asserted that, “whatever the interpretation of the history of Latvia from the moment of its establishment as an independent state in 1918, no one can deny the fact that, in 1940-1991, it was a constituent part of the USSR and that, for this reason, the application of the Peace treaty of 1920 was terminated”.⁶

The two different interpretations had divergent implications for the status of Soviet/Russian troops based in the Baltic, the status of

4 Vedomosti S'ezda narodnykh deputatov SSSR i Verkhovnogo Soveta SSSR. No. 29. 1989. P. 579.

5 See Commentary by Russian Foreign Ministry on the “occupation” of the Baltic States by the Soviet Union, 4 May 2005. http://www.ln.mid.ru/brp_4.nsf/sp/s/15D712290D745332C3256FF70061D84E.

6 Declaration by the Supreme Soviet of the Russian Federation of 11.03.1992, No 2489-1. <http://news-city.info/akty/acting-06/tekst-zg-pravitelstvo-postanovlenie.htm>.

post-war settlers, the appropriate border, and the proper responsibilities of the two states towards each other.⁷

Until 2007, the Latvian political elite insisted that any border treaty refer to the 1920 Peace Treaty and that Latvia should retain the possibility of raising claims against Russia in the future.

In September 1991, upon the attainment of Latvian independence, there were 51,348 Russian military personnel stationed in Latvia, including three divisions, seven brigades, three separate corps, and three military schools.⁸ The Latvian and Russian sides both created delegations to conduct troop withdrawal negotiations, which met for the first time on 3 October 1991. The Latvian side stressed the need to resolve the troop withdrawal issue, claiming that the military presence was destabilizing and prevented the normalization of inter-ethnic relations. The Russian side claimed that the major issue was equal rights for all of Latvia's inhabitants.⁹

Latvia's parliament then adopted a decision that evoked strong Russian suspicions. On 15 October 1991, the Latvian parliament passed an act "restoring" Latvian citizenship to those individuals who had been citizens before World War II, as well as their direct descendants.¹⁰ The status of all other residents of Latvia – post-war civilian settlers, as well as retired and active duty Soviet military personnel and their families – would remain unclear for a number of years and constituted a major bone of contention in bilateral relations.

Russia repeatedly sought to link the issue of the timetable for

7 For analysis and discussion, see Muižnieks, Nils. *Latvian-Russian Relations: Dynamics Since Latvia's Accession to the EU and NATO*. Riga: University of Latvia Press, 2011. P. 10-11. See also: Muižnieks, Nils, ed. *The Geopolitics of History in Latvian-Russian Relations*. Riga: University of Latvia Press, 2011.

8 *Diena*, 24 December 1991.

9 See Jundzis, Tālavš. *Atgriešanās starptautiskajā aprītē*. In: Blūzma, Valdis et al, eds. *Latvijas valsts atjaunošana 1986-1993*. Rīga: LU Žurnāla Latvijas Vēsture fonds, LZA Baltijas stratēģisko pētījumu centrs, 1998. P. 349.

10 *Latvijas Republikas Augstākās Padomes un Valdības Ziņotājs*. No. 43. 1991.

withdrawal of its troops more broadly to the status of the Russian minority.¹¹ However, Latvia succeeded in delinking the two issues by enlisting the support of the international community. At the Helsinki CSCE summit on 10 July 1992, the participating states noted “the stationing of foreign armed forces on the territories of the Baltic States without the required consent of those countries” and called for the “early, orderly and complete withdrawal of such foreign troops from the territories of the Baltic States”.¹² Bilateral negotiations were marked by acrimonious disagreements over attempted linkage to the minority issue, the timetable for withdrawal, Russia’s desire to prolong the use of several military facilities in Latvia, Russia’s desire to receive assistance for the construction of military housing in Russia, whether either side owed the other compensation, and the status and social guarantees of retired Soviet military personnel living in Latvia.¹³

In the end, it was pressure and assistance from the United States that broke the deadlock. The US not only provided Russia with significant financial assistance to construct housing, but convinced the Latvian side to compromise and accept a package of agreements with Russia. The package provided for the withdrawal of almost all Russian troops by August 1994, the continued Russian operation of an early warning radar station in the Western Latvian city of Skrunda until 1998, and the right of those Soviet military personnel who had demobilized in Latvia by 28 February 1992 to remain in Latvia.¹⁴ The latter group consisted of 22,320 individuals plus their

11 See Simonsen, Sven Gunnar. *Compatriot Games: Explaining the “Disapora Linkage” in Russia’s Military Withdrawal from the Baltic States*. In: *Europe-Asia Studies*. Vol. 53. No. 5. 2001. P. 771-791.

12 CSCE. Helsinki Document 1992: The Challenges of Change. 10 July 1992. P. 8. <http://www.osce.org/mc/39530>.

13 For a detailed analysis of the negotiations and troop withdrawal, see Upmalis, Ilgonis et al, eds. *Latvija-PSRS karabāze: 1939-1998: materiāli un dokumenti par Padoņju armijas atrašanos Latvijā un tās izvešanu*. Rīga: Zelta grauds, 2006.

14 On the role of the US from the perspective of Latvian and American diplo-

families who would have no right to Latvian citizenship, but would receive pensions from Russia.¹⁵

After the package of measures governing security issues was ratified by both sides, the OSCE mission to Latvia played an important role in monitoring implementation. The OSCE mission's regular reports on personnel levels at the Skrunda early warning radar station helped to ease Latvian fears about the lingering Russian military presence. While the military pensioner issue was largely resolved by the treaty, individual cases continued to generate bilateral tensions. A joint commission on military pensioners was created with OSCE participation and continues to function until this day, examining individual complaints and seeking to bridge differences between Latvia and Russia on the issue. Some military personnel and/or their families fell into a legal grey zone (e.g., late demobilization, tenuous family ties, etc.). When the Latvian authorities tried to deport them to Russia, the affected individuals fought their cases in Latvian courts and the European Court of Human Rights, and Russia often jumped to their defense.¹⁶ However, such cases have become increasingly rare with the passage of time.

SEEKING TO JOIN THE WESTERN “CLUBS”

The bitter experience of the troop withdrawal saga and domestic political developments in Russia in the early 1990s encouraged the Latvian political elite to prioritize integration into European institutions as a means of enhancing security and strengthening inde-

matas, see Auers, Daunis, ed. *Latvia and the USA: From Captive Nation to Strategic Partner*. Riga: University of Latvia Press, 2008. P. 144-145 and 157-158.

15 See PSRS karabāze: 1939-1998. P. 119-121.

16 For an analysis of such cases before the European Court of Human Rights, see Muižnieks, Nils. *Latvian-Russian Memory Battles at the European Court of Human Rights*. In: *The Geopolitics of History*. P. 219-238.

pendence. A number of issues – the tensions between Yeltsin and the Russian Duma, which led to a constitutional crisis in 1993, the emergence of Russian discourse on the “near abroad,” the adoption of a military doctrine claiming special interests in the former Soviet space, and the rise of ultranationalists such as Vladimir Zhirinovskiy – all converged at this time; for Latvia, to seek shelter under the Western security umbrella seemed the rational choice.

The first step in gaining admission to the Western “clubs” was securing entry into the Council of Europe – the pan-European democracy organization seen at the time as the ante-chamber to the European Union. From the Latvian perspective, gaining membership in the Council of Europe before Russia was considered crucial, as Russia could veto Latvian membership or engineer unacceptable conditions for entry. One key requirement put forth for membership was the adoption of a Citizenship Law broadly in line with international standards, which the Latvian authorities did in August 1994, paving the way for subsequent membership in 1995.¹⁷

In the mid-1990s, Baltic NATO membership seemed out of the question, which strengthened the view in both Baltic and Western capitals that integration into the EU could help address Baltic security concerns.¹⁸ In 1995 Latvia took several important steps to launch its bid for EU membership. On 14 October 1995 all political parties represented in the parliament signed a statement supporting the president’s Declaration on the Integration of Latvia into the EU. Less than two weeks later, on 27 October 1995, the Latvian government submitted Latvia’s application for membership to Spain, the

17 On the linkage of the citizenship law to membership, see Muiznieks, Nils; Brands Kehris, Ilze. *The European Union, democratization and minorities in Latvia*. In: Kubicek, Paul, ed. *The European Union and Democratization*. London: Routledge, 2003. P. 35-36.

18 On the link between Russian political developments and EU policy towards the Baltic, see van Elsuwege, Peter. *From Soviet Republics to EU Member States: A Legal and Political Assessment of the Baltic States’ Accession to the EU*. Vol. 1. Leiden: Martinus Nijhoff Publishers, 2008. P. 190-192.

presiding country of the EU at the time.¹⁹ However, when in 1997 the European Commission published its Opinions on the membership applications of the ten Central and East European applicant countries, it recommended opening negotiations with only Hungary, Poland, the Czech Republic, Slovenia and Estonia. Estonia was initially chosen over Latvia and Lithuania due to its superior economic performance, a slightly more favorable minority situation than in Latvia, and geopolitical considerations. Many considered it important to send a political signal that enlargement would not be restricted to Central Europe alone and that including one Baltic State would help stabilize the region.²⁰

The Russian policy elite was largely indifferent to Baltic moves towards EU membership, but viewed NATO enlargement in general, and Baltic membership in the alliance in particular, as alarming. In an analysis of Russian media discourse surrounding Baltic EU and NATO accession, Toms Rostoks found that Russian views of Baltic EU accession were primarily neutral, but those on NATO accession were far more negative. In particular, representatives of the Russian military establishment portrayed NATO enlargement to the Baltic States as extremely threatening to Russian security. Even liberal Russian commentators such as Dmitry Trenin warned in 1997 that Baltic NATO membership “will lead to a new, very more acute, confrontation between Russia and the West”²¹.

In 1997, Moscow started a campaign aimed at preventing consideration of the accession of Baltic States to the Alliance. In July 1997, Yeltsin mentioned to Martti Ahtisaari, President of Finland, that Russia opposed and would continue to oppose NATO member-

19 For a detailed chronology of Latvia's EU accession bid, see <http://www.mfa.gov.lv/en/eu/history/4348/>.

20 See van Elsuwege, Peter. *From Soviet Republics to EU Member States*. Vol. 1. P. 237-246.

21 Trenin, Dmitri. *Baltic Chance: the Baltic States, Russia and the West in the Emerging Greater Europe*. Moscow: Moscow Carnegie Centre, 1997. P. 10.

ship of any of the CIS or Baltic States.²² In September 1997, he was echoed by Prime Minister Cherdomyrdin and Foreign Minister Primakov. Moscow offered the Baltic States security guarantees by concluding treaties on good-neighborhood relations and did not exclude multilateral security assurances leading towards the establishment of a regional security and stability pact with the participation of Russia and the Nordic countries. Yeltsin pursued this offer in a meeting with the Lithuanian President Brazauskas (see the chapter on Lithuanian-Russian relations) and, on his visit to Sweden, announced that Russia would cut its armed forces in the Baltic region by 40% during 1998.

While NATO membership seemed a distant prospect in the mid and late 1990s, it was a clear desideratum for the Baltic States. As with the EU, a triangular constellation formed between NATO, the Baltic States and Russia over the issue. However, an important difference in this instance was the role played by the United States as the preeminent actor within NATO. Not long after declining Russia's 1997 offers of security guarantees,²³ Latvia and its Baltic neighbors signed "A Charter of Partnership and Cooperation Among the United States of America and the Republic of Estonia, Republic of Latvia, and Republic of Lithuania" on 16 January 1998.²⁴ The refusal of the Baltic States to seriously entertain Russian security overtures, combined with growing Baltic relations with the US, as well as domestic Latvian political and economic developments seen as unfriendly to Russia, contributed to a serious downward spiral in Latvian-Russian relations. In early 1998, a crisis erupted, marked by Russian propaganda warfare against

22 Rossiyskie vesti, 15 July 1997.

23 See Ozoliņa, Žaneta. Crisis Prevention of Invention: Latvia's Response to the Proposed Russian Security Guarantees. In: Stern, Eric K. and Hansen, Dan, eds. Crisis Management in a Transitional Society: The Latvian Experience. Stockholm: Forsvaghogskolen, 2000. P. 188-215.

24 See Latvia and the USA: From Captive Nation to Strategic Partner. P. 171-178, 131-132.

Latvia and limited economic sanctions. However, Latvia quickly faded from the Russian policy agenda after Russia experienced a financial meltdown in the summer of 1998.²⁵

As will be suggested in the following section, however, the actual impact of NATO expansion on Latvian-Russian relations has been quite minimal.

THE IMPACT OF LATVIA'S NATO ACCESSION

Latvia's accession to NATO eased existential security concerns among the Latvian political elite. The Latvian Foreign Policy Guidelines 2006-2010 start with the assertion that after integration in the EU and NATO, Latvia "acquired unprecedented security – more security than has ever been enjoyed in the country's history. Under this status, Latvia can develop, knowing that the traditional military threats to the state have diminished considerably".²⁶ The primary visible sign of NATO membership was the beginning of patrols by NATO fighter jets in Baltic air space from a base in Sauliai, Lithuania. Edgars Rinkēvičs has noted that although Russia perceived these patrols as a sign of NATO aggression, "the number of violations of Latvian air space has decreased from four in 2000 to one or two times in 2004-2006".²⁷

While some in Latvia and the other Baltic States would like to host NATO infrastructure, Russia would see this as highly provocative.²⁸ As noted in Russia's National Security Strategy to 2020

25 For a brief overview and analysis of the crisis, see Muižnieks. *Latvian-Russian Relations*. P. 12-13.

26 See <http://www.mfa.gov.lv/en/policy/guidelines>.

27 Rinkēvičs, Edgars. NATO, Russia and Latvia. In: Ozoliņa, Žaneta, ed. *Latvia-Russia-X*. Riga: SAK, 2009. P 151.

28 According to a Russian public opinion poll by Levada Center, conducted in 2003, 46% of respondents believed that the NATO accession by ECE countries and the Baltic States threatened Russia's security. 28.9% believed the enlarge-

(adopted in 2009), “A determining aspect of relations with NATO remains the fact that plans to extend the alliance’s military infrastructure to Russia’s border [...] are unacceptable to Russia.”²⁹ For a number of years after Latvia’s accession to NATO, the alliance also refrained from other measures deemed provocative to Russia, such as developing contingency plans to defend the Baltic States or conducting military manoeuvres in Baltic territory. This changed with the Russian-Georgian war in August 2008.

In October 2008, soon after the cessation of Russian-Georgian hostilities, NATO’s highest military commander, General James Craddock, asked the allies for approval to draw up contingency plans for defending Estonia, Latvia and Lithuania.³⁰ After Poland received contingency plans for an attack ostensibly originating from Belarus, “prudent planning” for the Baltic States began in 2009 and was accelerated after US President Barack Obama publicly called for such plans for all NATO member states.³¹ Although the Russian authorities did not officially comment on these activities, subsequent Russian actions can be interpreted as a response.

In September 2009 Russia organised two related military exercises near Baltic borders: “Zapad-2009” and “Ladoga-2009”. The exercises were jointly carried out by the Russian and Belarus militaries and involved around 15,000 Russian soldiers and navy servicemen, 6,500 Belarus troops, 1000 pieces of heavy military equipment, and at least 100 combat aircraft and 20 battleships.³² The scenarios cre-

ment would not affect Russia’s security while 5.1% were of the opinion that it would improve Russia’s security. Data provided to one of the authors by the Levada Center.

29 Available at <http://www.mid.ru/ns-osnadoc.nsf>.

30 Lobjakas, Ahto. NATO Commander Seeks Defence Plans for Baltic States. Radio Free Europe/Radio Liberty, 7 October 2008.

31 Border Controls: Thanks to Poland, the Alliance Will Defend the Baltics. In: The Economist, 14 January 2010. <http://www.economist.com/node/15268095>.

32 Wilk, Andrzej. Russia Practices War in the West. EastWeek, 30 September

ated for the exercise were clearly designed to intimidate the Baltic States: an uprising of ethnic Poles in western Belarus, a “terrorist” attack on Kaliningrad from Lithuania, and the invasion of Western Russia by three NATO-like brigades.³³ Latvian Ministry of Defence State Secretary Jānis Sārts underlined the threatening nature of the exercises: “Very large exercises are taking place on our borders and they are much larger than the exercises that took place on Georgia’s borders before the invasion of Georgia”.³⁴

Soon thereafter, in what can only be interpreted as a response, NATO organized large-scale military exercises on Baltic territory for the first time. In 2010 three major NATO military exercises were carried out. The “Baltic Host” land exercise in all three Baltic States and the “BALTOPS” naval exercise in the Baltic Sea with an offload of equipment onto Latvian shores both took place in June, while “Sabre Strike” – a Baltic-US counterinsurgency operation – took place in late October.³⁵ In 2011, NATO exercises continued to be held on Baltic territory – “Baltic Host 2011” in all three Baltic States in April³⁶ and “Open Spirit 2011” in Latvia in August and September.³⁷ This suggests that the previous taboo on such forms of “reassurance” has been broken, even in the absence of an international crisis such as the Russian-Georgian war.

2009. [http:// www.osw.waw.pl/en/publikacje/eastweek/2009-09-30/russia-practices-war-west](http://www.osw.waw.pl/en/publikacje/eastweek/2009-09-30/russia-practices-war-west).

33 War Games. In: *The Economist*, 29 October 2009. <http://www.economist.com/node/14776852>.

34 Gabere, Antra. Krievijas armija pierobežā uzskatāma par brīdinājumu. In: *Neatkarīgā Rīta Avīze*, 3 October 2009.

35 Overview of International Military Exercises in Latvia During 2010. In: *Latvian Institute Fact Sheet No. 35*, 11 August 2010.

36 Joint Military Training “Baltic Host 2011” to Take Place in the Baltic States, 28 March 2011. http://www.mod.gov.lv/Aktualitates/Preses_pazinojumi/2011/03/28_02.aspx.

37 Latvijā notiks starptautiskās militārās mācības “Open Spirit 2011”, 14 June 2011. http://www.mod.gov.lv/Aktualitates/Preses_pazinojumi/2011/06/14-02.aspx.

These military exercises failed to provoke much anger on the part of the Russian authorities. Indeed, despite the heated rhetoric surrounding the Russian-Georgian war and occasional sabre-rattling, cooperation between Latvia and Russia in ensuring the functioning of the Northern Distribution Network (NDN) has blossomed since mid-2009.³⁸ The NDN is a transit corridor used by the United States to deliver non-lethal supplies to its forces in Afghanistan. It begins in the Latvian port of Riga, crosses Latvian territory by train, traverses Russian territory, then Kazakhstan and Uzbekistan to Afghanistan. Both the Latvian and Russian sides gain significant income through this transit and no delays or disagreements surrounding this venture have appeared in public discourse.

THE IMPACT OF EU EXPANSION

The impact of Latvia's accession to the EU on Latvian-Russian relations has been contradictory. On the one hand, as with membership in NATO, it marked the end of any possibility that Russia could claim Latvia as being in its "sphere of privileged interests" and contributed to easing existential security concerns among Latvian elites. It also appears to have contributed indirectly to the signing of a border treaty between Latvia and Russia and to increasing the likelihood of political dialogue between the two sides, especially as Russia acquired a greater interest in the ability of individual EU member states to affect the broader contours of EU-Russia relations. However, EU membership has not had a significant impact on disagreements over history and the minority issue. Moreover, EU membership has not fundamentally altered the situation in the energy field, a fraught issue in Russia's relations with many of its neighbors.

38 See Kuchins, Andrew C.; Sanderson, Thomas M. *The Northern Distribution Network and Afghanistan: Geopolitical Challenges and Opportunities*. Washington, D.C.: CSIS, 2010.

Peter van Elsuwege has argued that the movement towards signing a Latvian-Russian border treaty should be seen in the context of the EU's adoption of a Common Spaces program at the 2005 Moscow EU-Russia Summit and subsequent road maps, which mentioned the objective to "demarcate borders between the EU Member States and Russia".³⁹ Indeed, in January 2007, the long-time ally of the Baltic States Swedish Foreign Minister Carl Bildt visited Latvia and stressed that the border treaty was important for the entire EU.⁴⁰ This external "push", combined with domestic business lobbies with a strong interest in more pragmatic relations with Russia, led to the emergence of a consensus among the Latvian political elite that the border treaty had to be taken off the bilateral agenda.

The primary barrier to reaching agreement was that the current border does not correspond with the interwar border with Soviet Russia which was delineated in the 1920 Peace Treaty, since the Soviet authorities had redrawn administrative boundaries and placed the pre-war Latvian district of Abrene (Pytalovo district of the Pskov region) within the jurisdiction of the RSFSR. When in January 1992 the Latvia Supreme Soviet declared the transfer of this territory to Russia null and void, the Russian Parliament reacted promptly, rejecting any territorial claims by Latvia as legally groundless and politically provocative while undermining the CSCE Helsinki principle of the inviolability of frontiers.⁴¹

Although in 1997 the Latvian government decided to accept the de facto border as established by the Soviet Union, it found this politically difficult to acknowledge officially. This is why, until 2007, the Latvian political elite insisted that any border treaty refer to the 1920 Peace Treaty and that Latvia should retain the option of rais-

39 See van Elsuwege, Peter. *From Soviet Republics to EU Member States: A Legal and Political Assessment of the Baltic States' Accession to the EU*, Vol. 2. Leiden: Martinus Nijhoff Publishers, 2008. P. 410-413.

40 See Ērgle, Antra. *Robežlīgums nav burvju nūjiņa*. Diena, 24 January 2007.

41 Declaration by the Supreme Soviet of the Russian Federation of 11.03.1992, No 2489-1.

ing claims against Russia in the future. In 2005, when both sides were very close to signing the treaty, the decision of Riga to reinsert the reference to the 1920 treaty was the single reason for Moscow to reject it. It was only after Latvia agreed to waive any mention of the 1920 accord and possible claims that Russia agreed to sign the border treaty and both sides could exchange instruments of ratification in December 2007.⁴²

Prior to Latvia's EU accession, there had been some hopes that disagreements between the two countries over history and minorities might fade in the broader context of Latvia's Europeanization. For example, a visiting high European Commission official noted in a conference on EU integration in Latvia in 1998 that "the countries and people that have, not long ago, recovered their own sovereignty after years of Soviet occupation or domination will find out that membership in the European Union will liberate them from the remaining shackles of their own past".⁴³ Before Latvia's accession, a number of Russian and Latvian analysts anticipated that membership in the EU would lead to a liberalization of minority policy and further the integration of Latvia's Russian-speaking population.⁴⁴ These expectations have not been entirely fulfilled.

Issues of history have become even more controversial in Latvian-Russian relations since accession, for of a number of factors. After Putin came to power in 2000, the Russian state imposed a greater uniformity of official views in the central media and elsewhere and promoted more ideological interpretations of history, elevating the Victory in the Great Fatherland War as a

42 For a brief overview and analysis, see Muižnieks. *Latvian-Russian Relations*. P. 28-30.

43 Angel Vinas, then director of the Multilateral Relations Department of the European Commission, cited in Muižnieks, Nils, rapporteur. *Building an Inclusive Society for Europe: The Challenge for Latvia*. Conference report. Rīga, Latvia, May 4-5, 1998. Riga: Latvian Institute of International Affairs, 1998. P. 31.

44 For relevant citations, see Muižnieks. *Latvian-Russian Relations*. P. 15, and van Elsuwege. *From Soviet Republics to EU Member States*, Vol. 2. P. 422.

core “legitimizing” myth and symbol of unity in Russia. This has contributed to new forms of symbolic conflict with Latvia among documentary film-makers, historians, politicians, NGOs and others. The younger generation of Russians in Latvia, in turn, have also increasingly latched on to commemoration of the Victory in their search for a positive identity. Moreover, Latvian officials, along with other representatives from the new EU Member States in Central and Eastern Europe, have sought to educate their colleagues in Western Europe about the crimes of Stalinism, thereby evoking a defensive response from Russia.

In addition to launching a campaign in multilateral institutions against the glorification of Nazism, with an eye to Latvia and Estonia, Russia engaged the Council of Europe, or the OSCE, which maintained a mission in Latvia until 2001, in thematizing the issue of discrimination of the Russian minority, an issue which Moscow increasingly placed on the agenda of EU-Russia relations, both before and after the Latvian accession to the European Union.

Some liberalization of Latvia’s citizenship and language legislation took place in the context of EU conditionality prior to Latvia’s accession.⁴⁵ As can be seen in Figure 1, the changes in Latvia’s citizenship law in 1998 did lead to a spike in naturalization immediately thereafter, which was followed by another spike following EU accession. However, in recent years the number of applications has dwindled significantly and the percentage of those failing the language and history tests has increased. In the peak year of 2005, only 15.3% of applicants failed the language test and 4.8% failed the history test. By contrast, in 2011, 41.3% of applicants failed the language test and 19.5% failed the history test.⁴⁶ This suggests that more assistance to potential applicants is required.

45 See Muiznieks, Nils; Brands Kehris, Ilze. *The European Union, Democratization and Minorities in Latvia*. P. 30-55.

46 Calculated from Citizenship and Migration Affairs Board data, available at <http://www.pmlp.gov.lv/lv/statistika/Naturalizacija.html>.

Another related issue pertains to non-citizen children born in Latvia. Changes to the citizenship law adopted following the referendum in 1998 grant the right to non-citizen children born in independent Latvia to be registered as citizens without any tests. If one or both parents are citizens, this happens automatically, if both parents are non-citizens, they must submit a request for the child to be registered. However, many parents do not do this – some because they are unaware of the possibility or do not want their children to become Latvian citizens, others because the family has split and one of the parents is unavailable to sign the request. As a result, Latvia has over 14,000 non-citizens who were born since the restoration of independence in 1991, with several hundred more being born each year. They can acquire citizenship through naturalization at the age of 15, but by then, many have become as alienated and passive as their parents.

Despite the lingering issue of non-citizen children and significant failure rates on naturalization examinations, the fundamental contours of the non-citizen issue have changed dramatically over the last twenty years due to naturalization and demographic change (mortality, outmigration, etc.). If, in 1995, only 37.7% of all Russians in Latvia were citizens of Latvia, by the beginning of 2012, 60.3% were citizens of Latvia.⁴⁷ This has taken some of the edge off the controversy both within Latvia and in Latvian-Russian relations.

47 For 1995 data, see Muiznieks, Nils. Government Policy Towards the Russians. In: Muiznieks, ed. Latvian-Russian Relations. P. 17; for 2012 data, see the home page of the Citizenship and Migration Affairs Board at <http://www.pmlp.gov.lv/lv/statistika/iedzivotaju.html>.

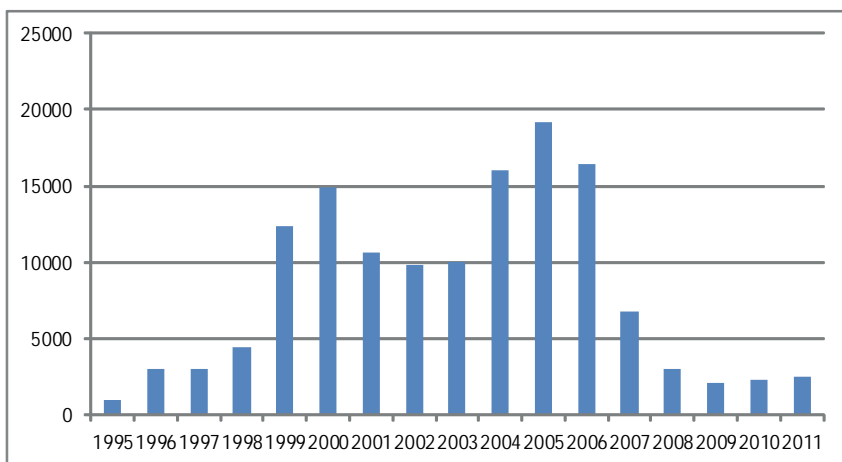


Figure 1. Number of persons naturalized, 1995-2011⁴⁸

While EU accession briefly led to an increase in naturalization rates, other controversial minority issues saw stagnation or even backsliding. Regulation of language use in the private sector – a core focus of EU conditionality – expanded significantly after accession. Moreover, in 2003-2004, Latvia implemented a far-reaching reform of minority education by enhancing the teaching of Latvian in state secondary schools which had previously had instruction primarily in Russian. This prompted mass protests in Latvia and accusations of Russian meddling in Latvia's domestic affairs. What is more, Latvia has been one of the slowest EU states to transpose EU anti-discrimination directives.⁴⁹

48 Citizenship and Migration Affairs Board Data.

49 See Galbreath, David J.; Muiznieks, Nils. *Latvia: Managing Post-Imperial Minorities*. In: Rechel, Bernd, ed. *Minority Rights in Central and Eastern Europe*. London: Routledge, 2009. P. 135-150. See also Muiznieks, Nils, ed. *How Integrated is Latvian Society? An Audit of Successes, Failures and Challenges*. Riga: University of Latvia Press, 2010. In a recent comparative study which evaluated, inter alia, anti-discrimination policy, Latvia placed last out of 31 countries. See

In the energy realm, Latvia's EU membership has not had a significant impact on Latvian-Russian relations. Indeed, the closure in 2009 of the Ignalina nuclear power station in Lithuania – a requirement for Lithuania's EU accession – actually increased Latvia's dependence on Russian gas and electricity imports, as Latvia had imported significant amounts of electricity from its southern neighbor and compensated for the shortfall by modernizing a gas-powered electricity generator.⁵⁰ In a countervailing development, the component of the EU Baltic Sea Strategy dealing with the promotion of energy efficiency and gas and electricity inter-connections reached the implementation phase in 2010. This strategy, if and when it is fully implemented, holds the potential to ease Latvia's energy dependence on Russia by promoting conservation, diversifying Latvia's sources of energy suppliers and creating a regional market for gas and electricity.⁵¹ This, in turn, could help to remove lingering political elements in Latvian-Russian energy relations and attenuate the role of energy as a potential Russian lever in bilateral relations.

EVOLUTION OF DOMESTIC POLITICAL DISCOURSE

The domestic political context and the stances generated therein are an essential basis for the formulation of foreign policy. Political discourse within Latvia and Russia on the bilateral relationship

British Council and Migration Policy Group, *Migrant Integration Policy Index III*. Brussels: MPG and British Council, 2011. P. 24-25.

50 See Muižnieks. *Latvian-Russian Relations*. P. 49.

51 For a detailed analysis, see Bukovskis, Kārlis. *The EU Strategy for the Baltic Sea Region and Promises for Latvia's Energy Market*. In: Ozoliņa, Žaneta et al, eds. *EU Strategy for the Baltic Sea Region: A Year After and Beyond*. Rīga: Zinatne, 2010. P. 158-186.

runs the gamut from politicization all the way to securitization and back to pragmatism. Latvian discourse on Russia has been linked to the most important issues in the bilateral relationship (troop withdrawal, the border treaty, history, minority issues, EU and NATO enlargements, etc.) and has been largely reactive in nature. Here, we provide an overview of the extent and nature of Latvian parliamentary discourse on Russia, the stances of Latvian political parties, and the evolution of the Latvian government's declaratory policy over time.

Parliamentary debates

An examination of Russia's presence in Latvian parliamentary debates leads to the conclusion that Russia is quite a common subject for Latvian political discussion. Over a 19 year period (1993-2011) Russia was mentioned in Latvian parliamentary debates a total of 8601 times or an average of 8 times per parliamentary meeting.

Russia was mentioned most often during the 5th Saeima (VII.1993-XI.1995), when the most important issues discussed were the withdrawal of Russian troops, retired military officers and the physical infrastructure left by the Soviet/Russian military on Latvian territory. Valdis Birkavs, Latvia's prime minister at the time, suggested that the security situation in Latvia with the troop withdrawal "has gone from a grey zone of security [...] into the white zone of security".⁵² Around the same time, at the end of 1994 and the beginning of 1995, the Latvian parliament actively discussed the situation in Chechnya. In this context, at the 15 December 1994 plenary session, an overwhelming majority of deputies (71 – "for", 4 – "against", 2 – abstentions) voted to condemn Russia's "military aggression" in Chechnya and to urge Russia to seek a negotiated settlement and a peaceful resolution to the conflict. □

52 http://www.saeima.lv/steno/st_94/st2004.html.

Table 1. Mention of Russia in the Minutes of Plenary Sessions of the Latvian Parliament (Saeima), Number of Mentions

5th Saeima (1993-1995)	6th Saeima (1995-1998)	7th Saeima (1998-2002)	8th Saeima (2002-2006)	9th Saeima (2006-2010)	10th Saeima (2010-2011)
2220	1823	947	1288	2038	285

During the 6th Saeima (XI.1995-XI.1998) parliamentary discourse focused on issues related to Russia's retired military personnel, as well as the citizenship issue. At the same time, issues relating to economic cooperation began to garner attention, especially in the context of limited economic sanctions imposed by Russia in 1998. Economic relations were portrayed as a realm in which Russia sought to influence domestic Latvian affairs, thereby politicizing the issue. At the same time, certain deputies in Latvia stressed the necessity of a pragmatic approach. Thus, for example, the head of the Democratic Party "Saimnieks" Ziedonis Čevers noted at the 22 April 1998 plenary session, "Russia is neither a friend, nor an enemy, but only a large market in which is it advantageous to sell one's manufactured products and buy raw materials".⁵³

Though Latvian deputies mentioned Russia about half as many times during the 7th Saeima (XI.1998-X.2002) as compared to the previous two parliaments, the issues discussed suggested the topicality of Russia in Latvian political discourse. The issues of retired military personnel and citizenship continued to be debated, but at the end of this period (October 2002) certain deputies raised the issue of "repatriating" non-citizens to Russia.⁵⁴ Deputies also fo-

53 http://www.saeima.lv/steno/st_98/st2204.html.

54 Fatherland and Freedom/LNNK deputy Pēteris Tabūns pointed to Russian Embassy data on the number of persons who would like to move/repatriate to Russia, claiming a total of between 30,000 and 60,000. http://www.saeima.lv/steno/2002/st_2410/st2410.htm.

cused more attention on economic relations in the context of trade and transit, as well as with reference to certain enterprises (Latvijas Balzams) and sectors (energy). At the end of 1999 the issue of Chechnya came up again, and another declaration regarding Russia's military action was adopted. However, compared to 1994, the debates were less lively and the declaration was milder, referring not to "aggression", but to "military action".

It should be noted that during this parliamentary session the issue of recognition of the Soviet occupation and the interpretation of history began to be stressed more frequently. Given Latvia's moves towards integration into the EU and NATO, the debates increasingly touched upon Russia's stances regarding the dual enlargement with specific reference to Latvian security, but also to the broader international situation. Moreover, certain deputies suggested that after Latvia's accession to NATO, Latvian-Russian relations could improve.⁵⁵

Debates in the 8th Saeima (XI.2002-XI.2006) focused on such issues as the status of non-citizens and Russia's criticism of alleged Latvian human rights violations (mainly with regard to the education reform). Certain deputies made statements that could be considered highly provocative. Thus, for example, militant nationalist deputy Pēteris Tabūns called part of Latvia's Russian-speaking population "Russia's fifth column... [which] is organizing unrest in Latvia", while his party colleague Juris Dobelis pointed to "people who have developed mental health problems when they hear the state language and [...] who have a psychological aversion to living in small countries".⁵⁶ In a few cases, Russia was also mentioned in relation to Latvia's participation in NATO and the EU or the border

55 A similar judgement was earlier made by other opinion leaders. See Rikveilis, Airis. Fifteen years of Latvian-Russian relations: from optimism to hopelessness and back. In: *Latvia-Russia-X*. P. 26.

56 Tabūns, Pēteris, http://www.saeima.lv/steno/2002_8/st_040212/st1202.htm and Dobelis, Juris, http://www.saeima.lv/steno/2002_8/st_031113/st1311.htm.

issue, but such mention during the 8th Saeima was infrequent. At the same time, deputies increasingly referred to growing pressure from Russia not only in the economy, but also in realms such as education and history, as well as in the aggressive rhetoric of Russian officials vis-à-vis Latvia.

During the 9th Saeima (XI.2006-X.2010) mention of Russia revolved around three issues – the border treaty with Russia, the Russian-Georgian conflict and the treaty on cooperation in social security. Discussion of the border treaty also touched on the issue of the occupation and its consequences, as well as energy, trade and citizenship. In these discussions, one can note efforts both to politicize the border issue, as well as to divert attention from the occupation and territorial claims. Thus, deputies from Fatherland and Freedom/LNNK pointed to possible Russian demands for Latvia to accede to on issues related to language, citizenship and social guarantees, while deputies from For Human Rights in a United Latvia stressed that the border treaty would pave the way for other important bilateral agreements (on double taxation and social cooperation).⁵⁷ In parallel with the normalization of relations and certain progress in bilateral negotiations, nationalist deputies increasingly stressed Russia's attempts to gain influence in Latvia through indirect political, economic and "humanitarian" means, using such terms as "special policy," "soft occupation" and "soft power".

During the 10th Saeima (XI.2010-X.2011), which was cut short by the dissolution of the parliament and early elections, relations saw an upturn and debates focused on various bilateral treaties, the state visit of President Zatlers to Moscow, and proposals to ease residence requirements for foreign investors. Participants in the debates did not doubt the necessity of Zatlers' visit, but some did criticize his promises of support for an EU-Russia visa-free regime. With regard to residence permits, the nationalists criticized "selling

57 <http://www.saeima.lv/steno/Saeima9/070208/st070208.htm>.

Latvian land to citizens of Russia”, as well as the possibility of a growing presence of Russian criminal groups.

Political Parties

Parliamentary debates often featured inter-party posturing on Russia. Thus, another important element of political discourse is the stance of political parties and their leaders with regard to Russia. It should be noted that Latvian political parties are often analyzed according to the ethnic cleavage⁵⁸ and the opposition between “Latvian” and “Eastern Slavic” parties.⁵⁹ However, except for the two flanks – the radical nationalists and the “pro-Russian” parties – the situation in the political center has evolved considerably over time.

The radical nationalist political parties have transformed over time as well, though their core – Fatherland and Freedom/LNNK – was more or less stable until the 2011 extraordinary elections. The nationalist parties have been the most active “securitizers” of Russia in parliamentary debates and pre-election campaigns. Their rhetoric has evolved somewhat over time. During the 5th and 6th Saeimas, they focused on demands for “de-occupation” and “de-colonization” linked to the citizenship and language issues, as well as the presence of retired Russian military officers and the “repatriation” of Russian-speakers. The nationalists maintained their focus on citizenship and language issues in the 7th, 8th and 9th Saeimas, and increasingly pointed to Russia’s political and economic pressure, use of “compatriots”, and alleged inability to come to terms with the Soviet/Russian past. In the 10th Saeima, “All for Latvia”

58 See Runcis, Andris. *Cleavages, the Formation of Cleavages, and Political Parties in Latvia*. Scientific Papers of the University of Latvia. Vol. 686. Riga, 2005. P. 68-72.

59 See Ikstens, Jānis. *Eastern Slavic Political Parties in Latvia*. In: Muižnieks, ed. *Latvian-Russian Relations*. P. 41-52

reinforced the old guard nationalists and stressed the consolidation of pro-Russian political forces and the need to defend ethnic Latvian interests.

The most salient aspect of pro-Russian political parties is the defense of the rights of the Russian-speaking minority. The links between these parties and political forces in Russia have been demonstrated rather convincingly, which explains their attempts to depoliticize and desecuritize issues linked to Russia.⁶⁰ The stance of pro-Russian parties on issues such as citizenship, language and economic cooperation, as well as their opposition to criticism of Russia on Chechnya, clearly shows their role in Latvia's domestic political debate on Russia. In the last elections in 2011, the key pro-Russia political force in Latvia – Harmony Center – emerged victorious. While it seeks to position itself as centrist and denies defending Russia, its cooperation agreement with Russia's leading party "United Russia" casts doubt on its neutrality with regard to Russia.

The "floating" centre or, rather, the parties between the two ends of the political spectrum, are largely moderate nationalists, though in certain cases differences among them can be discerned with regard to Russia. For the most part, such differences are linked to sectoral economic interests. Thus, depending on the situation and the issue at stake, Russia can be portrayed as either a constructive partner with which it is possible to do business or an external force with occasionally threatening influence in Latvia.

Government declarations

An examination of Latvian government declarations and action plans suggests that the government agenda reflects fairly accurately the practical aspects of bilateral relations, though one occasionally

60 Ibid.

notes the appearance of political stances. It should be noted that the Latvian political system is characterized by a high degree of government instability, with 14 governments over the last 19 years.

The first post-independence government's⁶¹ declaration stressed the necessity of a rapid and orderly withdrawal of the military forces of the former USSR and the demand for compensation payments to those who were politically repressed by the USSR. However, the second government's⁶² declaration already speaks of a normalization of relations with Russia.

The subsequent two governments (21.12.1995-13.02.1997 and 13.02.1997-07.08.1997) were both led by Andris Šķēle and present similar agendas towards Russia – strengthening the legal framework for relations in general and signing a border treaty in particular. Identical formulations with regard to Russia can be found in the subsequent government's⁶³ declaration.

The necessity of observing continuity in relations with Russia was stressed by the government of Vilis Krištopāns (26.11.1998-16.07.1999) as well, though in addition to a border treaty, a new desideratum appears: “a new beginning in relations with Russia free of historical and ideological prejudices”. Moreover, the declaration also mentions an analysis of Russian economic processes and the development of trade relations.

The next government (16.07.1999-05.05.2000) was again led by Andris Šķēle and the government declaration evidences a decline in interest towards Russia. The general desired direction of relations is indicated – “good and friendly neighbor relations with Russia based on Latvia's state continuity, international legal norms and principles, and mutual benefit”. In addition, for the first and only time in a government declaration, the goal of expanding contacts with Russia's regions is mentioned.

61 Prime minister Valdis Birkavs, 03.08.1993-19.09.1994.

62 Prime minister Māris Gailis, 19.09.1994-21.12.1995.

63 Prime minister Guntars Krasts, 07.08.1997-26.11.1998.

The government declaration of prime minister Andris Bērziņš (05.05.2000-07.11.2002) again contained reference to the border treaty. Interestingly, relations with Russia are seen in the same context as those with Belarus, and Latvia's foreign policy role as a future member of the EU and NATO is stressed with regard to these countries.

The declaration of the government of Einārs Repše (07.11.2002-09.03.2004) does not mention Russia at all, but in that of Indulis Emsis (09.03.2004-02.12.2004) Russia is mentioned in the context of economic relations between the EU and Russia and the CIS. This declaration also notes Latvia's support for Russia's entry into the WTO.

The next two governments (02.12.2004-07.11.2006 and 07.11.2006-20.12.2007) were led by Aigars Kalvītis. The declaration of the first Kalvītis government repeats verbatim the formulations of the Emsis government, but the second treats Russia in a far more detailed manner, mentioning concrete border crossing points (Terehova and Grebņeva), Latvia's interests in the EU-Russia dialogue, and improving the legal basis for relations (including the border treaty).

The declaration of the government of Ivars Godmanis (20.12.2007-12.03.2009) indicates the development of bilateral relations promoted by the signing of the border treaty. The declaration also points to the development of border crossing points and the necessity of building linked roads.

The latest two governments have been led by Valdis Dombrovskis (12.03.2009-02.11.2010 and 02.11.2010-...). As before, the second declaration has a more detailed overview of relations. This declaration also mentions the necessity of improving the bilateral legal framework and building roads.

The Evolution of Public Opinion on the Relationship

Despite the apparent asymmetry between Latvia and Russia in terms of territory, population size, resource endowment, industrial and military capabilities and so forth, the bilateral relationship is a prominent feature of public opinion in *both* countries. Since the early 1990s, Russia is the most common perceived cause of insecurity in Latvia, especially among ethnic Latvians. At the same time, in recent years, many residents of Latvia (and not only Russian-speakers) have come to see Russia as an attractive country that evokes positive emotions. In Russia, by contrast, public opinion has perceived Latvia as being very hostile to Russia, Russian visitors and the local Russian-speaking population.

For the 1990s, the most reliable survey data regarding Latvian threat perceptions of Russia are from the *Baltic Barometer* surveys conducted by Richard Rose, which regularly asked whether various phenomena (refugees, ethnic conflicts) and states (Russia, other former Soviet republics) posed a threat to Latvia's peace and security. As the table below suggests, ethnic Latvians had high, but steadily declining perceptions of threat over the 1990s, while only about every fifth Russian-speaker shared the Latvian perception.

For the first decade of the 2000s, the most reliable data are from the SKDS survey research company in Latvia, which asked respondents a similar, but differently worded question, making comparisons with the data from the 1990s problematic. Instead of asking about the more diffuse threat to Latvia's peace and security, respondents were asked whether Russia should be seen as a threat to Latvia's independence. As can be seen in the table below, ethnic differences in threat perceptions remain significant in Latvia. Interestingly, EU and NATO membership did not lead to any noticeable decline in popular threat perceptions among ethnic Latvians. Also notable is the sharp but short-lived spike in threat perceptions during the Russian-Georgian war in 2008.

Table 2. Do you think any of the following are a threat to peace and security in this country?

The Russian state (% answering “definitely” and “possibly,” by ethnicity)

	1994	1995	1997	2000
Latvians	73	70	68	63
Russian-speakers	18	23	21	18

Sources: Rose, Richard and Maley, William. Nationalities in the Baltic States: A Survey Study. Glasgow: University of Strathclyde, 1994. P. 43; Rose, Richard. New Baltic Barometer II: A Survey Study. Glasgow: University of Strathclyde, 1995. P. 37; Rose, Richard. 1997 New Baltic Barometer III: A Survey Study. Glasgow: University of Strathclyde, 1997 P. 35; and Rose, Richard. New Baltic Barometer IV: A Survey Study. Glasgow: University of Strathclyde, 2000. P. 37.

Table 3. “Russia should be seen as a threat to Latvia’s independence” (% answering “completely agree” or “somewhat agree,” by ethnicity)

	2002	2003	2004	2005	2006	2007	2008	2009	2010
Latvians	39	38	35	37	31	35	49	39	34
Russian-speakers	7	8	10	8	9	9	13	6	5

Source: SKDS data. In: Muižnieks, Nils. Latvian-Russian Relations: Dynamics Since Latvia’s Accession to the EU and NATO. Riga: University of Latvia Press, 2011. P. 20.

While threat perceptions of Russia have long been salient among the Latvian political elite and a significant segment of the public, less noticed has been the presence of a contrary, more positive view of Russia in Latvian society. As can be seen in the table below, in

2010 the share of Latvians who had a positive opinion of Russia (47%) was larger than that which perceived Russia as a threat to Latvian independence (34%). What is most striking about the data is not only the difference between Latvian and Russian-speaker views of Russia, but the overwhelmingly positive view of Russia among Russian-speakers.

Table 4. Opinions regarding the EU, the US and Russia, 2010 (% answering “very positive” and “somewhat positive”, by ethnicity)

	European Union	United States	Russia
Latvians	48	62	47
Russian-speakers	51	50	88

Source: SKDS data. In: Muižnieks, Nils. Latvian-Russian Relations: Dynamics Since Latvia’s Accession to the EU and NATO. P. 67.

While Latvian views towards Russia have been characterized by a mix of fear and attraction, Russian views towards Latvia have been overwhelming hostile. As can be seen in the table below, Latvia looms large in the Russian public mind as a very unfriendly country. In 2005 and 2006, Latvia was considered by the Russian public as the most unfriendly country *in the world*. In 2007, as a result of an upturn in relations related to the border treaty, growing Georgian-Russian tensions and the Bronze Soldier crisis in Estonia, Latvia slipped to third place, where it remained for several years. However, in 2010 and 2011, despite the pragmatic turn in bilateral relations, Latvia continued to place second.

Russians consider Latvia to be not only very hostile to Russia, but also to visitors from Russia and to Latvia’s Russian-speaking population. Notwithstanding the growth in tourism from Russia to

Latvia in recent years, in 2006 Latvia was at the top of the list of countries named where visitors from Russia were thought to experience a hostile attitude (20%). Despite the fact that Russian-speakers in some former Soviet republics have fled en masse from violence (e.g., in Central Asia), in 2006 the Russian public placed Latvia at the top of the list of countries where the rights of Russian-speakers were being violated (67%).⁶⁴ While Russian hostility may not be deep-seated, it is clearly broadly based and is undoubtedly linked to hostile political and media discourse on Latvia, which has been sustained, systematic and often exaggerated.

Table 5. “Name five countries you think are most unfriendly to Russia”, 2005-2011 (% of Russian public mentioning country)

	2005 May	2006 May	2007 August	2009 March	2010 May	2011 May
Georgia	38	44	46	62	57	50
Latvia	49	46	36	35	36	35
Lithuania	42	42	32	35	35	34
USA	23	37	35	45	26	33
Estonia	32	28	60	30	28	30
Ukraine	13	27	23	41	13	20

Source: Levada Center survey data, available at <http://old.levada.ru/press/2011060103.html>.

More recent surveys show that the number of Russians who believe that their compatriots in the Baltic States are “very seriously

⁶⁴ Rossiya i ee sosedi: Estoniya, Latvija i Litva. Press-Vypusk 17.09.2007. <http://www.levada.ru/17-09-2007/rossiya-i-ee-sosedi-estoniya-latviya-i-litva>.

discriminated” against has declined. In 2009-2010, according to Levada Center surveys, it fell from 46 to 31%. At the same time, the number of those who believed Russians were discriminated against “to some extent”, increased from 41% to 51% while the number of those who did not find any discrimination against Russians remained essentially at the same level – 5%

MAJOR IMPROVEMENTS IN THE RELATIONSHIP

A key improvement in bilateral relations came with the signing and ratification of the border treaty in 2007. This improvement can be detected not only in Russian public opinion, but also in the subsequent intensification of political dialogue between Latvia and Russia, the ratification of a host of bilateral treaties, and the first official high-level visits. Beginning from 2008 a Latvian-Russian intergovernmental commission began to meet regularly and a number of bilateral treaties were signed, including ones on the status of cemeteries (2008), the operation of customs points (2008), and readmissions (2009).

In December 2010, President Valdis Zatlers went on the first official visit of a Latvian head of state to Russia, meeting with Russian President Dmitri Medvedev and Prime Minister Vladimir Putin and signing a package of nine treaties on cooperation in emergency situations, the simplification of border crossing for people living near the border, a protocol on the exchange of instruments of ratification for a treaty on social security, the procedure for implementing the social security treaty, cooperation in environmental protection, cooperation in the realm of tourism, cooperation in fighting organized crime, regulating the location of each other’s embassies, and the prevention of double taxation.⁶⁵

65 Muižnieks. *Latvian-Russian Relations*. P. 24-8.

In 2011 the inter-governmental commission continued to meet and high-level political consultations continued to take place.⁶⁶

LIST OF OPEN ISSUES

Currently, Latvian and Russian negotiators are discussing a range of additional treaties, primarily dealing with economics. Thus, in a recent interview, the Russian ambassador to Latvia highlighted as priorities the agreements “On widening and mutual protection of investments”, “On direct international rail transport”, and “On the creation and working conditions of information-cultural centers”. Reaching agreement on the first has been complicated by EU rules, the second is basically resolved and the third has been hindered by a lack of interest on the Latvian side.⁶⁷ In addition to these technocratic issues, a number of political issues remain open and are likely to resurface regularly in bilateral relations, particularly those pertaining to history, minorities, energy, and Russia’s involvement in Latvian politics.

As noted above, one core disagreement between Latvia and Russia revolves around diverging interpretations of history. In recent years, the two sides have sought to depoliticize this issue, which is unlikely to be resolved in any comprehensive way. During President Zatlers’ visit to Moscow in December 2010, the two sides agreed to create a joint historical commission. However, the practical work of the commission has been slow to commence – the first meeting took place on 14 November 2011, almost a year after the high level

66 See the part of the Latvian Foreign Ministry’s web site devoted to bilateral relations with Russia at <http://www.mfa.gov.lv/lv/Arpolitika/divpusejas-attiecibas/Krievija/#vizites>.

67 Interview with Russian Ambassador Aleksandr Veshnikov in *Biznes i baltija* Plyus, 16 September 2011.

visit.⁶⁸ The experience of Polish-Russian historical dialogue suggests that progress in reaching common understanding is likely to be slow. Moreover, in the Latvian-Russian case, dialogue between officially delegated historians is likely to be difficult to insulate from the history-related initiatives of various politicians, activists, journalists, writers and others, who have engaged in “memory battles” for many years.⁶⁹

The Russian political elite has for many years fiercely criticized Latvian policy toward the Russian-speaking minority, particularly on issues related to citizenship, language regulation in society, and language in the education system. As noted earlier, expectations that Latvia would liberalize policy as a result of European integration have not been fulfilled. It is highly unlikely that bilateral relations can continue to evolve in a pragmatic direction in the absence of *any* movement on these issues within Latvia. Russia’s concerns find echo in a much milder manner in the conclusion of international human rights bodies, which have also criticized Latvian policy. Thus, for example, the Committee of Ministers of the Council of Europe recently criticized Latvia’s implementation of the Framework Convention for the Protection of National Minorities, expressing concern about a “significant reduction” of state financial support for national minority cultural organizations, disproportionate language demands for employment, the number of stateless children born in Latvia, restrictions on the use of minority languages with administrative authorities, and more.⁷⁰ While this issue has been downplayed in recent years by Russia, it has not disappeared from the bilateral agenda.

For a number of years, but especially following the Russian-

68 Komisija sanāks 14. Novembrī. BNS, 7 October 2011.

69 See The Geopolitics of History in Latvian-Russian Relations.

70 Committee of Ministers of the Council of Europe. Resolution CM/ResCMN (2011) 6 on the implementation of the Framework Convention for the Protection of National Minorities by Latvia, adopted 30 March 2011.

Georgian war, segments of the Latvian political elite have expressed concern about the risks associated with energy dependence on Russia. As noted earlier, the primary means for easing such dependence is through conservation and building gas and electricity connections with other countries around the Baltic Sea. Another means would be to build a liquefied natural gas (LNG) terminal in one of the Baltic States, thereby diversifying the source of gas imports. In recent months, both Latvia and Lithuania have competed with each other to become the site of a possible LNG terminal. The Russian ambassador to Latvia recently stressed the “politicized” nature of this debate in Latvia and suggested that Gazprom would remain the major supplier of energy for European consumers regardless.⁷¹ Even in the event of the creation of an LNG terminal in the Baltic States, Gazprom could easily render it irrelevant by lowering gas delivery prices. Latvian concerns about energy security are likely to persist, but room for manoeuvre is minimal.

A final open issue on the Latvian-Russian agenda involves Russian efforts to exercise political influence through co-opting Latvian political elites, assisting its favored political party Harmony Centre and seeking to promote its “soft power”, especially through the media. In the early parliamentary elections in October 2011, the Harmony Center party – a party claiming to represent the interests of Russian-speakers – won the ballot, winning 31 of 100 seats. In the inter-party negotiations to create a governing coalition, the Russia factor has figured prominently in the debate. Many Latvian politicians and media outlets have criticized Harmony Center’s co-operation agreement with United Russia and alleged assistance by Russian “political technologists” and argued that this precludes any participation of Harmony Center in the government.⁷² The issue of

71 Interview with Veshnakov in *Biznes i baltiya Plyus*, 16 September 2011.

72 For a text of the cooperation agreement, see <http://www.saskanascents.lv/ru/soglashenie-o-sotrudnichestve-mezhdu-latvijskoj-social-demokraticeskoj-partiej-soglasie-i-vserossijskoj-politicheskoj-partiej-edinaja-rossija>; for a news

Russia's attempts to influence Latvian politics is likely to remain an issue in Latvia and, if done too clumsily, could negatively affect bilateral relations.

CONCLUSION

If, as many observers have argued, the “reset” between the US and Russia is fragile, the same could be said of the recent pragmatic turn in Latvian-Russian relations. The list of open issues is considerable and some have the potential to create significant setbacks in bilateral relations. A core problem within Latvia is the fragmented political system, political polarization between parties on the nationalist right and the moderate Russian-speaking opposition represented by Harmony Center, and the ease with which relations with Russia become hostage to domestic Latvian politics. Still, the prospects for continued pragmatic relations are moderately favorable.

The recent pragmatic turn in relations has been due in part to the influence of powerful business lobbies with a vested interest in cordial relations with Russia. These lobbies are still very much present and have perhaps gained in strength in Latvia, meaning that they will continue to exercise a moderating influence on Latvian foreign policy. At the same time, as Latvia's EU presidency in 2015 approaches, there will be strong incentives from European partners for Latvia to moderate its rhetoric, remove contentious issues from Latvia's domestic and international agenda, and present itself as a “constructive” force in the EU's external relations.

The resolution of fundamental Latvian security concerns – the troop withdrawal, entry into the EU and NATO, the destruction of NATO “taboos” concerning contingency planning and military

item on Russia's political technologists, see Šmits, Uldis. SC “aģitatori” saņem pamācības no Maskavas. In: *Latvijas Avīze*, 15 September 2011.

exercises on Baltic soil – have all created greater space for other dimensions of the relationship to come to the fore and develop. However, it will probably take some time and significant political intervention for Russia to fade from the Latvian public’s list of perceived threats and for Latvia to disappear from Russia’s list of “most unfriendly” countries.

Lithuania and Russia 1990-2012: From mutual support to suspicion and indifference

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INTRODUCTION

Bilateral relations between Russia and Lithuania officially began on 29 July 1991, with the signing of the Lithuanian-Russian Treaty on the Foundations of Inter-State Relations. Russia, still a Soviet Federal Socialist Republic at that time, acknowledged the sovereignty and independence of Lithuania, with the latter doing the same. The leader of the Russian Federation, Boris Yeltsin, was motivated by the drive to increase his autonomy from the leaders of the Soviet Union and gain popularity among Russians. Lithuania, on the other hand, having declared independence on 11 March 1990, was trying to get as much political support from as many foreign actors as possible. Moreover, for Lithuania it was also an expression of support for the establishment of a democratic political system in Russia. This treaty had substantial political

significance for both sides, demonstrating mutual understanding, common goals and recognition, as well as agreement on a common adversary – the Soviet Union and its leadership. It soon became clear that this was to be the highpoint in bilateral relations between Lithuania and Russia.

Within a short time the cordiality had disappeared; relations became defined not by common goals but by common problems. These twenty years of bilateral relations have not been steady: the cycles of open tensions and “wars of words” have alternated with periods of passivity and mutual ambivalence, which in turn transformed into occasions of cautious or unwilling dialogue. “Friendship” was no longer in the mutual vocabulary and the best what was achieved during these twenty years of relations has been occasional periods of relative calmness or indifference in bilateral relations. Even today, relations remain somewhat unsettled.

This chapter reconstructs the twenty-year history of bilateral relations between Lithuania and Russia and demonstrates the uneasy relationship which has developed throughout these years. It is argued that the two decades of relations have been most strongly influenced by the diverging interpretations of recent history, the asymmetrical nature of economic relations, particularly in the energy sector, and differing understandings of regional security and Russia’s role in it. These issues have proved to be a source of constant tension and controversy in Lithuanian domestic politics and the main obstacle to talks on the bilateral level and in multilateral frameworks. In addition, bilateral relations have inevitably been influenced by the domestic political context in Russia and changes in its leadership as well as by the external environment: the state of affairs in Russian-EU, Russian-US relations and global events.

The history of relations can be divided into three periods, each with a different dominant set of issues. A review of these issues reveals not only the historical dynamics of the relationship, but also provides the context for understanding the current relationship

status between the two countries. These periods correspond to the stages of Lithuanian foreign policy, since Lithuania has been the relatively more active player in bilateral relations, with Russia's policy mostly reactive. The first period is the years 1991-1994, when the main principles of the bilateral relationship began to be formulated, the first problems emerged and the first diplomatic dispute between the two states was resolved. The second period, 1994-2004, is marked by the EU and NATO enlargement process and the eager efforts of Lithuania to become a member of both organizations and to manage relations with Russia through these institutions, thereby attempting to increase its bargaining power vis-à-vis Russia and reduce the asymmetry in bilateral relations. During the third period, from 2004 to 2012, the countries adjusted to the changed (geo)political environment after the two enlargements and the political transformations in the region. The developments during the last period have led to the current situation, which is quite often described as either as "stagnation" or "maturity" or both.

This article first presents the political context of the relationship, including an analysis of mutual perceptions, and then proceeds with an analysis of the three periods and their main developments and issues.

POLITICAL CONTEXT AND DISCOURSE

The relationship between Lithuania and Russia should be understood primarily in the context of their differences. Lithuania and Russia were both republics of the former Soviet Union and theoretically had equal status within the Soviet structure. In practice, however, the status of the two countries differed substantially. One was the most important republic, whose language and political elite dominated the Soviet Union. The second was a small "nationalistic" republic at the Western margins of the Soviet Union, incor-

porated into the Union only during World War II as a result of the geopolitical shifts in Europe and the Cold war order.

This difference became even more obvious after the collapse of the Soviet Union, when Russia inherited its loans, its status in the world, its nuclear weapons, and its legacy. Russia now was considered the great power, at least in the region, and acted as such. Lithuania was a small re-established independent state at the shores of the Baltic Sea, seeking international recognition and trying to separate itself from its Soviet past. Russia rarely showed any interest in changing the status quo unless Lithuania managed to provoke it or involve an external actor in bilateral matters, forcing Russia to deal with Lithuania directly or pay more attention to its agenda.

This political asymmetry is also apparent when discussing the development of Lithuanian foreign policy, the role of Russia in Lithuanian politics and vice versa, as well as the mutual perceptions of the two nations.

LITHUANIAN FOREIGN POLICY

The development of Lithuanian foreign policy can be divided into five stages. The first began immediately after the declaration of independence on 11 March 1990. Lithuania was the first of the former Soviet republics to express its desire to secede from the Soviet Union, even before it was clear that it would collapse. The government of the Soviet Union did not rush to recognize the reestablished state. Thus, the first task for the country during its first two years was to reason with the authorities of the Soviet Union, which were threatening an economic blockade. These negotiations were unsuccessful, and eventually the blockade was enforced. This move forced the government of Lithuania, after several months of the deteriorating economic situation in the country, to announce a one-hundred-day moratorium on the legal consequences arising from

the declaration. The moratorium was terminated by the end of 1990 after the unsuccessful attempts of the Soviet leaders to convince the Lithuanian authorities to abandon their goal of restoring independence. The Soviet authorities tried to use force as well in efforts to prevent the re-establishment of an independent Lithuania and the dissolution of the Soviet Union. On 13 January 1991, they sent tanks to Vilnius, occupying the TV tower and killing 14 people during that night. This move, which was also publicly condemned by the leader of the Russian Federation Boris Yeltsin, did not succeed in changing the mood in the country. The initiative of the leaders of Lithuania to involve the public by organizing a referendum on the re-establishment of the independence of Lithuania on 9 February 1991 – when a clear majority of those who participated voted for an independent and democratic Lithuania – was seen as an important step legitimizing the decision to seek international support. Popular support for independence was later reconfirmed in two other referendums – one organized the next year on the withdrawal of the Soviet army and compensation for damage from the occupation, and another one on the Constitution of Lithuania.

The second goal of Lithuanian foreign policy was to spread the news about Lithuania and its long history of statehood, in order to gain as much international support as possible for the aspirations of the re-established country, including diplomatic recognition. Iceland was the first country to recognize Lithuania on 11 February 1991. Denmark was the second to follow, 17 days later. However, despite the strong support expressed by leaders of foreign states in private or semiprivate communications, recognition from the majority of countries came only after the collapse of the Soviet Union had become obvious – after the Moscow coup in August 1991.

September 1991 was the beginning of the second phase of Lithuanian foreign policy, which lasted until 1994. As a succession of recognitions finally began, the main task was now to establish itself in the most important global and regional international or-

ganizations and become an accepted and equal member of the international community. Lithuania became a member of the OSCE already on 10 September 1991, of the United Nations on 17 September 1991, and the Council of Europe on 14 May 1993. Strong efforts were also directed to advancing regional cooperation among the three Baltic States. Political trilateral cooperation among Lithuania, Latvia and Estonia had already begun during the rise of the independence movements in all three countries in the late 1980s and continued after they had re-established independence, to a large extent by following the model of Nordic cooperation. In the field of economic relations the Baltic States pursued liberalization with several free trade agreements signed in the course of the 1990s, though from 1994, when the first free trade agreement in industrial products was signed, these measures were directly linked to their integration into the EU. Similarly, efforts to achieve membership in NATO impacted directly on trilateral cooperation in security and military affairs.¹

Finally, this period was marked by an intense discussion of the foreign policy priorities of the country. Essentially, there were two options on the table: integration into Western institutions or neutrality. Any possibility of creating an alliance or participating in another form of multilateral cooperation with Russia and other former republics of the former Soviet Union was rejected without any further discussion on the basis of the referendum of 1991 and the constitution of 1992.²

1 On trilateral cooperation among the Baltic States see Vilpišauskas, Ramūnas. *Regional Integration in Europe: Analysing intra-Baltic Economic Cooperation in the Context of European Integration*. In: Vello, Petai and Zielonka, Jan, eds. *The Road to the European Union*. Vol. 2. Manchester: Manchester University Press, 2003. P. 163-204. For a recent reappraisal see: Vilpišauskas, Ramūnas. *Political context of Baltic integration*. In: *Estonian Human Development Report 2010/2011. Baltic Way(s) of Human Development: Twenty Years On*. Tallinn: Eesti Koostöö Kogu, 2011. P. 166-171.

2 The Constitutional Act of the Republic of Lithuania “On the Non-Alignment

The idea of neutrality was expressed by the metaphor of becoming a bridge connecting two worlds – the East and the West. This idea did not have much support, as it was considered mainly as a cover-up for remaining in the sphere of influence of Russia. Moreover, the experience of neutrality during the interwar period was a further argument against such geopolitical status. Thus, around 1993 the consensus of the political elite began to emerge that the best foreign policy strategy for Lithuania was to become a member of NATO and the EU. This consensus was followed by the agreement of the parties and then by the official letter of the President Algirdas Brazauskas to the NATO Secretary General in early 1994. A free trade agreement with the EU was signed in July 1994 and the Europe (Association) agreement in June 1995. The official application for EU membership was presented in December 1995. Membership in the EU and NATO, together with the establishment of good neighborly relations, became the three cornerstones of Lithuania's foreign policy.

The third phase – the preparation for integration into NATO and the EU – lasted ten years from 1994 to 2004. Lithuania became a member of NATO on 1 April 2004, and a member of the EU on 1 May 2004. The strongest efforts of Lithuanian foreign policy during these ten years had been devoted to reaching these two goals as soon as possible. Bilateral relations with neighboring countries were developed within the context of the integration process.

As mentioned above, cooperation among the three Baltic States was directed mainly towards a common goal – achieving membership in the EU and NATO. When the EU began to treat each Baltic country individually, cooperation and contacts among these states

of the Republic of Lithuania to Post-Soviet Eastern Unions,” which is an integral part of the Constitution adopted in the referendum of 25 October 1992, states that Lithuania resolves “never to join in any form any new political, military, economic or other union or commonwealth of states formed on the basis of the former USSR.” See Constitution of the Republic of Lithuania, <http://www3.lrs.lt/home/Konstitucija/Constitution.htm>.

diminished.³ Military cooperation was the exception here. Supported mainly by Denmark, the three Baltic States developed quite extensive structures.⁴ This period was also marked by strategic cooperation between Lithuania and Poland. Relations with Russia, as will be discussed later, were heavily influenced by these processes of integration.

Once the membership goals had been achieved in 2004, a new period in the development of Lithuania's foreign policy began. The achievement of two strategic foreign policy goals – NATO and EU membership – was not only a success but also a challenge for Lithuanian foreign policy. The goals that had defined both foreign as well as domestic policies during the first fifteen years of independence had now been achieved, leaving a newly apparent vacuum in the strategic objectives of the country. A new concept was developed fairly quickly, resulting in the formulation of the New Lithuanian Foreign Policy.⁵ Lithuania's active institutional involvement in Euro-Atlantic structures was advocated, as well as its engagement in active support of EU and NATO enlargement policy, and in fostering cooperation with the Ukraine, Belarus, Moldova and the South Caucasus, on the one hand, and the EU and NATO, on the other. Among other objectives were the active use of EU membership to reduce dependence on energy resources from Russia and efforts to complete the unfinished agenda of integration (becoming a member of Schengen area and the Euro zone). This policy became known in Lithuania as playing the "regional leader", referring in particular to the country's mediating role between Eastern neighbors and the EU institutions.

3 Vilpišauskas, Ramūnas. Political Context of Baltic Integration.

4 See Jermalavičius, Tomas. Baltijos Valstybių karinis bendradarbiavimas: skyrybos ar aantuoka? In: Jakniūnaitė, Dovilė and Paulauskas, Kęstutis, eds. Beieškant NATO Lietuvoje. Vilnius: Vilniaus universiteto leidykla, 2010. P. 81-100.

5 Agreement of the political parties of the Republic of Lithuania, "On the major goals and objectives of the foreign policy of the country for the period 2004-2008", October 5, 2004.

This was the result of the realization that Lithuania had to find a niche in the European and transatlantic structures. To a large extent it was also an effort “to find effective influence mechanisms towards Russia”.⁶ In other words, Lithuanian policy during this period was to indirectly reduce the influence of Russia by actively participating in the political processes of the neighboring countries in the region. Georgia, Ukraine, and to some extent Belarus were the main targets of this newly defined foreign policy. The active participation of Lithuanian President Valdas Adamkus together with his Polish counterpart in supporting the “orange” and “rose” revolutions in Ukraine and Georgia respectively symbolized most clearly this new trend in foreign policy.

Internal criticism of the new foreign policy began to arise and intensify. One of these vocal critics was the Lithuanian representative in the European Commission Dalia Grybauskaitė, who was elected President of Lithuania in 2009. Her main criticism was aimed at Lithuania’s becoming a single-issue state focusing mostly on relations with Eastern neighbors and often conducting its foreign policy in the manner of a trouble-maker, earning from some analysts the label of “a new cold warrior”.⁷

Thus from around late 2008 we can observe the start of the fifth foreign policy period, the main features of which are higher visibility in international organizations and EU institutions and their use in promoting the interests and goals of Lithuania. However, the shift in foreign policy was more rhetorical than practical, and

6 Lopata, Raimundas. Recent Debate on Lithuanian Foreign Policy. In: Lithuanian Foreign Policy Review 22. 2009. P. 163.

7 Leonard, Mark and Popescu, Nicu. A Power Audit of EU-Russia Relations. London: ECFR, 2007. For more on the recent developments of Lithuanian foreign policy see Vilpišauskas, Ramūnas. Lithuanian Foreign Policy Since EU Accession: Torn Between History and Interdependence. In: Baun, Michael and Marek, Dan, eds. The New Member States and the European Union: Foreign Policy and Europeanization. London and New York: Routledge, 2013. P. 127-142.

the main strategy of Europeanizing bilateral relations with Russia, particularly in the energy sector, continued to dominate. There were some attempts to revise Lithuania's policy towards its Eastern neighbors, but it soon became clear that progress depended above all on domestic politics in these countries and the attempts of Russia to maintain its influence in the region by offering alternative integration options, most recently membership in Eurasian Customs Union. The greatest change occurred in Lithuania's relations with Poland, but this was due chiefly to a change of leadership in Poland and the resulting revision of its European policies. At the same time, a turn towards Baltic-Nordic cooperation became a new (or rather re-discovered) focus of Lithuania's foreign policy.

In 2011, Lithuania chaired the OSCE, and the country is planning to take over the rotating presidency of the European Union Council in the second part of 2013. In 2012, it attempted (unsuccessfully) to become the chair of the UN General Assembly. The EU was actively used to promote energy security issues and to implement a common energy policy more strongly and more assertively.

Another feature of the last few years has been the changed relationship with the US. Throughout most of its independence, Lithuanian maintained a strongly pro-American foreign policy. This view was expressed in unwavering support for various US actions in the world, including the Iraq war and the efforts to reconstruct Afghanistan. This unconditional support has lately become the more critical and cautious approach expressed mainly by President Grybauskaitė. At the same time, however, other members of the political elite remain strongly pro-American, viewing the US as the only reliable guarantor of European security and a functional NATO. Besides, President Grybauskaitė has strongly advocated the actual guarantees of NATO Article 5 backed with concrete defense plans as well as extension of NATO air police mission in the Baltic States indefinitely.

Throughout these twenty-two years and five phases of Lithuanian foreign policy, Russia played an active role in its considerations. Indeed, many foreign policy decisions make little sense without understanding Russia's role in these developments. Thus, it should not come as a surprise that the main milestones in Lithuania's foreign policy shifts coincide with the main phases in bilateral relations with Russia.

MUTUAL PERCEPTIONS

Russia's relations with Lithuania have traditionally been part of Russia's policy vis-à-vis the former Soviet republics and later part of its policy towards the three Baltic States. Lithuania has never been a top priority country in Russian foreign policy as a whole. However, considering the economic role and political weight of Lithuania, Latvia and Estonia, these three states together have mattered more for Russia than the numbers of their populations would suggest. In bilateral economic relations, especially in the energy sphere, each Baltic State was in a situation which could be described as asymmetric interdependence with Russia, relying on the latter as its main or the only source of supply.

Throughout most of their relations, Russia had no coherent strategy towards the Baltic States in general, much less towards Lithuania in particular. Most of the time Russia's ruling elite was content with the status quo and expressed no desire to change it, even if so required by the broader international context. Lithuania was the country whose decisions and goals drove the bilateral relationship, while Russia merely pursued a reactive and situational policy.

The Baltic agenda was never discussed widely in Russian domestic politics. Periodically, certain political forces employed rigid rhetoric against the Baltic States, stoking the emotions of the citizens dismayed by the break-up of the USSR. For instance,

on the eve of the signing of the Border Treaty, the Communists initiated the adoption of a Duma statement warning that this document would mean the loss of legal rights for the Klaipeda region (Memel).⁸ Or, reacting to demands for compensation for the damage done during Soviet occupation, the leader of the Liberal-Democrats, Vladimir Zhirinovskiy, suggested giving Vilnius to Belarus and Klaipeda to Russia.⁹

This absence of explicit policy was used (and abused) by Russia's large state-owned companies, which were interested in certain sectors of the Lithuanian economy, chiefly energy and transport. They tried to promote their own agenda in Lithuania, an agenda which often conflicted with the publicly declared policy of Russia. However, since these companies were, as a rule, state-owned and closely linked to the ruling elites, this tendency disappeared from 2000 onwards, and Russian companies in Lithuania became rather tools of Russia's foreign policy.

Russian elites were disappointed with the policies of the Baltic States, their aim of decreasing Russia's influence in the region, which was considered important in security and economic terms; their move to the side of "rivals" in the re-emerging geopolitical standoff with the West; and what was seen in Russia as their discrimination against Russian-speaking minorities and one-sided interpretation of common history.¹⁰

The economic turmoil and financial default of August 1998, as well as growing political instability in Russia, led to an inevitable

8 Государственная Дума Федерального Собрания РФ. Обращение к Президенту Российской Федерации в связи с предполагаемым подписанием Договора о государственной границе между Российской Федерацией и Литовской Республикой. 26 July 1997.

9 Жириновский В. Предложил вернуть Вильнюс Беларуси. In: Newsland, 15 January 2008. <http://www.newsland.ru/news/detail/id/209918/>.

10 Колосов В., Бородулина Н., Бремя геополитики во взаимовосприятии России и стран Прибалтики. In: Международные Процессы. No. 1. 2000. P. 101-107.

“peripherization” of the Baltic issue (and foreign policy agenda in general) in Russian politics.

Starting in 2000, when Vladimir Putin became President and a period of relative stability began, Russia made considerable efforts to consolidate its foreign policy. Russian activism in the Baltic region and in Lithuania increased, colored by “pragmatization” and “economization”. At the same time, a substantial number of energy companies were placed under governmental control and the interests of Russian energy companies and the state began to converge. Some of these companies (inter alia through their Lithuanian subsidiaries) tended to project their influence to Lithuanian politics.¹¹

Russia plays an even more important role in the political life of Lithuania. The history of Lithuania during the last centuries is closely connected with Russia and its actions. Russia’s link to the Soviet Union and its policies, however, means that it is also considered an unreliable and untrustworthy neighbor.

Among the political parties of Lithuania there are two main stances on Russia. One is represented mainly by the Homeland Union (conservative party), which was in power in 1990-1992, 1996-2000, and 2008-2012. This position considers Russia as a dangerous country and thinks that bilateral relations should be based on moral grounds, with the demand that Russia accepts its past and admits its past mistakes. A critical view of Russia’s political system is also part of this discourse, which is supported by many liberal parties as well, though more implicitly.

The other position is usually referred to as “pragmatic”. It emphasizes the economic interests of the country and its engagement with Russia, noting that a confrontational policy is of no use and

11 Gazprom owns 37.1% of “Lietuvos dujos”, the Lithuanian gas company, and 99.5% of Kaunas Heat and Power Plant, a thermoelectric power station. “Lukoil-Baltija” owned by Lukoil has one of the largest networks of gas stations in the country. On the use of energy instruments in Russia’s foreign policy see Lucas, Edward. *The New Cold War. How Kremlin Menaces both Russia and the West*. London: Bloomsbury, 2008.

merely annoys Russia. Of the major parties, the Social Democrats, which ruled in 1992-1996, 2004-2008 (in coalition), and the Labor Party support this position. However, there is a widely spread opinion among the political elite and expert community in Lithuania that neither position has had any major success in improving relations with Russia. Although the confrontational approach naturally caused a lot of anger in Russia, the Social Democrats, who were in power for quite a long time, were also unable to achieve any positive results.

One should also take into account the institutional structure of foreign policy in Lithuania and the role of the President. For example, during the Presidency of Valdas Adamkus in 2004-2008, the Lithuanian foreign policy elite emphasized moral principles and adherence to the values of a liberal democratic society, although the coalition Government was led by social-democrats. On the other hand, when Grybauskaitė became President a policy of “pragmatism” was advocated for some time, despite the fact that the coalition government was then led by Conservatives. Still, the effectiveness of policy remained limited and there were no major changes to the bilateral agenda.

The only exception is the period of President Rolandas Paksas (2003-2004). He was considered to be more openly pro-Russian, and received positive signals from Russia as well. For example, during one telephone call, Putin remarked that “recently, based on the principles of good neighborhood, equality and respect for each other’s interests, Russian-Lithuanian relations have reached a qualitatively new level of understanding.”¹² This period was brief, as Paksas was impeached in 2004 for breaking his oath. Among the accusations leveled against him during the impeachment process were suspicions of his opaque relations with certain Russian businesspeople who supposedly contributed substantially to his election campaign.

12 Пресс-служба Президента РФ. 16 January 2004.

Thus, Russia was and remains the chief significant Other. Its image as a dangerous and unpredictable state is predominant even though there are differing opinions among the different political actors in Lithuania as to how best to engage with it. Mistrust of Russia was one of the main reasons for integration into NATO. The same can be said for Lithuania's strong and consistent support of a common EU energy policy and its efforts to involve EU institutions in bilateral energy relations with Russia.

These perceptions influence the interpretation of Russian foreign policy. Russian foreign policy has grown more assertive since 2000, an image only reinforced by the various pronouncements about Russia's spheres of interest, its regional policies, decisions such as the closure of the Druzhba pipeline in 2006, the differentiation of natural gas prices for individual EU member states, and discussions of its compatriot policy. The situation is not helped by the fact that some Lithuanian politicians tend to play the "Russia card" in domestic political games, especially during pre-election periods. A real or perceived Russian "hand" can be seen in various political discussions or decisions, implicitly making Russia one of the political players in Lithuanian politics as well. These perceptions are quite accurately reflected in various opinion polls, as we shall see in the next section.

PUBLIC OPINION

Neither in Russia, nor in Lithuania do consistent and regularly updated public opinion data on each other exist. Surveys are executed by different agencies and tend to formulate questions differently, rendering any comparisons across time, much less across countries, quite challenging. All data on opinion polls should therefore be considered in this context.

Opinion polls in Russia

Although public opinion in Russia used to be quite critical towards Lithuania, the country was usually viewed the most positively among the three Baltic States. For example, in the mid-1990s 93% of respondents in Russia approved military action to prevent NATO membership for Estonia, 82% for Latvia, and “only” 74% for Lithuania.¹³

The most consistent data on the opinions of Russians about Lithuania are provided by the Levada Center, which has conducted opinion polls on this question since 2005. Table 1 shows how Lithuania ranks compared to others when the question “Name the five most unfriendly states towards Russia” is asked. As we can see, Lithuania is consistently in the top 5. The results of the opinion polls reveal that the mood of the public changes depending on the status of bilateral relations – deteriorations in relations tended to result in rapid changes in public opinion, while positive dynamics were met with greater inertia. Only very recently has the general negative trend started to ease.

The results of the Public Opinion Foundation, presented in 2005, showed that Lithuania was viewed as a friendly state by 15% of Russian respondents, while 61% held the opposite opinion.¹⁴ The more recent public poll of 2008 showed greater diversity among the Baltic States. Lithuania was named as friendly by 11%, while Latvia was perceived more positively, at 26% (Estonia was not subject to the survey). The greater negative coloring of Lithuania may derive from the public discussion which accompanied the negotiation process on transit to Kaliningrad, as well as the divergent

13 Medalinskas, Alvydas. NATO plėtimasis, Baltijos valstybės ir Rusijos pozicija. In: Lietuva ir jos kaimynai. Konferencijos tekstai. Vilnius: Pradai, 1997. P. 89. It should be noted that the author did not provide the exact source of this number.

14 Фонд «Общественное мнение». “Доминанты”. No. 12. 2005. http://bd.fom.ru/map/projects/dominant/dom0512/domt0512_4.

decisions of Latvian and Lithuanian leaders on attending the anniversary of the end of World War II in 2005 and the active policy of Lithuania in the Eastern neighborhood.¹⁵

**Table 1. “Name five countries you think are most unfriendly to Russia”
(% of Russian public mentioning country)**

	2005	2006	2007	2009	2010	2011	2012
Lithuania	42	42	32	35	35	34	25
Latvia	49	46	36	35	36	35	26
Estonia	32	28	60	30	28	30	23
Georgia	38	44	46	62	57	50	41
USA	23	37	35	45	26	33	35
Ukraine	13	27	23	41	13	20	15

Source: Levada Center. Russian's relations to other countries. 14 June 2012, <http://www.levada.ru/14-06-2012/otnoshenie-rossiyan-k-drugim-stranam>.

As can be expected, the attitudes of neighboring regions of the Russian Federation towards Lithuania are more favorable because of closer economic and human ties. Table 2 shows the data of a survey conducted in 2001 in Kaliningrad and Saint Petersburg. It shows that the vast majority of Kaliningrad inhabitants view Lithuania as a partner, and although the same indicator for St. Petersburg is smaller, only 23% of the city's residents consider it an enemy.

15 Задорин И.В. Интересны ли мы друг другу. Гуманитарная коммуникация населения СНГ как третье основание интеграции. Полития 4. 2008. Р. 23-48.

**Table 2. Characterizations of the Baltic states
by Residents of Kaliningrad and Saint Petersburg (%)**

Country	Friend		Enemy		Neutral		Did not answer	
	Kalin- ingrad	Saint Peters- burg	Kalin- ingrad	Saint Peters- burg	Kalin- ingrad	Saint Peters- burg	Kalin- ingrad	Saint Peters- burg
Lithuania	57.1	25	4.0	23	31.6	37	7.3	16
Latvia	21.8	23	17.5	25	49.9	36	10.9	17
Estonia	17.6	23	15.9	20	52.8	39	13.8	17

Source: Протасенко Т. Отношение россиян к различным субъектам мировой политики. In: Стратегическое партнерство России и Организации североатлантического пакта: Когда настанет его черед? Материалы Международной Научной Конференции. 22 February 2002. Saint Petersburg: SPBGU, 2002. P. 103-112.

Opinion polls in Lithuania

Since the year 2000 more reliable opinion poll data have become available on the view of Lithuanians towards Russia. For example, in 2000, when asked about the foreign policy directions of the country, 40% were supportive of integration with the West, around 35% in favor of neutrality, and 18% favoured closer relations with Russia. 36% of the respondents said that they trusted Russia, while 57% did not agree with this statement. Trust in the EU and US was around 55%.¹⁶ An opinion poll from 2002 demonstrated that Lithuanians are not as cautious when asked about economic relations: 64% of respondents agreed that a balanced position in eco-

¹⁶ Виткус Г., Пугачаускас В.. Российский фактор литовской политики. In: Региональное измерение российско-балтийских отношений. Saint Petersburg: TsIIP, Baltic Club, 2004. P. 80.

conomic relations is necessary, 16.5% said that Russia and the CIS countries should be the priority partners, 11% were for Western Europe and just 2% favored the US.¹⁷

Nevertheless, during the last ten years public mistrust towards Russia and its policies has been consistent. Only in the most recent years has a slightly more favorable attitude become evident, although the negative view continues to dominate. For example, in 2004 the polling agency Sprinter did a survey which showed that 53% of the population thinks that Russian policy is not friendly towards Lithuania.¹⁸ In 2006 a survey by a different firm again confirmed that around 60% of respondents considered Russia as a threat.¹⁹

In the fall of 2009 the Pew Research Center found that 62% of polled Lithuanians described the EU's influence on their country as positive. But asked about Russia's influence, just 22% thought it good while 39% considered it to be bad. However, the same agency had done a survey in 1991 in which 69% considered Russia to be the greatest threat at that time. Thus the improvement during these years was considerable. The same survey showed that 61% of Lithuanians are concerned about dependency on Russian energy. On the other hand, 18% believed that Russia could become a trusted ally (in 1991 just 5% agreed with this statement).²⁰

In 2011 another survey by the Pew Research Center demonstrat-

17 Ibid. P. 81.

18 Daugiau nei pusė Lietuvos gyventojų mano, kad Rusijos politika nėra draugiška Lietuvos atžvilgiu. Delfi.lt, 9 November 2004. <http://verslas.delfi.lt/archive/article.php?id=5445986#ixzz23RMrW1L6>.

19 Ramonaitė, Ainė; Maliukevičius, Nerijus, Degutis, Mindaugas. Tarp Rytų ir Vakarų: Lietuvos visuomenės geokultūrinės nuostatos. Vilnius: Versus Aureus, 2007.

20 Two Decades After the Wall's Fall: End of Communism Cheered But Now With More Reservations. Pew Global Attitude Project. Washington, D.C.: Pew Research Center, 2 November 2009. <http://pewresearch.org/pubs/1396/european-opinion-two-decades-after-berlin-wall-fall-communism>.

ed that 53% of Lithuanians tend to look at Russia favorably while 42% unfavorably. This indicates that the view of Russia tends to be balanced, though not as positive as, e.g. towards the US (73%) or the EU (78%).²¹

A 2011 survey by the agency Vilmorus found that during the last several years 41% of respondents noted positive changes in bilateral relations. The most important issue in bilateral relations remained energy security (mentioned by 53% of respondents), with the second being mutual respect and equality (46%).²²

In late 2011 the agency Sprinter found that the statement “It is better to have cheap electricity and gas even if it means dependency on Russia” was supported by 63%, while 25% agreed that energy independence from Russia was important.²³ Finally, a survey in May 2012 by the same agency asked how relations between Russia and Lithuania would change after Putin’s election, with 48% expecting little change at all.²⁴

Thus, neither the analysis of mutual perceptions, nor sporadic opinion poll data provide a particularly positive evaluation of bilateral relations. We now turn to a historical analysis of their development to provide a broader elaboration of this situation.

21 Twenty Years Later: Confidence in Democracy and Capitalism Wanes in Former Soviet Union. Pew Global Attitude Project. Washington, D.C: Pew Research Center, 5 December 2011. <http://www.pewglobal.org/2011/12/05/confidence-in-democracy-and-capitalism-wanes-in-former-soviet-union/>.

22 Apklausa: Gyventojai mato šiltėjančius santykius su Rusija. Alfa.lt. 22 February 2011. http://www.alfa.lt/straipsnis/10605162/Apklausa._gyventojai.mato._siltejancius.santykius.su.Rusija=2011-02-22_12-38/#ixzz23RRHmq6P.

23 Černiauskas, Šarūnas. Apklausa: 70 proc. gyventojų mieliau rinktųsi ekonominę gerovę, o ne Lietuvos nepriklausomybę. Delfi.lt. 9 January 2012. <http://www.delfi.lt/news/daily/lithuania/apklausa-70-proc-gyventoju-mieliau-rinktusi-ekonomine-gerove-o-ne-lietuvos-nepriklausomybe.d?id=53904275>.

24 Apklausa: Lietuvos gyventojai nesitiki permainų santykiuose su Rusija. Alfa.lt. 20 June 2012. http://www.alfa.lt/straipsnis/14840158/Apklausa..Lietuvos.gyventojai.nesitiki.permainu.santykiuose.su.Rusija=2012-06-20_09-36/#ixzz23VTVHQLk.

1991-1994: RE-BUILDING THE STATE AND ESTABLISHING RELATIONS

The main foreign and domestic policy goal of Lithuania in 1991-1994 was to re-establish the statehood of the country by becoming a full-fledged member of the international community. Relations with Russia developed in this context. Three issues emerged – negotiating basic treaties, agreeing on troop withdrawal and resolving the issue of transit to Kaliningrad.

First negotiations

The initiative of strengthening dialogue between Russia (at that time the RSFSR) and Lithuania – and bypassing relations between the USSR and Lithuania – came from Russia's leadership. A delegation of the RSFSR Supreme Council visited Lithuania in July 1990 and expressed readiness to sign a bilateral treaty which would be based on equality and recognition of each other's sovereignty outside the process of the new Union Treaty being prepared. On 27 July 1990, the quadrilateral meeting of Heads of Parliaments of the Baltic Republics and RSFSR took place in Jurmala (Latvia), where the official decision to launch negotiations on these treaties was taken. In the fall of 1990, Russia presented the draft treaty with Lithuania, which did not, however, satisfy Vilnius.

The draft proposed to treat both Russia and Lithuania as former Soviet Republics and newly emerging states, thereby failing to acknowledge the continuity of Lithuanian statehood.²⁵ This was not acceptable to Lithuanian negotiators. A compromise was found in the Treaty on Fundamentals of Bilateral Relations between RSFSR and Republic of Lithuania, which was signed on 29 July 1991. It recognized the right to sovereignty and independence with reference to respective national declarations adopted by the parties (12

25 Stankevičius, Česlovas. Lithuanian-Russian Negotiations in 1990-1993. In: Lithuanian Foreign Policy Review. No. 13-14. 2004. P. 82-94.

June 1990 for Russia and 11 March 1990 for Lithuania). The compromise also included a lack of reference to the Riga Peace Treaty (1920) and Russia's recognition of the annexation of Lithuania and the obligations of the USSR to eliminate its consequences. After the failed coup d'état (17-19 August 1991), official diplomatic relations between Russia and Lithuania were established on 9 October 1991.

In comparison with similar bilateral documents with Latvia and Estonia, this Treaty stipulated “zero” option of obtaining Lithuanian citizenship for persons who immigrated into the country during the Soviet period. The relatively small share of the Russian-speaking population facilitated the adoption of such an option. In addition, Lithuania made a commitment to “contribute to preserving benevolent conditions for economic and cultural development of the Kaliningrad Oblast” on the basis of an additional agreement, which was signed the same day. These two issues – the lack of a citizenship problem and cooperation on Kaliningrad – were factors which for some time facilitated a more positive *modus operandi* in relations between Russia and Lithuania.

Withdrawal of troops

The main priority of the newly re-established state was to remove the Soviet troops stationed in Lithuanian territory (at the start of 1992 there were an estimated 34,600 troops, 1000 tanks, 180 aircraft and 1901 armed vehicles). Lithuania's goal was to achieve a withdrawal as quickly as possible. Although Russia had also agreed to withdraw the troops now belonging to it, it wanted to prolong the process. It had huge numbers of troops in former Eastern Germany, as well as in other East Central European countries, and was now faced with the challenge of accommodating all these soldiers and officers and their families inside the country. Thus, beginning in

1992 Lithuania began to pressure Russia to reach a quick agreement, and around this time relations began to sour.

Lithuanian foreign policy decision-makers chose a two-level strategy to achieve their goal. The first was to work directly with the Russian government. The second was to mobilize the international community in its favor.²⁶ In direct contact with the Russian side, the personal efforts of Vytautas Landsbergis – the *de facto* head of state as leader of the independence movement and the then chairman of the Supreme Council of Lithuania – were the most prominent. His personal ties with the Russian President Boris Yeltsin also helped. During 1992 alone Landsbergis visited Moscow – and Yeltsin personally – three times. Though already during the first visit Landsbergis was assured by Yeltsin that the withdrawal plan would be ready within a month, progress was very slow and, for the Lithuanian side, frustrating. It seemed to the Lithuanians that the highest political level merely pretended to be in favor, knowing that the process would get mired down at the lower, technical and bureaucratic levels.

The efforts to mobilize international opinion were much more successful. The Organization for Security and Cooperation in Europe (OSCE) was the main and most successful target for these activities. The organization managed to convince Russia that the withdrawal of troops from the Baltic States would be a commitment not only to the Baltic States but to the international community as a whole. Lithuania and the other Baltic States lobbied intensively during the preparation of the OSCE Helsinki Summit document in 1992 to include an acknowledgment of the problem. The Helsinki Document 1992 stated: “We express support for efforts by CSCE participating States to remove, in a peaceful manner and through negotiations, the problems that remain from the past,

26 Vitkus, Gediminas. Diplomatinė aporija: tarptautinė Lietuvos ir Rusijos santykių normalizacijos perspektyva. Vilnius: Vilniaus universiteto leidykla, 2006. P. 30.

such as the stationing of foreign armed forces on the territories of the Baltic States without the required consent of those countries. Therefore, in line with basic principles of international law and in order to prevent any possible conflict, we call on the participating States concerned to conclude, without delay, appropriate bilateral agreements, including timetables, for the early, orderly and complete withdrawal of such foreign troops from the territories of the Baltic States.”²⁷ Lithuanian politicians considered this statement a huge diplomatic victory and in this sense the uncompromising position taken by the Lithuanian leaders had borne fruit.

In June 1992 Lithuania initiated a referendum, in which a vast majority (about 80%) unsurprisingly supported the demand for immediate (by the end of 1992) withdrawal of Russian troops from Lithuania. Finally, in August 1992, Russia showed the initiative and began intense negotiations at the ministerial level, which finished on 8 September with an agreement between the two ministers of defense to complete the withdrawal of the troops by 31 August 1993. Although the process was far from smooth the target date did not change, and on 1 September 1993 there were no Russian troops in the country and the first foreign policy goal in Lithuania’s relations with Russia had been achieved. Politically and symbolically it was an important event for the country.

Kaliningrad and the transit issue

The Kaliningrad Oblast (Region) is a western territory of the Russian Federation, which found itself in a new geopolitical situation as an exclave on the Baltic Sea – surrounded by Lithuania and Poland. It was a relatively underdeveloped region of Russia with a very high degree of militarization. Kaliningrad was always present

27 CSCE. Helsinki Document 1992: The Challenges of Change. 10 July 1992. P. 8. <http://www.osce.org/mc/39530>.

on the bilateral agenda in one way or another, but twice in the history of interstate relations it reached the top of the agenda: First in 1993-1994 in the context of military transit, and then in 2002-2003 in the wake of Lithuanian membership in the EU, when it became necessary to negotiate new visa regime and civil transit rules.²⁸

Some of the Russian troops withdrawn from former Eastern Germany were also stationed there, which meant the need for an agreement on military transit rules through Lithuania. On 18 November 1993 a Temporary Agreement on the transit of troops and military cargo withdrawing from Germany through the territory of Lithuania was reached. This was due to expire at the end of 1994, necessitating the renewal of negotiations on the issue in 1994. At the beginning of that year Russia presented its position, demanding a special agreement granting the freedom to carry military goods through the territory of Lithuania by rail, air and road and refusing to accept the Lithuanian rules that were presented during the negotiations and were intended to be universal, applicable to all states needing transit. Instead of agreeing with general regulations on the transport of dangerous and military cargo, Russia continued to demand a special agreement.²⁹ Lithuania continued to insist on the national regulation of military transit since Russia's proposals were perceived as a tool for holding the state within the sphere of Russian influence, potentially hindering prospective integration into Western security structures.³⁰

Meanwhile Russia started applying pressure by postponing the ratification of the agreement on trade and economic relations

28 The second question, civil transit to and from Kaliningrad, will be more thoroughly discussed in the next section of this chapter.

29 Stanytė-Taločkienė, Inga and Sirutavičius, Vladas. Strategic Importance of Kaliningrad Oblast of the Russian Federation. In: Lithuanian Annual Strategic Review 2002. Vilnius: Lithuanian Military Academy, 2003. P. 192.

30 Laurinavičius, Česlovas; Lopata, Raimundas; Sirutavičius, Vladas. Rusijos Federacijos karinis tranzitas per Lietuvos Respublikos teritoriją. In: Politologija. No. 4. 2002. P. 1-33.

(signed simultaneously with temporary transit rules). This agreement was important for Lithuania as it granted it the Most Favored Nation (MFN) status. There were also threats to limit the gas and oil supply.³¹ After some deadlock a compromise was reached, prolonging the temporary rules accepted earlier. In response, Lithuania's concession was reciprocated with the ratification of the economic agreement by Russia. In practice, since 1996 Russia's military transit has been conducted according to Lithuanian national regulations without any expression of dissatisfaction from Russia.³²

An agreement regarding civil transit to and from Kaliningrad was reached relatively quickly during the visit of Prime Minister Adolfas Šleževičius to Moscow on 24 February 1995. The agreement established a visa regime between the two countries and provided certain exemptions for the Kaliningrad region. Lithuanian citizens could enter the Kaliningrad region without visas for up to 30 days, residents of Kaliningrad could enter Lithuania without visas, and Russian citizens going to and from Kaliningrad by particular railway routes (via Belarus and Latvia to Kaliningrad) could do so without visas. This visa regime existed until 2003, when it was subject to modification on the eve of Lithuania's accession to the EU and anticipated entry into the Schengen agreement, at which point the exception for Russian citizens was revoked.

In addition to civil and military transit, the issues of economic development and regional cooperation between Lithuania and Kaliningrad were also important. Simultaneously with the framework political treaty between Russia and Lithuania, the Agreement on Cooperation in Economic, Social and Cultural Development of the Kaliningrad Oblast of the RSFSR was concluded on 29 July 1991. This regulated the issues of electricity and natural gas supply and

31 Stanytė-Taločkienė and Sirutavičius. Strategic Importance of Kaliningrad Oblast of the Russian Federation. P. 192.

32 Ibid. P. 193. Russia had to ask for permission in advance for every transport of military cargo and staff.

the transit conditions through Lithuanian territory without customs duties, as well as expressing the intention to establish a privileged customs regime. The agreement was seen as important by Russia in political terms, as it established that Kaliningrad belonged to the Russian Federation. But economically it did not provide much help for Kaliningrad, whose low competitiveness was aggravated by its geographic remoteness from mainland Russia. The cargo volume of the Kaliningrad port was decreasing, *inter alia* due to competition from the Lithuanian port of Klaipeda, and consumer prices exceeded the average level in Russia.

Cooperation on Kaliningrad has proved to be the most sustainable aspect of Russian-Lithuanian relations, even during the coldest periods of their relationship. Despite the prevailing constructive atmosphere in relations on Kaliningrad, however, Lithuania retains certain criticisms of Russia's policy there.

The troops and weaponry stationed in Kaliningrad are a constant worry for Lithuania. Although transparent data is not publicly available, the region is assumed to be heavily militarized. For many years Lithuania has proposed the adoption of the Baltic Assembly resolution calling for the demilitarization of Kaliningrad Oblast and a return to pre-war German toponyms there.³³ Lithuanian President Brazauskas spoke in the UN of the need to internationalize the Kaliningrad issue by including it in the projected European Stability Pact of 1994. Though in general Lithuania's official position on the status of Kaliningrad has been moderate and restrained, the subject of the Russian threat from Kaliningrad has been used to demonstrate the need for security, strengthen arguments for NATO membership, and in domestic politics for the conservative opposition to criticize the left government.³⁴ The Seimas

33 Baltic Assembly. Resolution Concerning the Demilitarization of the Kaliningrad Region and Its Future Development. Vilnius, 13 November 1994.

34 Зверев Ю. Калининградская область России в новой геополитической ситуации // Калининградская область: Географические аспекты

of the Lithuanian Republic adopted a resolution “On Cooperation with the Kaliningrad Oblast of the Russian Federation”, in which Russia was criticized for focusing exclusively on the issue of ensuring transit between the enclave and the mainland territory, which “prevented any substantial resolution of the issues of social and economic development, the environment, education and the preservation of the cultural heritage of this region.”³⁵ As noted by Arkadij Moshes, “the thesis on the over-militarization of Kaliningrad not only became engrained into Polish and Baltic threat perception..., but was successfully translated westward as well, first and foremost to Germany and Scandinavia.”³⁶ The statements of some Russian politicians who favored the idea of transforming Kaliningrad into Russia’s outpost in the West³⁷ and later the ideas of certain experts about deploying tactical nuclear weapons in the region contributed to this discourse.

The early years of bilateral relations convinced the Lithuanian political elite of two points: that the most direct way for Lithuania to reach its foreign policy goals with Russia was to internationalize the issue by involving European and other international institutions, and that economic and energy dependence on Russia was much greater than it had initially seemed and much more politically significant than Lithuania would have desired. While the adoption of a straight, categorical, ideological and uncompromising position has clearly irritated and angered Russia’s ruling elite, the offer of pragmatic concessions and avoidance of “angles” has not seemed

регионального развития. Калининград: Изд-во КГУ, 1996. Р. 18. <http://poli.vub.ac.be/publi/etni-2/yzverev.htm>.

35 Seimas of the Republic of Lithuania. Rezoliucija dėl bendradarbiavimo su Rusijos Federacijos Kaliningrado sritimi [Resolution on Cooperation with the Kaliningrad Region of the Russian Federation], 10 September 2004.

36 Данилов Д., Мошес А. Структуризация пространства безопасности на Западе и Востоке Европы. Москва: Экслибрис-Пресс, 2000. Р. 69.

37 Шахрай С. Калининград – Кенигсберг – Крулевец. Независимая Газета. 26 July 1994.

to help either. This pattern recurs repeatedly through all the years of the bilateral relationship.

1995-2004: DOUBLE ENLARGEMENT

In 1995 the intensive period of integration into the EU and NATO began for Lithuania. It is therefore no surprise that this agenda dominated relations with Russia as well. The NATO agenda was linked with border treaty issues, whereas the EU agenda was concerned mainly with transit to and from the Kaliningrad region.

NATO enlargement

Initially, as a political issue NATO expansion had relatively low importance in the public debate, Russia's position regarding NATO expansion was not negative. In mid-1993, while visiting Warsaw, Yeltsin spoke favorably about some of Eastern European countries joining NATO.³⁸ However, reacting to overwhelming opposition by majority of the elites, the position soon changed and Russia stated clearly that NATO expansion did not comply with its interests. The aversion to the accession of the Eastern Central European countries to NATO was grounded on the idea that the military alliance would reach too close to Russia's borders, creating a threat to its security and weakening its defense capabilities. It was said that NATO enlargement would create a new confrontation between Russia and the West, perhaps even prompting an internal crisis in Russia.³⁹

38 Donaldson, Robert H. and Noguee, Joseph L. *The Foreign Policy Of Russia: Changing Systems, Enduring Interests*, 3rd ed. London: M.E.Sharpe, 2005. P. 253.

39 Alexandrova O. *Ambiguities and Normalization in Russian-Baltic Relations*. In: Jopp, M. and Warjovaara, R., eds. *Approaching the Northern Dimension of*

Lithuania considered NATO as its most important and only security guarantee, and though it avoided mentioning Russia as the main threat, NATO membership implied security against Russia. Any objection raised by Russia to NATO expansion, whatever its basis or argument, was considered as yet further proof that Russia wanted Lithuania and the two other Baltic States back in its sphere of influence. Only NATO, it was believed, could enable Lithuania to talk with Russia on more equal terms.

In the second half of 1995, categorical and strongly worded statements began to emerge from the Russian side. Deputy Minister of Foreign Affairs Sergey Krylov stated that it was impossible to talk about Baltic States membership in NATO, lest Russia take economic and political measures against it. Various small incidents – mainly airspace violations, the reluctance to sign the border treaty, constant complaints over military transit rules and conditions in Kaliningrad – illustrated the strained relationship between the two countries.

An unusual move at that time was made by the Minister of Foreign Affairs Yevgeny Primakov who, speaking in the UN General Assembly on 23 September 1997, remarked that Russia was interested in the stability of the Baltic States and would like to guarantee their security if they signed good neighborhood relationship treaties.⁴⁰ He even talked about the possibility of later transforming these agreements into a Regional Security and Stability Pact. The same proposal was repeated during the official visit of the Lithuanian President Brazauskas to Moscow (October 1997), assuring him that no surprises should be feared from Russia. President Yeltsin asked the Estonian and Latvian presidents to familiarize themselves with the initiative. Yet all three Baltic States regarded this proposal with suspicion and rejected it. It coincided too closely

the CFSP: Challenges and Opportunities for the EU in the Emerging European Security Order. Helsinki, Berlin: UPI-IEP, 1998. P. 89-96.

40 Donaldson and Nogue. *The Foreign Policy Of Russia*. P. 254.

with the NATO enlargement process and Russia's skepticism about it. Thus Lithuania once again reasserted its readiness to join NATO as soon as possible.⁴¹

Lithuania tried to be a perfect candidate country participating actively in the NATO Partnership for Peace program. But first it had to endure major blow – the first wave of NATO expansion planned in 1999 and declared at the 1997 Madrid NATO summit did not include the Baltic States. Only Poland, Hungary and the Czech Republic were invited. It was a huge disappointment in Lithuanian foreign policy decision-making circles, mainly because it signalled that Western states had not yet reached a final decision, or were too concerned about irritating Russia.

After this, bilateral relations endured another setback and in 1996-1997 they were again cold and formal. The failure of the Baltic States to be included in the first wave of accession, as well as the internal political instability in Russia and the approaching new economic crisis, contributed to a certain “peripherization”⁴² of the role of the Baltic States in Russian foreign policy. In addition, around that time Russia began increasingly to apply a policy of *differentiation* towards the Baltic States. This policy treated Lithuania as a positive example of cooperative bilateral relations and admired its approach towards ethnic minorities, contrasting it with Latvian and Estonian policies towards minorities.

Russia never officially demonstrated its consent to the enlargement process and the rhetoric continued until the official enlargement date, expressed, with some exceptions, by mid-level politicians and officials. For example, in 2000, there was a wave of attacks by Russian officials on NATO enlargement, most probably

41 ELTA. Rusijos garantijos negali užtikrinti Lietuvos saugumo. Vilnius, 30 October 1997.

42 Karabeshkin, Leonid. Russian-Lithuanian Relations: Between Negative Perception Stereotypes and Pragmatic Cooperation. In: Lithuanian Annual Strategic Review 2006. Vilnius: Lithuanian Military Academy, 2007. P. 73.

provoked by the newly adopted Law on Compensation for the damage caused by the Soviet occupation. Soon after that, during his visit to Germany in June the new President of the Russian Federation Vladimir Putin warned that the accession of the Baltic States to NATO “would have extremely serious consequences for the whole security system of the continent”.⁴³ In response, the Lithuanian Parliament followed with a declaration openly critical of Russia. Thus the passionate “war of words” had begun again. Similarly, there was a passionate negative rhetorical campaign in the beginning of 2004 just before the accession date.⁴⁴

Lithuanian officials have constantly reiterated that membership in NATO is not directed against Russia. For example, Minister of National Defense Linas Linkevičius noted “The Baltic states have a vital stake in the effort of the Euro-Atlantic community to bring Russia as close to NATO and the EU, as Russia wants to come.”⁴⁵ It seems that both sides have accepted both the enlargement and the negative Russian reaction without making any further effort to change one another’s positions.

The absence of any unresolved territorial issues was one of the most important preconditions for NATO membership. Lithuania did have the border treaty with Russia on which negotiations had begun already in 1993. But no visible improvement was seen until January 1997, when finally 90% of the land border was agreed upon. In October 1997, during the official visit of Brazauskas to Moscow, two treaties regulating border questions were finally signed.⁴⁶ Lithuania

43 Putin Warns Against Eastward Expansion by NATO. In: The Baltic Times, June 15, 2000. <http://www.baltictimes.com/news/articles/356/>.

44 Jakniūnaitė, Dovilė. Kur prasideda ir baigiasi Rusija: kaimynystė tarptautinėje politikoje. Vilnius: Vilniaus universiteto leidykla. 2008.

45 Linkevičius, Linas. Life After Enlargement. In: Baltic Defence Review. No. 9. 2003. P. 103.

46 The Treaty between the Republic of Lithuania and the Russian Federation concerning the State Border between Lithuania and Russia, signed 24 October 1997, entered into force on 12 August 2003. The Treaty between the Republic of

ratified the border treaty on 19 October 1999. The ratification process by the Russian side took much longer than expected.

On 29-31 March 2001 Lithuanian President Adamkus visited Moscow. It was the second and last official visit of the Lithuanian President to Russia. However, this visit did not bring any substantial results, despite the efforts of Lithuanian foreign policy makers to get the border treaty ratified. The common declaration mentioned only differences in opinions, though it must be admitted that the fact of the common statement itself showed some improvement in bilateral relations compared to the other two Baltic States. It was acknowledged that each country has the right to choose its own security policy without affecting the security of the other states.⁴⁷ This relatively moderate position already reflected the gradually changing Russian stance regarding NATO enlargement and some signs of mutual understanding. Some even treat this sentence as an acceptance of NATO enlargement by Russia.

The border treaty was ratified only in August of 2003 – five years after it had been signed. And it was done with the help and pressure of the EU as part of a package that included agreements on the Kaliningrad transit regime rules. The most common explanation for this long delay is based on the belief that Russia had been waiting for an official decision by NATO concerning the invitation to join the organization. It was hoped that the absence of a ratified border treaty with Russia would complicate these plans. When this tactic did not succeed, Russia's leaders just decided to get on with it.

Lithuania and the Russian Federation concerning Delimitation of the Exclusive Economic Zone and the Continental Shelf in the Baltic Sea, signed 24 October 1997, entered into force on 12 August 2003.

47 Сообщение пресс-службы Президента Российской Федерации, 30 March 30, 2001, <http://archive.kremlin.ru/text/psmes/2001/03/32255.shtml>.

EU enlargement

Membership in the EU was another clear priority for Lithuania's foreign policy which dominated the country's agenda from the mid-1990s. Although joining the EU had an important security motivation for Lithuania, most EU accession measures and effects were economic. Removing barriers to trade with the EU (and other candidate countries) and adopting the EU's regulatory norms – which had a direct effect on trade and processes of production – meant at the same time an increase in some barriers to trade with third countries such as Russia. However, since Russia was not a member of the World Trade Organization, it could not claim compensation for those instances when customs duties for products of Russian origin increased as a result of Lithuania and other countries having joined the EU and adopted its Common external trade policy.

Nevertheless, Russia viewed the EU enlargement with restrained optimism, setting it against NATO expansion in the discourse. The major share of Russia's exports to the Baltic States consisted of raw materials and it was significant source of imports for the latter, while the role of the Baltic States in Russian foreign trade was marginal. The positive expected consequences of the EU enlargement included a unified customs regime, removal of domestic barriers inside the EU and the opportunity to use the Baltic States as a channel of penetration to the markets of the other EU member-states.⁴⁸

Despite the fact that Lithuania and the other Baltic States were now integrated into the EU common market – particularly since the financial crisis in Russia in 1998 pressed producers in these countries to reorient their sales to other markets and restructure their activities – Russia remained an important export market. It was also important for Lithuanian transport carriers and as a source of oil and the only source of the natural gas supply. In this respect, accession into the EU

48 Россия и Прибалтика – II. Доклад. Совета по внешней и оборонной политике // Независимая газета. 13 October 1999.

did not have any immediate effects on Lithuanian-Russian relations in the energy field, but, as will be discussed below, in the longer term it meant the adoption of the EU's regulatory framework (i.e. the third package directives) and the possibility of reorienting the energy infrastructure from dependency on Russia to interdependency with the Nordic market and Northern Western Europe.

Nonetheless, when the EU accession negotiations took place, there was only one issue which impacted directly on bilateral relations between Lithuania and Russia – transit to/from the Kaliningrad region. In the beginning of 2000 in the wake of the EU enlargement, the issue of Russian passenger transit to and from Kaliningrad re-emerged. In September 2000, Russia expressed its concerns in the letter “The EU Enlargement and Kaliningrad”. In March 2001, the position of the Russian Ministry of Foreign Affairs was clarified in the Letter “Possible Solutions for Specific Problems of the Kaliningrad Region in the Context of the EU Enlargement”. Russia insisted on preserving visa free transit on railways as well as roads, assuming the conclusion of a special legally binding agreement.

The position of Lithuania was ambivalent. On the one hand, Vilnius was interested in preserving a maximally liberal border crossing regime with the Kaliningrad region, bearing in mind the increased importance of the region for Lithuanian trade and investment, and it requested that Brussels scrutinize the possibility of Schengen regime exemptions for Kaliningrad residents. The European Commission in response recommended that Lithuania define its position on visa introduction.⁴⁹ In the summer of 2002, Prime-Minister Brazauskas expressed a willingness to preserve the visa-free transit regime if Russia and the EU agreed upon it. On the other hand, Vilnius was striving to follow the mainstream EU position, fearing delays with EU membership and the elimination

49 Stanytė-Toločkienė, Inga. Kaliningrado sritis ES plėtros požiūriu. In: Politologija. No. 2. 2001. P. 40.

of internal border barriers. The Special Envoy of the President on Kaliningrad Gediminas Kirkilas stated that Lithuania “did not want to become a headache for Brussels. Lithuania could not offer one thing – the cancellation of the word ‘visa’, which was very sensitive for the Russian side and could become a departure point for political compromise. This could be done only by Brussels, and it had done it”.⁵⁰ The difficulties of Vilnius were correctly interpreted in Moscow. The Vice-Minister of Foreign Affairs Evgeniy Gusev commented: “Officially Lithuania’s MFA, Prime-Minister and MPs claim they accept any solution to be achieved by Russia and the European Union [...]. I assume that there is a certain craft in the position of Lithuania, which tries to hide behind the EU’s position. At the same time, there is an objective interest”.⁵¹

The negotiation process received a priority track on the Russia-EU agenda and was finalized in the Joint Declaration in November 2002. It stipulated the mechanism of a Facilitated Transit Document (FTD), as well as amending Schengen regulations. This was a compromise, with the FTD playing the role of a quasi-visa, issued in a simplified procedure without personal attendance of the consular authorities.

The following period until the summer of 2003 was devoted to the technical implementation of the Joint Declaration. In the framework of the negotiations Russia signed the Agreement on Readmission of Illegal Migrants and finally ratified the Border Treaty, signed in 1997. The negotiation process revealed a certain lack of confidence – Lithuania insisted on immediate ratification of the border treaty, while Russia put the transit arrangement first, viewing it as a precondition for submitting bilateral documents to the State Duma

⁵⁰ Respublika, 22 September 2002.

⁵¹ Государственная Дума Федерального Собрания РФ. Стенограмма Заседания 177(625). 19.06.2002. <http://www.cir.ru/docs/duma/302/407666?queryID=4162826&HighlightQuery=4162826>.

for ratification.⁵² Russia's representatives even announced that Lithuania's position "was not in accord with agreements achieved in Brussels during the Russia-EU Summit".⁵³

2005-2012: ADJUSTMENT AND STAGNATION

Since Lithuania's accession to NATO and the EU in 2004, Lithuanian foreign policy leaders have been trying to use membership in these organizations to increase its bargaining power vis-à-vis Russia on issues where mutual agreement was still absent (i.e. acknowledgement of the crimes of Stalinism) or where economic asymmetries made Lithuania vulnerable to manipulation of economic links for political purposes by Russian authorities (such as the shutting down of the Druzhba oil pipeline to Lithuania in 2006, interpreted as a response to Lithuania's decision to sell the Mažeikių nafta oil refinery to a Polish, not Russian company). However, due to domestic politics – the Parliamentary elections in 2008, which brought to power a coalition of center-right parties, and the Presidential elections in 2009, which resulted in Dalia Grybauskaitė becoming President of the country – there has been a shift in Lithuania's foreign policy. Although Lithuania's attempts to use international forums, especially the EU, to increase its bargaining power have been evident since 2004, the focus of these efforts to Europeanize bilateral issues was different in 2004-2008 compared to the policies adopted by the new political leadership on Lithuania since 2008-2009.

Under the center-left government and President Adamkus in

52 Ратиани Н. По 10 Евро. Но Вчера. Россия Не Выполняет Своих Обязательств, Считает Литва // Известия. 25 March 2003. http://cargobay.ru/news/izvestija_moskva/2003/3/26/id_114246.html.

53 Стенограмма ответов министра иностранных дел России И.С.Иванова на вопросы после выступления в Совете Федерации Федерального Собрания России. 26 March 2003. http://www.australia.mid.ru/press2003/10_rus.html.

2004-2008, the focus was on advocating the integration of Lithuania's Eastern neighbors into the EU. Bilateral relations with Russia were characterized by sometimes open confrontation expressed on various occasions, including debates in EU institutions, and the use of the EU-Russia agenda to promote national priorities. The most visible expression of this policy could be found in Lithuanian efforts in the first half of 2008 to link the drafting of the new EU and Russia partnership and cooperation agreement with the acknowledgement of a series of demands to Russia: to restore supplies through the Druzhba pipeline and commit to the Energy Charter, to resolve the "frozen conflicts" in Georgia and Moldova, to start legal cooperation regarding the judicial cases of the Medininkai Massacre and events in Vilnius on 13 January 1991, and to remunerate Lithuanian citizens deported to the Soviet Union. Bargaining inside the EU resulted in several declarations adopted by EU institutions. The Russian Minister of Foreign Affairs Lavrov described the Lithuanian veto as an "internal problem"⁵⁴ of the European Union.

Thus Russia's moderately positive expectations of EU enlargement were not fulfilled, at least in the eyes of its elites. Russia hoped that EU membership would contribute to limiting US influence in the region and would encourage Lithuania to improve relations with Russia. In practice, Lithuania preferred the option of opposing Russia within framework of the EU, which included the export of democracy to the post-Soviet region in the framework of the emerging EU Neighborhood policy, corresponding to the US initiative "Enhanced Partnership in New Europe" (e-PINE). The general deterioration of Russia-West relations after 2004 contributed to worsening bilateral relations.

In 2009 the new President of Lithuania Dalia Grybauskaitė altered the rhetoric of Lithuanian foreign policy towards Russia as

54 Исакова Е. Сергей Лавров: Россия и ЕС должны сотрудничать на равноправных началах // Голос России. 30 April 2008. <http://rus.ruvr.ru/2008/04/30/811102.html>.

well, discussing pragmatism and constructive positions. Later the Ministry of Foreign Affairs of Lithuania took over the optimism with talk of a “new era” of relations between the two countries. Nevertheless, there has been no significant change in the content of bilateral relations and especially the outcomes intended by Lithuania. Neither has Russia showed any interest, nor have the opinions of the Lithuanian leaders about Russia changed. The visit of Lithuanian Prime-Minister Audrius Kubilius to Russia in March 2010 confirmed that the positions of the two countries on interpretation of history and energy cooperation are incompatible. The hopes that President Grybauskaite would bring some positive elements to the bilateral agenda have also remained unfulfilled. Although the approach has become more “pragmatic” and less openly confrontational, the actual change in tone has not (yet) brought any tangible results in achieving the country’s objectives. Around 2011-2012, the focus on supporting integration of Eastern partners into the EU has been revived and active efforts have been made, for example, in trying to convince the leadership of Ukraine to undertake domestic changes required for signing and ratifying Association agreement with the EU. The visit of President Grybauskaite in 2012 to Kiev and the statements made by her during the visit of Ukraine’s President Yanukovich in early 2013 were the most visible expressions of this approach. Forthcoming Lithuania’s EU Presidency and the Eastern Partnership Summit planned for November 2013 as the key event during the Presidency have reinforced this policy.

From 2008-2009, the main priorities of Lithuania included the adoption of the EU third energy policy package, namely, the option of complete unbundling of ownership in the natural gas and electricity sectors. This was considered as a means of restructuring the energy sector, reducing the influence of Gazprom and involving the European Commission in bilateral energy relations between Lithuania and Russia.

The other priority was in the realm of the politics of history – to achieve the recognition of Stalinist crimes at the EU level. This policy was connected with the official Lithuanian policy of demanding compensation for damages wrought during the Soviet occupation.

The Politics of History

The politics of history is best exemplified by the differing interpretations of the 1940 occupation question and the demands for compensation for the damage done and crimes committed during the Soviet period. The general question for Lithuania is simple – since the events in 1940 were the occupation of Lithuania by the Soviets, how should it be compensated? Naturally, the question is important for both sides. Lithuania believes that since it was a Soviet occupation, then Russia is responsible for its aggression against a sovereign state, and must therefore apologize and pay compensation. However, Russia's opposition implies that another interpretation is possible, namely Lithuania was indeed incorporated into the Soviet Union but the process can not be described as an occupation with consequences falling on the Russian Federation. Russia does not evade from discussion on the problem issues of history, but believes that it should not complicate a bilateral agenda and prefers it to be carried out on the expert level – in framework of the Commission of historians, convoked in 2006.⁵⁵ Besides, Russia cannot accept equating Nazism and Communism (Stalinism), which can lead to devaluating the role of the USSR in liberating Europe in the Second World War. Finally, from the point of view of Russia, the attempts to link discussion on history and the issue of compensation are counterproductive. As Dmitri Trenin argues, “they [the Baltic States] need to make sure, as

55 “Неудачи легче объяснить происками других”, интервью заместителя Министра иностранных дел России В.Г.Титова // Литовский курьер, 7 апреля 2011 года

Estonia has done from the beginning, that the Soviet Union's occupation of their countries carries no financial consequences for the Russian Federation, whose population suffered from Stalinism as much as any other country.”⁵⁶ So, the difference between the positions is huge and is connected with the identities of both countries, so that the debate seems to entail incompatible positions.

It is not a new problem to arise. Already on 4 June 1991, the Supreme Council of the Republic of Lithuania adopted a resolution On Compensation of the Damage Inflicted by the USSR on the Republic of Lithuania and its Citizens during 1940-1991.⁵⁷ In June 1992, the referendum On the Withdrawal of the Russian Army and Compensation for the Damage Caused during the Occupation took place with the majority of the citizens in favor of the position that “the damage inflicted upon the Lithuanian people and the State of Lithuania should be compensated”. Initially, Lithuanians tried unsuccessfully to raise the question during negotiations on the withdrawal of the Soviet troops and after 1993 little effort was made by the new government to raise the issue.

This relative calm lasted until the year 2000, when in June the Chairman of the Seimas Landsbergis initiated the Law on Compensation of the Damage Resulting from the Occupation by the USSR. The proposal was accepted. The law created the obligation for the Lithuanian government to negotiate with Russia regarding compensation and to calculate the damages “including payments to Lithuanian citizens for the damage caused during the USSR occupation and its consequences, as well as expenses related to the homecoming of deportees and their descendants.”⁵⁸

56 Trenin, Dmitri. Russian Policies Toward the Nordic-Baltic Region // Nordic-Baltic Security in the 21st Century. The Regional Agenda and the Global Role / R.Nurick and M.Nordenman (Eds.). Atlantic Council, September 2011. P. 49.

57 Seimas of the Republic of Lithuania, Law on Compensation of Damage Resulting from the Occupation by the USSR, 2000. http://www3.lrs.lt/pls/inter3/dokpaieska.showdoc_l?p_id=104885S.

58 Ibid. Article 2.

On 9 June 2000, in reaction to the debates in the Lithuanian parliament, the Russian Ministry of Foreign Affairs issued a statement asserting that it is incorrect to consider the inclusion of Lithuania in the USSR as a unilateral act by the latter, and that statements about aggression or occupation ignore the political, historical and legal reality, and are therefore groundless.

Putin was very clear about his position as well: “take a look at the resolution passed by the Congress of People’s Deputies in 1989, where it is written in black and white that the Congress of People’s Deputies denounces the Molotov-Ribbentrop Pact and considers it legally invalid. It did not reflect the opinion of the Soviet people but was the personal affair of Stalin and Hitler. ... We consider this issue closed.”⁵⁹

Since 2005 Lithuania, together with Latvia and Estonia, has sought to criminalize the Stalinist period and the denial of its crimes, to the same level and degree as was applied towards the crimes of Nazism. Gradually, by 2010 the Council of European Union had condemned the crimes of Stalinism and in 2009 the European Parliament declared 23 August (the date when the Molotov-Ribbentrop pact was signed) the European Day of Remembrance for Victims of Stalinism and Nazism.⁶⁰

In response, Russia pursued a policy of the marginalization of Lithuania in the European context, presenting it and the other two Baltic States as countries where the “glorification of Nazism” and

59 Press Statement and Responses to Questions Following the Russia-European Union Summit, Great Kremlin Palace, Moscow, 10 May 2005. http://www.ln.mid.ru/Brp_4.nsf/arh/1F66A6A4BB7104DFC325700000218403?OpenDocument.

60 See the text of the Resolution at [http://www.europarl.europa.eu/sides/getDoc.do?reference=P6_TA\(2008\)0439&language=EN](http://www.europarl.europa.eu/sides/getDoc.do?reference=P6_TA(2008)0439&language=EN). Report from the Commission to the European Parliament and to the Council. “The Memory of the Crimes Committed by Totalitarian Regimes in Europe”, COM(2010) 783 Final. Brussels, 22 December 2010. http://ec.europa.eu/commission_2010-2014/redding/pdf/com%282010%29_873_1_en_act_part1_v61.pdf.

“rewriting of history” were taking place, as well as trying to emphasize the divide between “old” (true) and “new” Europe. One indication of this policy was the celebration of the 750th anniversary of Kaliningrad (Konigsberg) in June 2005, to which the leaders of France and Germany were invited, while the heads of neighboring Poland and Lithuania were absent. In July 2008 the State Duma adopted the Statement “On Actions of the Lithuanian Authorities Aimed at the Deterioration of Russian-Lithuanian Relations”, which de facto recognized the growing crisis in bilateral relations. The document criticizes Lithuania for its attempts to equal the crimes of Nazi Germany and the Soviet Union during World War II.

The issue regarding the occupation resurfaced in public debates in Lithuania during intense discussions as to whether President Adamkus should go to Moscow to commemorate the 50th anniversary of the victory in World War II. It became an important issue in Lithuanian politics at that time, probably one of the most publicly debated issues from the Lithuanian-Russian agenda.

The invitation of President Adamkus to the celebrations triggered a debate on the interpretation of the end of World War II. In Lithuania many political activists, NGOs and analysts saw the participation in the ceremony as an acknowledgement of Stalinist policies. Therefore, when President Adamkus asked for a public debate a number of activists voiced their opposition to the participation of Lithuania’s President in the Moscow celebration. One of the main business interest groups, the Lithuanian Industrialists’ Confederation, lobbied for a different position and requested President Adamkus to take part in the event. This was a reflection of the activity of some business groups which due to their trade links with Russia, especially the imports of energy resources, have often tried to influence the official policy of Lithuania in support of the status quo and strengthening economic ties with Russia rather than reorienting them to the EU countries. However, ultimately the President decided not to go to Moscow. Interestingly, the participation of the

Latvian President Freiberga was seen in Lithuania as yet further evidence of Russia's policy of "divide and rule" in its relations towards the Baltic States – using a differentiated approach towards each of the three countries in order to reduce their joint bargaining power and the moral appeal which was often used by Lithuania.

Russia views Lithuania's attempts to gain recognition for the occupation and compensation for damage as aimed at complicating bilateral relations, and rejects both the fact of occupation and any responsibility for the actions of the Soviet Union. In addition, Russia entirely rejects Lithuania's attempts to accuse it of responsibility for the events of January 1991 in Lithuania, arguing that at that time Lithuania was not an independent country.⁶¹

It should be noted that after the Parliamentary elections in 2008 and the formation of a new government led by conservative Prime Minister Audrius Kubilius, the issue of compensation for the damage done by the Soviet occupation was pushed to the margins of Lithuania's foreign policy agenda until the 2012 elections, when the debate resurfaced.⁶² The positions of the two countries and the differences in their viewpoints have not changed, however.

61 Брифинг Официального Представителя МИД России А.А.Нестеренко. 29 January 2010. http://www.mid.ru/brp_4.nsf/briefview/D74932BE5E34F-16EC32576BD00399371.

62 See: BNS. Kubilius: Okupacijos žalos atlyginimo klausimas turėtų tapti ES ir Rusijos dialogo dalimi. 17 July 2012. http://www.alfa.lt/straipsnis/15032663/Kubilius..okupacijos.zalos.atlyginimo.klausimas.turetu.tapti.ES.ir.Rusijos.dialogo.dalimi=2012-07-17_10-42/; Karaliūnaitė, Ugnė. A.Kubilius: Sovietų žalos atlyginimo gali tekti palaukti ir turime tam pasiruošti. 17 July 2012. <http://www.delfi.lt/news/daily/lithuania/akubilius-sovietu-zalos-atlyginimo-gali-tekti-palaukti-ir-turime-tam-pasiruosti.d?id=59128571>. For the reaction by Russia see: Ответ официального представителя МИД России А.К. Лукашевича на вопрос СМИ о высказываниях премьер-министра Литвы А.Кубилюса по российско-литовским отношениям 25 July 2012. <http://www.mid.ru/bdomp/ns-reuro.nsf/348bd0da1d5a7185432569e700419c7a/c32577ca0017442b44257a4600261d2a!OpenDocument>.

Energy relations

Lithuania's dependence on Russia for energy resources has often led to controversy and uncertainty among Lithuanian political elites. The question of links between party finances and the energy companies dealing with Russian suppliers of natural gas and electricity has surfaced regularly during political debates.⁶³ The above mentioned story with Druzhba oil pipeline is often used as an example of the manipulation of energy relations and links between business and politics in Russia. The recent reaction of President Putin to the case initiated in 2012 by the European Commission against Gazprom on the basis of possible violation of EU's competition policy norms, as well as the decree that the Government of Russia, rather than Gazprom itself, should be dealt with on matters of Gazprom business, including prices, was interpreted in Lithuania as yet another sign that in the energy field Russian elites still treat Lithuania and other Baltic States differently from most other EU members.

Regardless of which party has been in power, membership in the EU has been used by successive Lithuanian governments as an opportunity to Europeanize bilateral relations with Russia and to involve the EU, or at least the European Commission, in some of the most controversial issues, such as the supply of natural gas and regulation of this sector. At the same time, Lithuanian authorities have expressed strong concern about the energy projects of Russia, which could increase its bargaining power and enable it to supply other EU countries, such as Germany, without transiting the Baltic States. The Nord Stream project has been a key issue and is perceived as a possible instrument of just such manipulation, allowing Russia to bypass the Baltic States and to cut supplies of natural gas without serious consequences for the Kaliningrad Region, which

63 Smith K.C. Lack of Transparency in Russian Energy Trade. The Risks to Europe. Washington, D.C., 2010.

has until now been viewed as a kind of safeguard by the Lithuanian authorities, should Russian leaders decide to use energy policy for political purposes.

Since 2004, Lithuania has taken the opportunity to bring to the EU-Russia agenda those issues which are important from a bilateral perspective. As noted, it was during the debate on the renewal of the EU and Russia Partnership and Cooperation Agreement when Lithuania decided to raise several issues in the EU format, such as a renewal of the oil pipeline supply. This demand was raised together with the Polish request for Russia to rescind its ban on the import of Polish meat to Russia. While Poland later withdrew its veto on approving the mandate for negotiations with Russia, in Spring 2008, Lithuania presented further issues regarding Russia: Russia's accession to the Energy charter, the issue of compensation for damages arising from the Soviet occupation and for the deportations to Siberia and criminal prosecution of persons who participated in the January 13th events in Vilnius, and also the resolution of conflicts in Moldova and Georgia.

Although these issues were noted by EU partners, the outcomes of these efforts have been rather modest, both in terms of attracting the attention of the EU, and also in terms of achieving the declared objectives. To a certain extent, it could be argued that the situation on some of these issues has actually worsened since then, for example, in Georgia and its territories of South Ossetia and Abkhazia. In fact, these events strongly reinforced the concern in Lithuania about the intention of Russia to increase its influence in the Eastern neighborhood and the means used for this purpose.

The decision of the Lithuanian government to adopt the strictest version of the EU third energy package, which foresees the complete unbundling of ownership in the electricity and natural gas sectors, has also caused debates with Russian investors, e.g. Gazprom, which has a stake in Lithuanian Gas. On this issue, the

Lithuanian government also decided to adopt the Europeanization approach, by trying to involve the European Commission in its discussions with the natural gas supplier from Russia and to place the issue on the EU-Russia agenda. So far the efforts of Lithuanian authorities to involve EU institutions seem to be quite effective, although it remains unclear how the actual unbundling will take place in the natural gas sector, where the dominant company is partly owned by Russian and German investors. It should be noted that a center left coalition government formed in Lithuania in late 2012 after Parliamentary elections and led by Prime minister A. Butkevicius has declared its commitment to continue with the plans to implement the ownership unbundling in natural gas sector. This issue and the continuation of other energy projects has been also discussed during the first visit of Butkevicius to Brussels in his meetings with European Commission officials indicating the intentions to continue with the policy of involving European Commission into energy relations with Russia.

The plans to build an LNG terminal on the Baltic Sea coast and to link Lithuania's gas network with Poland's are the main projects aimed at reducing Lithuania's dependence on natural gas from Russia, which is currently the only source of supply. The issue of natural gas prices – seen as being set deliberately high by the Russians to get a premium from Lithuania – continues to be one of the main issues on the political agenda. Unlike Latvia and Estonia, Lithuania did not receive a gas price discount in 2012. Also, the debate on exploration of shale gas in Lithuania which started in late 2012 and early 2013 was seen by international media as influenced by possible meddling of Gazprom concerned about potential competition from this source if the prospects for commercial exploitation of shale gas are proven in Lithuania⁶⁴.

64 DELFI, "Financial Times": skalūnų dujos Lietuvoje kelia grėsmę GAZ-PROM“, 2013.02.08, available at <http://verslas.delfi.lt/energetika/financial-times-skalunu-dujos-lietuvoje-kelia-gresme-gazprom.d?id=60622811>.

In the electricity sector, the priorities include electricity linkages to Sweden and Poland, which also aim to reduce dependence on Russian electricity imports and to create the conditions for switching from the former Soviet electricity system (BRELL) in order to synchronize the Baltic States with the electricity system of Western Europe. It is ironic that since the end of 2009, when the second reactor of the Ignalina nuclear power plant was shut down in accordance with the EU Accession Treaty, Lithuania's dependency on the Russian electricity supply increased, and in 2011-2012 it imported 60% to 70% of its electricity from Russia. Although significant steps have been taken since 2010 to establish a Baltic electricity exchange modeled on the basis on the Nordic electricity exchange, and to be merged with the latter in the future, so far there has been little real competition in this area. Conditions for real competition will be in place after the construction of electricity bridges to Sweden and Poland in 2015.

In addition, the right-center Government of Lithuania has tried to promote the construction of the new Visaginas nuclear power plant in cooperation with Estonia, Latvia and Poland. Poland withdrew from the project, while the support of Latvia and Estonia as well as Japanese investor will depend on the eventual concrete conditions of participation in the project and the position of the new Lithuanian Government formed after Parliamentary elections in 2012. The debate on the construction of the Visaginas nuclear power plant has also been poisoned to a large extent by suspicions of Russia's meddling in this project by trying to obstruct it with the arguments of green activists and others, while simultaneously supporting competing projects in the Kaliningrad region (Baltiskaja nuclear power plant) and in Belarus. Russian energy companies have become much more active after the formation of the new center left government in Lithuania led by social democrats meeting newly appointed officials to discuss natural gas and electricity projects. This increased activity has been seen by many

in Lithuania as an attempt to reverse some of the energy projects aimed at reducing dependency from supplies from Russia⁶⁵.

From Russia's point of view, the energy cooperation between two countries has been subject to excessive politicization. In spite of numerous accusations, Russia claims to have been a reliable supplier of energy resources as well as investor into Lithuanian energy sector. The unilateral actions of Lithuanian government lead to reciprocity from Russia and Gazprom, which refused to grant a price discount, although Lithuanian officials point to the allegedly illegal practice of altering the price formula of natural gas thus breaking the contract. The non-cooperative conduct is a characteristic of Russian-Lithuanian relations in nuclear energy sphere, where Lithuania viewed the project of the Baltic (Baltijskaja) NPP in the Kaliningrad Oblast as a competition to its own station in Visaginas and a distraction from the plans to integrate into the Western electricity transmission system UCTE (or ENTSO-E).

Conclusions

Since 1991, Lithuanian presidents have visited Russia twice. No Russian leader has ever visited Lithuania. Neither side would describe the history of their relations as either perfect or even good. A more appropriate description would use terms such as mistrustful and stagnant.

The initial rather positive relationship based on the need to gain independence from the Soviet Union and to support each other in this process lasted only briefly. Later, Lithuania's efforts to re-es-

65 See for example, DELFI, A. Butkevičius: „Rosatom“ atstovai labai suinteresuoti Kruonuo hiroakumuliacine elektrine. 2013.02.23. available at <http://verslas.delfi.lt/archive/article.php?id=60759435>; DELFI, E. Lucas apie Rusijos įtaką diskusijose apie skalūnų dujas: tereikia sujungti visus taškus. 2013.02.28. available at <http://verslas.delfi.lt/archive/article.php?id=60781127>.

tablish itself as a sovereign nation-state and to become as autonomous as possible from the former empire meant limiting the role of Russia as much as possible. Integration into NATO and the EU was also an important factor influencing bilateral relations. Membership was one means for Lithuania to distance itself from the Soviet past as well as an instrument to increase its bargaining power and its ability to manage interdependency with Russia. Russia is the biggest existential Other for Lithuanian identity politics, and perceptions of its threat drive the main foreign and domestic policies of the country. As bilateral relations have always been and still remain asymmetrical, with Russia acting from a position of power and often negligence, the dominant strategy of Lithuania has been to internationalize and later to Europeanize its policy towards Russia. The status of the relationship continues to be defined by disputes linked with the treatment of the past, divergent assessment of security concepts in the region, and the difficulties of managing economic relations, especially in the field of energy.

Although relations with Lithuania are not a priority for Russia, the dynamics during the past twenty plus years have produced certain significant issues, as indicated by the debates over Kaliningrad, energy and the politics of history. During the past two decades Russia has employed a wide range of policy tools for arranging relations with Lithuania. The elements of coercion and pressure have included the threat of an energy blockade and delayed ratification of bilateral documents. In a practical sense, opportunities for real economic sanctions were limited by Russia's dependence on transit via Lithuania to Kaliningrad. Attempts at reassurance have been manifested by Russia's proposals on security guarantees, while the common projects on Kaliningrad have shown a certain amount of engagement.

It is difficult to foresee any substantial changes in the condition of bilateral relations in the near future. Nothing ground-breaking can be expected on a bilateral level: the disagreements are already

clear, repeated ad nauseam and hardly negotiable, and the bilateral agenda is dominated by three challenges – the issue of energy, the politics of history and the challenges connected with the Kaliningrad region.

Lithuania is pursuing an energy security policy aimed at diversifying the sources of supply and introducing real competition into the electricity and natural gas sectors still dominated by Russian suppliers. The status quo can be changed only by major shifts in the patterns of mutual dependency, such as Lithuania's connection to the Northern and Western electricity and natural gas markets, or by domestic politics in Russia. It is the creation of conditions for competition and alternative sources of supply which is planned for 2015-2016 that might become an important factor allowing Lithuanian politics to be less influenced by Russian suppliers and potential manipulation of energy dependency, and therefore might contribute to more constructive bilateral relations with Russia. At least from the Lithuanian point of view, this is a fundamental precondition for less suspicious bilateral relationship and a natural completion of the process of economic integration into the EU Single market.

The political rhetoric of Lithuania in its relations with Russia and discussions in the EU have emphasized the importance of values such as human rights and the rule of law, in particular in the years since the EU accession and during the debates in the EU in 2007-2008. Recently there has been a change in the rhetoric of Lithuanian leaders prioritizing pragmatism, but this has not brought any more intensity or cooperation to bilateral relations. Although trade disputes and friction regarding Lithuanian imports on the Russian market have become less frequent, the dispute regarding the reform of the natural gas sector and the price of gas seems to dominate the bilateral agenda. The next several years might be crucial in breaking the habit of these disputes if the breakthrough is achieved in connecting Lithuanian energy infrastructure to the Northern and Western European market.

Although different tactics have been tried since 2004, the overall result still seems to be the same – mistrust and misunderstanding arising from both recent historical experience and from the lack of positive advances in re-establishing mutual trust and confidence. Lithuania expects that greater adherence of Russia to the democratic values of Western liberal societies could reduce mutual mistrust and divergences in the assessment of recent history. Russia, in turn, is not satisfied with the deterioration of relations with Lithuania, but believes that the first step towards their improvement should be taken by Vilnius.

Russia's Relations with Romania since 1989

Viktor Kirillov, Igor Putintsev

EXTERNAL INFLUENCES AND THE CHANGE OF POWER IN 1989

As opposed to the situation in other East European countries, the change of power in Romania in December 1989 took a violent turn. The senior leaders of the country, guided by Nicolae Ceaușescu, stubbornly resisted any political reforms along the lines of the Soviet Union's perestroika. On the foreign policy front, the relaxation of the bipolar confrontation in Europe led to a number of serious difficulties in Romania, ultimately hastening the fall of the Ceaușescu regime.

The overriding goal of Ceaușescu's policy in the preceding period (between 1965 and the mid-1980s) had been to maintain a balance between the East and the West and to secure privileged treatment from the West by distancing Romania from Moscow on certain major issues. At the same time, Romania continued to hold membership in the Council for Mutual Economic Assistance (COMECON) and the Warsaw Treaty Organization (Warsaw Pact), and to enjoy privileged trade terms in its dealings with Moscow,

as well as military and political guarantees. This policy reached its greatest success in the 1970s, when Western nations offered Romania considerable economic assistance and maintained an intensive political dialogue with the country in the hope of splitting the socialist community.

However, for the Romanian policy of maneuvering between Moscow and the West to succeed, the USSR-US bipolar face-off was an indispensable precondition. Following the tangible improvement in Soviet-American relations after 1986-1987, Romanian foreign policy lost its trump card, and its opportunities to capitalize upon the tensions between the USSR and the West rapidly evaporated. In addition, both Western nations and the Soviet Union began pressuring Romania to initiate domestic political reforms.

Romanian leaders attempted to create a situational alliance of those East European countries whose leaders were trying to avoid a USSR-style liberalization of their domestic policy. In addition to Romania, the GDR and Czechoslovakia were among such countries. However, in the face of the convergence of both Soviet and Western views on Eastern Europe which began to emerge at that time, attempts to create such a coalition were futile.

By December 1989, with political reforms already underway in the GDR and Czechoslovakia, Romanian leaders found themselves in complete isolation on the international scene. At the meeting between Ceaușescu and Gorbachev held in Moscow on 4 December 1989 – immediately after the USSR-US summit on Malta – the Soviet leader made it quite clear that he was in favor of political reforms in Romania.¹

In the final analysis, external influences on political developments in Romania at the end of 1989 were more pronounced than was the case with other East European countries. One cannot exclude the possibility that such influences were not merely indirect but

1 Gorbachev, M.S. *Life and Reforms*. 2 Volumes. Vol. 2. Moscow: Novosti Publishers, 1995. P. 403.

rather played an instrumental role in fomenting domestic political instability in Romania. Whatever the case, historians remain divided as to the character and driving force of the December 1989 events in Romania.²

NEW ELEMENTS IN SOVIET-ROMANIAN RELATIONS IN 1990-1991

German reunification and political developments in Eastern Europe in 1989-1990 caused a qualitatively new alignment of forces in the region. Soviet leaders viewed the ongoing developments with a sympathetic eye despite the fact that they were leading to an uncontrollable erosion of the Soviet Union's political clout in Eastern Europe.

As early as December 1989, new heads of governments of several East European countries presented Gorbachev with a demand to reform the Warsaw Treaty Organization, seeking to convert it from a military-cum-political organization into a political union. In June 1990, leaders of the Warsaw Treaty Organization countries, having assembled in Moscow, issued a declaration stating their intention to revise the nature and functions of the Warsaw Pact. However, not reform but rather dissolution soon became the goal of the East European members. Only the dissolution of the organization could prevent Moscow from regaining the dominance it had previously enjoyed in the region.

2 Refer to, e.g.: Buga, V. The 1989 December revolution in Romania in the context of Romanian-Soviet relations. In: Nikiforov, K.V., editor-in-chief. *Revolutions and reforms in Central and South-East European countries: 20 years later*. Institute of Slavonic Studies, Russian Academy of Sciences. Moscow: ROSSPEN Publishers, 2011. P. 492-517; Morozov, N.N. The December 1989 events in Romania: Revolution or putsch? In: *Revolutions and reforms in Central and South-East European countries: 20 years later*. P. 518-535.

Romania was the last Soviet bloc country to come out in favor of the dissolution of the Warsaw Treaty Organization, at the beginning of 1991.³ Of greater interest is the fact that Romania was the only member of this organization to seek to preserve, albeit in a modified form, its special military-political ties with the USSR.

The signature of the Treaty of Good-Neighborliness, Friendship, and Cooperation between the USSR and Romania in Moscow on 5 April 1991 clearly revealed that Romanian leaders were not prepared to renounce their special relationship with the Soviet Union. The 1991 Treaty turned out to be the only agreement of this kind between the USSR and any East European country after 1989.⁴ Of utmost importance in the treaty was the provision whereby the parties obligated themselves not to join any military union aimed against the other party nor allow use of their territory for aggression against the other party. The treaty also declared that the parties would treat each other as friendly nations under any circumstances. Initially the treaty was made for 15 years with a provision for automatic prolongation each subsequent five years.

Had the treaty ever become effective, Moscow would have acquired a de facto veto power over the eventual accession of Romania to NATO and deployment of foreign troops in the country. The Soviet Union considered the signature of a friendship treaty with Romania as a major milestone on the road to a new format of mutually beneficial relations with East European countries based on principles of “nonaligned” European security. So, it was little wonder that the treaty came under strong criticism from such countries as Poland and Hungary, who were seeking an early accession to NATO more actively than the others.

3 Anghel, F. La margini și sfârșit de imperiu: Tratatul româno-sovietic din 5 aprilie 1991 și consecințele pentru Republica Moldova. In: *Analele Universității “OVIDIUS”*. Vol. 7. 2010. P. 170.

4 Calafeteanu, I., coord. *Istoria politicii externe românești în date*. Fundația Europeană Titulescu. Bucharest: Editura Enciclopedică, 2003. P. 630.

The following reasons may have induced the Romanian leaders to set such an unusual precedent in relations with the USSR at the time.

To start with, in 1989 the new leadership in Romania consisted not of ideological opponents of the former regime but of representatives of the same communist elite. Driven by pragmatic considerations and having no clear pro-Western ideological or political leanings, they did not favor an abrupt reorientation of foreign policy towards the West, preferring rather to maintain strong ties with Moscow.

Secondly, members of the Romanian political elite were unsure whether the West would accept them as the legitimate rulers of their country. In contrast with the other socialist community countries, power in Romania had changed hands as a result of a coup, without any radical shift in the powers-that-be. The 1990 events could easily leave a negative impression of the new Romanian authorities in the minds of the Western public and governments: protests staged by students and intellectuals were brutally suppressed in Bucharest. The city of Târgu Mureș was the venue for the first ethnic clashes to occur in Eastern Europe. The election of the president and the parliament were, in fact, a plebiscite rather than a regular election. All of these factors undermined the confidence of the Romanian leaders in their relations with Western nations.

Thirdly, Romanian politicians displayed a certain inertia in thinking: they continued to view the Soviet Union – which in reality was on the verge of collapse – as a leading political force in Eastern Europe, capable of rendering substantial material assistance to Romania, which was in dire straits economically.

Fourthly, Romanian leaders had apprehensions about the potential development of an explosive ethnic situation in Transylvania.⁵ New ethnic clashes could potentially bring about a crisis in relations

5 Buga, V. Romania in transition from socialism to capitalism. Key shifts in political life (1989–2009). In: *Revolutions and reforms in Central and South-East European countries*. P. 219.

with Hungary, in which case the Bucharest administration could not be sure that the Western nations would not come out in support of Hungary on this issue.

Fifthly, certain articles of the treaty would, in fact, provide a good opportunity to promote Romanian interests in the Moldavian Soviet Socialist Republic. For example, Article 15 held that both parties to the treaty would facilitate easy access for individuals interested in the culture and language of the other party. Article 20 provided that the parties would make every effort to stimulate the involvement of the constituent republics of the USSR in implementation of the treaty. Since both articles were, in effect, applicable only to the Moldavian SSR, they offered Romania certain leverage in ethnic and political processes in the republic.

All of these factors explain the desire of the new Romanian leaders, led by Ion Iliescu, to pursue a balanced foreign policy course, developing intensive ties with the West as well as with Moscow. To a great extent the choice of this political course was influenced by Romanian traditional foreign policy, which had always lacked a clear-cut orientation to any single external power, so as to leave enough room for political maneuvering.⁶

Regretfully, the potential for the development of Soviet-Romanian relations inherent in the Treaty of 5 April 1991 was never realized, due to the acute domestic political crisis in the USSR, which ultimately resulted in its disintegration. After the August 1991 events, the central authorities became paralyzed, for all practical purposes, preventing ratification of the Soviet-Romanian treaty, which never went into effect.

Against this background, at the end of 1991/beginning of 1992, tensions began rising in Transdniestria, leading to a military conflict, which exacerbated the negative attitude of the Romanian

6 Vasiliev, A.V. Historic traditions as a factor in formation of foreign policy in Romania: a doctorate thesis for the doctor of historic sciences degree. Moscow, 2001. P. 173-174.

public towards Moscow. Romania became the only country to offer active support to Moldovan leaders by shipping military supplies,⁷ among other goods. Moscow's response to the hostilities unleashed by Chişinău clearly illustrated the contentious nature of Russian and Romanian policies regarding Moldova – a newly independent nation after the disintegration of the USSR.

CHANGED PRIORITIES IN ROMANIA'S FOREIGN POLICY AFTER 1991

The disintegration of the USSR and the 1991-1992 developments in Moldova led Romanian leaders to conclude that Bucharest's earlier policy of balancing between Moscow and the West had not paid off and that only the course of rapprochement with the West would be to Romania's advantage. In a changed environment, Russia was in no position either to render effective economic assistance to Romania, or to offer military and political guarantees, if need be. In addition, immediately after the disintegration of the USSR, Russia was preoccupied with domestic issues and was no longer as active in pursuing its foreign policy goals across a multitude of directions, Eastern Europe among them. Furthermore, public opinion in Romania had become very critical towards Moscow, both as a result of the developments in Moldova and as a result of the reassessment of the country's historical experience.

Thus, at the turn of 1991-1992, this combination of factors brought about a change in Romania foreign policy in favor of relations with and unambiguous orientation towards the West, primarily to the US. This change of heart occurred in Romania somewhat later than

7 SIPRI Arms Transfer Database. <http://www.sipri.org/databases/armstransfers>. According to SIPRI, in 1992 Romania was the only supplier of weapons to Moldova. Primarily, this concerns a large shipment of TAB-71 armored troop carriers.

in the other Central and East European countries, but prompted a desire to catch up with the others through the rapid development of ties with the West and the US, as well as to win a position on the list of new candidates for accession to NATO and the EU.

At the same time, Western politicians discarded their earlier apprehensions about Romanian leaders. In initiating a course towards rapprochement with Romania, Western nations were guided primarily by Romania's important strategic position in the context of the war raging in neighboring Yugoslavia. No doubt another important consideration on their part was a growing desire to fill in the geopolitical and military-strategic vacuum in Eastern Europe, which had resulted from the disintegration of the USSR and the disbandment of the Warsaw Treaty Organization.

In addition, Western nations began to gain a better grasp of Romanian domestic political realities. The 1992 election proved that President Iliescu had entrenched himself in power and that the political opposition was not strong enough to attain power in the country any time in the near future. Apprehensions about the communist background of Iliescu and his alleged pro-Moscow leanings became irrelevant in view of the disintegration of the USSR and the restraint of the new Russian leadership from pursuing an active policy in the region. Under the circumstances, the West made it known to the Romanian political elite that its authority was recognized as legitimate: in 1993 Romania was accepted as a member of the Council of Europe and entered into an agreement of association with the EU.

In turn, Romania began to send signals to the West about its desire to access NATO and the EU in the first wave of eastward expansion of those organizations. The 1995 Snagov Declaration brought all political parties in the country together in support of Romania's application for EU membership. However, the overriding priority for Romania was to gain admittance to NATO, since this presumably supplied the necessary prerequisites for

consequent EU membership. Romanian leaders understood that military and political considerations might prove to be a much stronger stimulus for Western nations to accept Romania in their midst, rather than the stated desire by Bucharest to comply with the social, economic, political and legal criteria for accession to the EU.

The development of Russian-Romanian relations after 1991 should not be analyzed out of the context of Romanian integration into European/Atlantic structures, since this integration became the overriding priority in Romanian foreign policy. On the other hand, Russia in the 1990s viewed issues of the European/Atlantic integration of Central and East European countries exclusively from the angle of Russia's own relations with the West. While opposing the intention of the US and Western nations to expand NATO eastward, Russia took little, if any, action to influence the stance of Central and East European countries by directly discussing the issue of the alliance expansion with them. In this respect, Russia's attitude to the process of Romanian integration into European/Atlantic structures was a subordinated component of the Russian policy towards NATO expansion, which, for all practical purposes, boiled down to holding talks with the US about the timeframe and terms of the expansion.

EURO-ATLANTIC PRIORITIES AND RELATIONS WITH RUSSIA, 1992-2004

Political developments in Romania in 1992-2004 can be subdivided into the two presidential tenures of Iliescu (1992-1996 and 2000-2004) and the tenure of Emil Constantinescu (1996-2000). It should be noted that both presidents pursued the goal of early accession to NATO and preparation of the ground for accession to the EU, thus maintaining continuity in the foreign policy of Romania.

Romania emphasized the development of relations with the US and NATO. In 1994, Romania was the first East European country to join the NATO Partnership for Peace program. In 1996, it participated in the SFOR peacekeeping force in Bosnia and Herzegovina, and in 1997 joined the Operation Alba peacekeeping force in Albania. Neither operation was officially sponsored or conducted under the aegis of NATO, but both were initiated and coordinated by NATO member-countries. In addition, with a view to facilitating the transition to Western military standards in hardware, military cooperation with Russia was, in fact, frozen.⁸ Nevertheless, at the NATO Madrid summit in July 1997, Romania was not approved to become a participant in the first wave of the expansion to occur in 1999 – something which the national political class and public opinion interpreted as a serious failure of the country's foreign policy.

The divergence of opinion which presidents Iliescu and Constantinescu held about Romania's involvement in international affairs can be clearly seen in their perception of the non-Western vector of Romania's foreign policy. Without questioning the priority of European and Atlantic integration and the pro-West political orientation, president Iliescu worked until 1996 to develop a sustainable model of constructive relations with Hungary and the European CIS nations – Russia, Ukraine, and Moldova. The Romania president even adopted a somewhat independent stance towards Yugoslavia, clearly regarding Romania's Yugoslavian policy as independent of Western interests in the region.⁹

Conceptually, this policy was intended to allow for the potential diversification of Romania's external relations in the event of

8 Rybas, A.L., ed. *Military and technical cooperation of Russia with foreign states: market analysis*. Moscow: Science Publishers, 2008. P. 108.

9 Loshakov, A.A. Key principles of foreign policy of Romanian President I. Iliescu. *Bulletin of N.I. Lobachevsky Nizhny Novgorod State University*. No. 5. 2008. P. 239.

changes on the international arena or a lack of willingness on the part of Western nations to admit Romania into their political and integration structures. It was also believed that efforts aimed at overcoming differences with neighbors could facilitate and accelerate the process of Romania's European integration.¹⁰

Thus, the policy pursued by Iliescu during his first presidential tenure could be viewed as an extension of the underlying Romanian foreign policy tradition, providing a multivector nature for Bucharest's external relations, but with a notable reservation: the new alignment of forces in Europe after the end of the cold war deprived Romania of much of the room for maneuver it had previously enjoyed and necessitated an inevitable orientation to the West in the absence of any other comparable centers of influence.¹¹

In his turn, president Constantinescu actually reduced the entire foreign policy agenda of Romania to relations with the West and primarily with the US. This policy saw its culmination in the support rendered by the Romanian administration to the NATO bombing of Yugoslavia in 1999, something which was strongly objected to by the public at large as well as a large number of the national political elite.¹² This was one of the key reasons why Constantinescu decided not to run for president for a second term – a decision which, in effect, paved the way for Iliescu's return to power in 2000.

Constantinescu did not believe in the importance of negotiations with Moscow concerning the signature of the new basic treaty initiated by the Iliescu government in 1995, when the earlier 1970

10 Linden, R.H. Putting on Their Sunday Best: Romania, Hungary and the Puzzle of Peace. In: *International Studies Quarterly*. Vol. 44, No 1. 2000. P. 131.

11 Motives for the actions of the Romanian administration are studied in detail in: Tzifakis, N. The Yugoslav Wars' Implications on Romanian Security. In: *South East European Politics*. Vol. 2. No 1. 2002. P. 48-49.

12 Vasiliev, A.V. Romania's foreign policy in the context of the Yugoslavian conflict. In: Dubinin, A.B., editor-in-chief. *Issues of history and politics of countries of Europe and the Americas: collected papers*. Moscow: Moscow State Institute of International Relations. 2001. P. 110, 113.

USSR-Romania Treaty of Friendship, Cooperation and Mutual Assistance had expired. The signature was scheduled for April 1996 but was postponed at the last minute due to the upcoming presidential elections in Russia and Romania. Romanian leaders were concerned lest Communist leader Gennady Zyuganov come to power in Russia and they were equally apprehensive of a possible negative public reaction on the eve of the election in Romania.¹³ Despite Yeltsin's victory in the July 1996 election, the new leaders of Romania who came to power in November 1996 did not evince any interest in signing a basic treaty with Russia.

The pursuit of NATO membership by Romania could not be viewed by Russia as a factor contributing to the development of bilateral relations. However, as was mentioned above, Russian leaders at that time chose to discuss the issue of accession of Central and Eastern European countries to NATO with Western nations and primarily with the US, rather than with the potential candidate countries.

The nadir of Russian-Romanian relations in the 1990s was the Yugoslavian crisis of 1999. Romania opened its airspace to NATO bombers while at the same time refusing to allow passage of Russian civilian aircraft carrying humanitarian cargo for Yugoslavia.¹⁴

The return of Iliescu to power in Romania in December 2000 heralded the restoration of a constructive approach in Romania to relations with Russia, including the issue of signing the basic agreement. The revision of the timeframe for the second wave of NATO expansion in the wake of the terrorist attacks in September 2001 did not hamper this process.

Iliescu made the maximum possible use of the changing

13 Bitkova, T.G. European and Atlantic choice of Romania (Analytical review). In: Igritsky, Y.I., ed. Balkan countries and international organizations: relationship models with Bulgaria, Romania and Yugoslavia as examples. Moscow: INION of Russian Academy of Sciences, 2002. P. 30-31.

14 Selivanova, I.F. Steep turns in Romania-Russia relations. In: Modern Europe. No.4. 2002. P. 86.

strategic situation to accelerate the process of Romania's accession to NATO. Romania made available some of its infrastructure facilities (airfields and seaports) to NATO to facilitate the movement of troops and military cargo to Afghanistan. From 2002, Romanian troops began participating in NATO military activities in Afghanistan. In July 2003, a Romanian military contingent was dispatched to support the military occupation of Iraq by the US and some of its allies. According to some reports, an expansion of cooperation between US and Romanian special services also took place in that period.¹⁵

At the same time, the US Government was growing more and more inclined to change the format of its military presence in Eastern Europe in light of the fight against terrorism. Military circles in the US took note of the decline in the strategic importance of the American military presence in Western Europe and favored the operational deployment of US troops on the territory of East European countries. Taking into account other geopolitical considerations as well, in November 2002 the US initiated the adoption of the decision at the NATO summit in Prague to add seven countries of Central and Eastern Europe in 2004, including Romania.

The accession of Romania to NATO accelerated its integration into the EU. Notwithstanding Romania's non-compliance with quite a few criteria critical for EU membership, the EU countries

15 Several prominent human rights activists and mass media have suggested the possibility of cooperation existing between Romania and the US in operating CIA secret prisons in Eastern Europe. The signature in 2002 of the agreement on the extritorial status of US troops stationed in Romania (which ran counter to the Statute of the International Criminal Court and evoked criticism by the EU) was also conducive to the growth of such suspicions. Ref.: BBC: CIA "Secret Prison" Found in Romania – Media Reports, December 8, 2011. <http://www.bbc.co.uk/news/world-europe-16093106>; "The Independent": Inside Romania's Secret CIA Prison, December 8, 2011. <http://www.independent.co.uk/news/world/europe/inside-romania-secret-cia-prison-6273973.html>.

agreed to accept Romania and Bulgaria in their midst, subject to a number of special conditions.¹⁶ The Luxembourg Agreement between the EU and Romania, signed in April 2005, provided for the accession of Romania to the European Union in January 2007. Despite the fact that the signature of the agreement on accession to the EU and the accession per se occurred during the presidency of Traian Băsescu, all the groundwork had in fact been laid in the preceding period, when Iliescu held the office of the president.

The key achievement in Russian-Romanian relations in 2000-2004 was the signature of the Treaty on Friendship and Cooperation on 4 July 2003. The parties succeeded in removing sticky issues of historical interpretation from the realm of the treaty, leaving them only in the joint declaration of foreign ministers, which did not have any legal power or effect.¹⁷

Russia's stand in support of the antiterrorist measures implemented by the US contributed to an improvement in Russian-Romanian relations in 2001-2003. The overriding priority of Russia's foreign policy during the first presidency of Vladimir Putin (2000-2004) was to strike a constructive partnership with the West on a mutually beneficial basis. In pursuit of this policy, Russia had to acquiesce to the second wave of NATO expansion in Eastern Europe, seeking to minimize the cost of improving relations with the US and other Western nations.

Despite the constructive spirit present in Russian-Romanian relations in 2000-2004, there were few opportunities to fill them with tangible content. The low level of trade and economic relations¹⁸ and difficulty in identifying areas of political accord

16 Linden, R.H. The Burden of Belonging: Romanian and Bulgarian Foreign Policy in the New Era. In: *Journal of Balkan and Near Eastern Studies*. Vol. 11. No 3. 2009. P. 272.

17 Trandafir, M.M. Politics of Reverence: Romania in Relation to the Russian Federation. In: *International Proceedings of Economics Development and Research*. Vol. 17. 2011. P. 289.

18 Over the last two decades, the level of economic ties between Russia and Ro-

hampered development of relations between the two countries. However, the key reason for their noticeable deterioration after 2004 was not these objective difficulties but rather the rigid stance of the new Romanian president, Traian Băsescu, who opposed Moscow on a majority of issues important for the development of bilateral relations.

FOREIGN POLICY UNDER BĂSESCU: AGGRAVATING CONTRADICTIONS

The rise to power in Romania of Băsescu in December 2004 was quite a surprise. On the domestic front, the positions of the social democrats, who had held power from 2000 to 2004, seemed quite strong. The presidential election in Romania coincided with the growing political crisis in Ukraine at the end of 2004, and one of the contributing factors to Băsescu's victory was the media coverage of the political conflict in the Ukraine. During his campaign, the Romanian opposition leader drew a parallel comparing himself with Viktor Yushchenko, who was running for president in the Ukraine and was strongly favored by the Western media.

Soon after his accession to power, Băsescu revealed the intention of Romania to assume the role of subregional leader and key US partner in South-Eastern Europe. The pro-American accent in the foreign policy of Romania now began to be more pronounced than in the previous decade. After 2004, Romania firmly opposed Russia's policies, trying to whet US interest in opportunities for military

mania has remained low. In 2010, the trade turnover between the two countries was USD3.4 billion. Romania accounts for 0.5% in the foreign trade of Russia, while Russia holds a modest 3.4% share in Romanian foreign trade. Still, some Russian companies (LUKoil, TMK, Mechel, in particular) have implemented projects in Romania, investing over USD775 million. Ref.: Churilin, A.A. Russian-Romanian diplomatic relations – 130 years later. In: International Life. 2008. No 10. P. 42-43.

and political cooperation with Romania. France and Germany – the leading EU countries – were relegated to the background in comparison with the pro-American thrust in Romania's foreign policy.

The political crisis in the Ukraine, which exploded at the end of 2004, served as a watershed in Russian foreign policy under President Putin (2000-2008). The support rendered by the US to the “color revolutions” in the CIS demonstrated that the trend towards the harmonization of Russia-US relations had reached its limits. Russia took a more active stand in pursuing its interests in relations with the West and CIS countries. Moscow stepped up its criticism of unilateral actions undertaken by the US administration, suspended supplies of gas to the Ukraine on preferential terms, and resisted, in principle, the implementation of NATO plans to expand further to the East with the Ukraine and Georgia and to deploy elements of the US anti-missile defense system in Poland and the Czech Republic.

Bucharest reacted to these Russian policies with exaggerated concern. Romanian leaders took advantage of the difficulties arising in relations between Russia and the US and some CIS and East European countries to whip up tensions in its relations with Moscow and to display its loyalty to US policy.

Băscescu's pro-American policy manifested itself in a number of foreign policy initiatives packaged in a proposal to establish a Washington-London-Bucharest axis.¹⁹ The ambiguity of the term “axis” in the foreign policy context apart, such a policy could not but evoke criticism both in Russia and in the leading EU nations, France and Germany – for whom no seats were reserved in the “axis” concept.

19 Papakostas, N.E. Romanian Foreign Policy Post Euro-Atlantic Accession: So Far So Good. Research Paper. In: Institute of International Economic Relations. June 2009. P. 11, 13. <http://www.idec.gr/iier/new/PAPAKOSTAS%20REPORT-%20ROMANIA%20-%20FINAL-%202013-5-2009.pdf>.

In December 2005, Romania decided to allow the presence on its territory of 4 US military bases, which was the first instance of the deployment of foreign troops in the country since 1958. This decision ran counter to declarations included in the text of the Russia-NATO Founding Act dated 27 May 1997. Romania became the first former Warsaw Treaty Organization member-country to allow US military bases on its territory. Russian military experts pointed out that the deployment of US military bases in Romania would extend the operational range of the NATO Air Force by about 600-650 km eastward.²⁰

Romania supported plans for the accession of Ukraine and Georgia to NATO, notwithstanding the fact that the potential membership of the Ukraine in NATO would jeopardize Romania's advantages of its acquired position as a new and long-term conduit of alliance interests in the Black Sea.

In 2005-2006, Romania attempted to modify the format of regional cooperation in the Black Sea area. Thinking that Russia and Turkey enjoyed too much clout in the Organization of the Black Sea Economic Cooperation (BSEC), Romania initiated the creation of the Black Sea Forum for Partnership and Dialogue. This structure, bringing together in 2006 Romania, Ukraine, Moldova and the Transcaucasian countries, proved to be short-lived, ceasing its activities after the first summit of the member-states held in Bucharest.

The Community of Democratic Choice, which Romania joined in 2005-2006 following an invitation extended by the Ukraine and Georgia, including also Moldova, the Baltic States, Macedonia and Slovenia, also turned out to be an unstable association of countries lacking a common agenda, finally suspending its activities after 2006.

20 Bitkova, T.G. Romania in Unified Europe (Review). In: Gusarov, Y.A., ed. Topical issues of Europe: Collected papers. Moscow: INION of Russian Academy of Sciences, No. 4. 2007. P. 134.

Romania's plans to step up NATO and EU involvement in Black Sea regional cooperation drew disapproval not only from Russia, but from Turkey as well – the two most important Black Sea area nations were obviously keen to maintain the traditional balance of power in the region.²¹

Faced with conflicting Russian and Western energy projects, Romania opposed Russia's energy plans and in 2008 signed agreements to enter the Nabucco gas pipeline and the Constanța–Trieste oil pipeline projects. However, as of 2012, no practical steps to implement those projects had yet been taken.

The most important issue in Russia-Romania relations arose from the decision made by Bucharest to host elements of the US anti-missile defense system. An agreement to this effect was signed in September 2011, providing for the stationing in Romania before 2015 of a radar station, Aegis BMD systems control stations and several SM-3 interceptor missiles launching pads. This agreement led to a sharp response from Moscow, because the new elements of the US Anti-Missile Defense system could potentially be used to curb the capabilities of the Russian strategic nuclear forces. Moreover, there is no justification for stationing elements of the US Anti-Missile Defense system when there is no real threat of a missile attack against Europe.

The Romanian leaders continued to display a non-constructive attitude towards Russia, the most striking examples being repeated public utterances by president Băsescu of historic interpretations painful for Russia. The most irresponsible statement of this kind was the remark made on 22 June 2011 to the effect that if he, Băsescu, had been in the place of Ion Antonescu (the pro-fascist head of the Romanian government in 1940-1944), he would also have issued orders to attack the USSR in June 1941.²²

21 Bechev, D. From Policy-Takers to Policy-Makers? Observations on Bulgarian and Romanian Foreign Policy Before and After EU Accession. In: *Perspectives on European Politics and Society*. Vol. 10. No 2. 2009. P. 220.

22 Băsescu: Abdicarea Regelui Mihai a fost un act de trădare. (22 June 2011).

Such remarks on the part of the Romanian president, utterly counterproductive in the foreign policy context, were populist in nature and made primarily for domestic consumption. Thus, on the eve of the presidential election of 2009, Băsescu repeatedly allowed himself statements which were openly unfriendly to Russia. The reference to this in the official comment of the Russian Foreign Ministry made in December 2009 after Băsescu's victory²³ is an indication that, from the outset, Moscow entertained no hope of improving relations with Romania should the then Romanian leaders remain in power. Such an approach was a reflection of reality, since the nature and the emotional attitude of Romanian policy towards Russia were not influenced in the slightest either by the global financial and economic crisis of 2008 or by the "reset" policy in Russian-US relations, nor by any other factors which could have stimulated a constructive cooperation between the two countries.

In view of the many problems existing in the bilateral relationship, one would have been hard-pressed to find a single area where the interests of Russia and Romania might coincide. After 2004, the only important issue where Moscow and Bucharest saw eye-to-eye was the issue of the recognition of Kosovo's independence in 2008. However, this was not a result of a prior harmonization of positions and did not suggest that any interaction was expected with a view to a joint *démarche*.

Summing up the results of Băsescu's foreign policy in 2004-2012, one can say that it was at odds with the long-term traditions

http://www.realitatea.net/basescu-abdicarea-regelui-mihai-a-fost-un-act-de-tradare_846746.html; Russia Outraged by Basescu Comments on 1941 Attack. (June 30, 2011). <http://news.yahoo.com/russia-outraged-basescu-comments-1941-attack-181524748.html>.

23 Comments by the official spokesman of the Ministry of Foreign Affairs of Russia A.A. Nesterenko in connection with statements made by Romanian president T. Băsescu. (December 10, 2009). <http://www.mid.ru/bdomp/ns-reuro.nsf/348bd0da1d5a7185432569e700419c7a/432569d80022027ec32576880030ea59>.

of Romanian diplomacy. Such a strong bias towards the US generated real difficulties in pursuing Romanian foreign policy, though it did bring about closer military and political ties between the two countries. After 2004, relations with Russia plummeted and continued to deteriorate every year. Political ties with major developing countries were not intensive, while relations with some West European countries even deteriorated in a number of areas.

These developments eroded the ability of Romanian policy to adapt to a changing international environment. Thus, finding itself in a highly difficult situation during the financial and economic crisis of 2008-2010, Romania conducted very difficult negotiations with the IMF regarding financial assistance and was deprived of a chance to buttress its negotiating positions by interacting with Russia, China or other countries holding comfortable gold and foreign currency reserves. It is also significant that accession of Romania to the Schengen zone has been recently blocked on several occasions by France, Germany, the Netherlands, and Finland. All efforts of Romanian diplomacy to resolve this issue have been futile.

It can be argued that continuing the policy of stiff opposition to Moscow would hardly bear fruit, considering the failure of the policies pursued by the Ukraine and Georgia in 2005-2009, as well as the consolidation of Russia's positions in the Black Sea area, the establishment of a stable partnerships between Russia and the countries of France, Germany and Italy, and also the pursuit of the "reset" policy in relations between Russia and the US.

MOLDOVAN FACTOR

Since 1991, political developments in Moldova have been the most important factor in Russian-Romanian relations. Russia and Romania have been actively competing with each other, striving

to achieve their own goals in relations with Moldova; such competition is a result of the specific combination of ethnic and political processes in the republic. While the part of the republic known as the non-recognized Pridnestrovian (Transdnistrian) Moldavian Republic (PMR) says it intends to unite with Russia, a good number of people residing in the other part of Moldova are in favor of unification with Romania – estimates differ, with an average number ranging between 7% and 12%.²⁴

Protests in Transdnistria against the policy of the Chișinău government began in September 1989 in response to the new language policy announced by the Moldovan authorities. As the position of radicals in favor of pan-Romanian nationalism became stronger in the republican administration, the population of Transdnistria began to fear an eventual unification with Romania, which further aggravated the situation. An unusual situation, quite unique for the post USSR space, was observed in Transdnistria: the local Russian-speaking population, despite their lack of autonomy or ethnic homogeneity, nonetheless managed to unite and successfully rebuff the nationalistic elements which were trying to impose new principles of ethnic policy with governmental support. This success was achieved through the active support of a wide strata of society, including the CEOs of major industries and the commanding officers of the 14th Soviet Army units stationed in the region.

Attempts by the Moldovan authorities to suppress the protests of the Transdnistria population by force sparked resistance from the local volunteer corps and military units of the 14th Army,

24 Medvedev, A. National and cultural identity of Moldova in the mirror of sociological studies. In: *Revista moldovenească de drept internațional și relații internaționale*. No. 3. 2011. P. 90; Todua, Z. Integration Romanian-style. In: *Russia in global politics*. No. 5. 2009. P. 119; Tsvik, I. National history of Moldova: Integration models of the past. In: Bomsdorf, F. and Bordyugov, G., eds. *National histories in the post-Soviet space. II. Ten years later*. Moscow: Friedrich Naumann Foundation, AIPO-XXI, 2010. P. 56.

which had been brought under Russian jurisdiction in May 1992. With the mediation of Russia, an agreement on the principles of peaceful resolution of the armed conflict in the Transdniestria region of the Republic of Moldova was signed on 21 July 1992 in Moscow by Boris Yeltsin and Mircea Snegur, the Russian and Moldovan presidents, and witnessed by PMR president Igor Smirnov. Since that time, this international treaty has served as the founding agreement defining the format of peacekeeping operations carried out by the military contingents of Russia, Moldova and Transdniestria.²⁵

The Transdniestrian conflict and its consequences highly complicated the development of Russian policy towards Moldova. On the one hand, Russia had to take into account the interests of Transdniestria, but on the other hand, it could not neglect the task of developing relations with Moldova – a country which, as a rule, would not side against Russia and which contained more ethnic Russians than Transdniestria. In view of this, Russia made every effort to find a compromise solution to the Transdniestrian conflict and this approach very strongly manifested itself in 1997 and 2003. Of equal importance is the fact that Russia was interested in strengthening the Moldovan state in view of the enhanced activity of Romania in the Moldovan direction: the unwillingness of Moldova to lose its sovereignty over Transdniestria helps to strengthen the political stance of those forces opposing the move towards a complete rapprochement with Romania.

A belief that it would be possible to unite Moldova and Romania, as was the case in 1918, was quite widespread among the political class in Romania in 1990-1991. The desire to merge

25 For a detailed description of the format of the peacekeeping operation in Transdniestria refer to: Morozov, Y.A. Peacekeeping activities of Russia in resolution of conflicts in Europe. Part I. Post-Soviet Space. In: Institute of Europe of the Russian Academy of Sciences. Moscow: Russian Souvenir Publishers, 2007. P. 9-47.

the two countries was based on the ethnic affinity between the Moldovans and the Romanians and on the linguistic similarity of their languages. Romania became the first country to recognize the independence of Moldova in August 1991; however, Resolution 23 of the Romanian parliament, dated 3 September 1991, states that ethnic Romanians live in Moldova and that Romania is prepared to render its assistance to the parliament, president and government of Moldova in “overcoming the consequences of the Molotov-Ribbentrop pact”²⁶ – perhaps implying an intention to bring about the unification of the two countries.

Romania and Moldova established diplomatic relations and agreed on a visa-free border-crossing regime, which was in place until 2004. Romania supported the Chişinău authorities at the time of the conflict in Transdniestria. Still, president Iliescu did not think that unification of Romania and Moldova was possible within a short timeframe, emphasizing that implementation of such a scenario would be “non-realistic and adventurist.”²⁷

There was no unification of Moldova with Romania in 1991-1992, even though that was the period when the positions of pro-Romanian and anti-Russian politicians in the Moldovan establishment were at their strongest. There are a number of reasons why unification failed to occur. Firstly, unification plans lacked the support of the political elite of Moldova as a whole, as well as of the general public.²⁸ Secondly, social and political conditions in Romania were poor even in comparison with those in Moldova.²⁹ Thirdly, the more

26 Fortuna, A. *Republica Moldova în Comunitatea Statelor Independente* (1991-2001). Teză de doctor în istorie. Chişinău, 2009. P. 42.

27 Iliescu, I. *Fragmente de viaţă şi de istoria trăită*. Bucharest: Litera Internaţional, 2011. P. 228. However, Iliescu, like other representatives of the Romanian political elite, considers Moldova as the “second Romanian state”. Refer to: *Ibid.* P. 150, 199.

28 Yazkova, A.A. *Romania and Moldova: together or apart?* In: *International trends*. No. 1. 2007. P. 119.

29 In 1991, the GDP in Moldova (in 1990 dollars) was \$5100 and in Roma-

than half a million Russians residing as a minority in Moldova were opposed to unification with Romania under any pretext. Fourthly, a military conflict in Transdnistria would, in the event of unification, most likely draw Romania into a confrontational situation with Russia, with unpredictable consequences. Fifthly, it was unclear how the international community might react to Romania's possible revision of the postwar boundaries established by the 1947 Paris peace treaty.

These objective reasons explain how Moldova was able to succeed as an independent state through the years of 1991-1992 – the most unstable period of its political development.³⁰ The Romanian political establishment had to acknowledge, once and for all, the independent stand of Chişinău on foreign policy issues in May 1994, when the parliament of Moldova ratified the CIS Charter. And with the Constitution of Moldova adopted in July 1994, the term “Moldovan language” was officially confirmed to define the state language of Moldova – provoking a harsh response from the Romanian government. The 1994 Constitution proclaimed the status of state neutrality for Moldova, which clearly demonstrated a lack of interest on the part of Chişinău to accede to NATO – the key priority of Romanian foreign policy.

Recognizing that unification with Moldova was not possible within a short timeframe, the Romanian establishment led by Iliescu formulated a strategy of constructive interaction between the two states with a view to building up prerequisites for their maximum possible political rapprochement in the future. Romania began to offer project-oriented assistance and financing for education programs, media, NGOs and the extracanonical Bessarabia diocese

nia - \$3100. Refer to: Maddison, A. The World Economy. Vol. 1: A Millennial Perspective. Vol.2: Historical Statistics. Paris: OECD Publications, 2006. P. 479, 489.

30 For details on the political hesitations of Moldovan leaders in relations with Romania at the beginning of the 1990s refer to: Furman, D.E. and Batog, K. Moldova: Moldavians or Romanians? In: Modern Europe. No. 3. 2007. P. 46.

of the Romanian patriarchate, which was seeking canonic affiliation with the Moldovan diocese of the Russian Orthodox Church.³¹ The Romanian government implemented a simplified procedure for issuing Romanian passports to the Moldovan population, resulting in a situation where between 300 and 800 thousand people in Moldova (according to experts) had received Romanian citizenship by 2010.³²

However, at the intergovernmental level, relations between Romania and Moldova remained lukewarm in the second half of the 1990s. The parties were unable to address successfully the differences hampering the conclusion of a basic treaty. The Romanian government favored the signature of a treaty of friendship and unity while the Moldovan authorities preferred the traditional format of an agreement of friendship and cooperation. In 2001, the Party of Communists came to power in Moldova, projecting itself as a pro-Russian force and viewing the policies of Romania with caution and restraint.

The advent of the Party of Communists was soon followed by a rapprochement between Moldova and Russia in 2001-2003. By November 2003, with Russia acting as a mediator, the so-called Kozak Plan was drafted and initialed – a roadmap for the resolution of the Transdnistrian conflict, providing for the federalization of Moldova and the implementation of a constitutional reform in the country.

As Russia's influence in Moldova seemed to be increasing –

31 The website of the Department for Romanians Abroad (DRA) under the authority of the Chancellery of the Prime Minister of Romania (Departamentul pentru români de pretutindeni) offers information about the financing of such programs in Moldavia. See <http://www.dprp.gov.ro/>. Also refer to: Ciobu, E. Apariția și dezvoltarea statului Republica Moldova: probleme și perspective ale identității. In: *Revista moldovenească de drept internațional și relații internaționale*. No. 4. 2011. P. 133.

32 Belikova, Y.V. and Bovdunov, A.L. Moldavia. Romania: prospects for rapprochement. In: *Issues of national strategy*. No. 2. 2011. P. 77.

strengthened on an institutional basis via its Kozak Plan – the Western nations and Romania mobilized to counter this trend. External pressure applied to Moldova prevented the Plan from being signed in November 2003³³ and led to a cooling-off of Russian-Moldovan relations in 2003-2006. Yet another consequence of those developments was the establishment of a new format (from 2005) of negotiations seeking to resolve the Transdnistria situation – the so-called 5+2 format (Moldova, Transdnistria, Russia, the Ukraine and the OSCE, with the EU and US as observers).

However, attempts by the Moldovan president, leader of the Party of Communists Vladimir Voronin, to intensify the Romanian vector of Moldovan foreign policy in 2005 brought little success when Băsescu came to power in Romania. Finally, in 2008-2009, Moldova brought back the earlier Voronin policy aimed at seeking rapprochement with Russia. However, the change of power in Moldova in 2009 clearly limited such rapprochement.

During the Băsescu presidency, Romanian policy towards Moldova became noticeably more active, and in certain aspects it bordered on interference in the domestic affairs of the neighboring country. Thus, at the time of popular disorders in Chişinău in April 2009, the Romanian president openly sided with the Moldovan political opposition, which had lost the parliamentary elections.³⁴ The president of Romania would now and then openly emphasize his reluctance to enter into a treaty on the state border with Moldova.

Statements made by the Romanian president to the effect that after the reunification of Germany, Romania remained the only

33 Mutsushika, Sh. EU and Russia on Transdnistria. In: Matsuzato, K., ed. Transdnistria in the macroregional context of the Black Sea coast: collection of papers. Sapporo: Slavic Research Center, Hokkaido University, 2008. P. 149-150.

34 Mesajul preşedintelui României, Traian Băsescu, în faţa Camerelor reunite ale Parlamentului (Bucharest, 14 April 2009). http://www.presidency.ro/?_RID=det&tb=date&id=10876&_PRID=ag.

divided European nation (July 2006);³⁵ that 4 million Romanians lived in Moldova (April 2009);³⁶ and that unification of the two countries, as he believed, could take place within the next 25 years (November 2010)³⁷ – all could be regarded as an infringement of the state sovereignty of Moldova. The current strategy of national security in Romania, adopted in April 2006, contains language stating that in relations with Moldova, Romania is guided by the principle “one nation – two states”.³⁸ Some experts justifiably note that the denial by Romania of the Moldovan national identity, with which the overwhelming majority of the population of Moldova associate themselves, is in clear contradiction of the principles of ethnic policy adopted in Europe.³⁹

Since the pro-Western ruling coalition came to power in Moldova in September 2009, Romania’s influence on political processes in Moldova has visibly increased in strength. The Liberal Party, led by Mihai Ghimpu, who in 2009-2010 held the positions of chairman of the parliament and acting president of the country, serves as the principle conduit of Romanian influence in Moldova. Leaders of the Liberal Party do not hide their unionist views with respect to Romania,⁴⁰ although the party is supported by only 10%-15% of the

35 Smirnov, P.E. Transnistria tangle. In: International trends. No. 1. 2007. P. 124.

36 Comunicat de presă (13 April 2009). REF: Întâlnirea președintelui României cu reprezentanți ai sindicatelor din Educație. http://www.presidency.ro/pdf/date/10874_ro.pdf.

37 Rusia are o “ostilitate” față de România. (30 November 2010). <http://www.romanialibera.ro/opinii/interviuri/rusia-are-o-ostilitate-fata-de-romania-207830.html>.

38 Strategia de securitate națională a României. Bucharest, 2007. P. 36.

39 Galushchenko, O.S. Changes in population size and area of settlement of the Moldavians at the end of XIX–beginning of XXI centuries. In: Revista de etnologie și culturologie. Vol. IV. 2008. P. 147. Also refer to: Stepanov, V. Ethnic and political processes in the Moldavian post-Soviet society. In: Revista de istorie a Moldovei. No. 2. 2008. P. 116.

40 Interviu cu Mihai Ghimpu, Președinte interimar al Republicii Moldova,

population. A great number of Moldovan politicians and businessmen hold dual citizenship from both Moldova and Romania.

It is in Russia's interest to see Moldovan statehood strengthened, hence Russia plays a dominant role in the process of settling the Transdnistria conflict, which by definition limits Romania's ability to expand its influence across Moldova. A number of factors facilitate Russian policy with respect to Moldova, in addition to its influence on the Transdnistria situation, namely: the neutral status of Moldova, the wide use of the Russian language and its official status as a *lingua franca*, the sizable Russian-speaking minority in the country, the activities of the Moldovan diocese of the Russian Orthodox Church and a sufficiently strong interest in developing ties with Moscow expressed by the largest Moldovan political party, i.e. the Party of Communists. At the same time, Russia's policy is hampered by the absence on the Moldovan political scene of any forces which would consider relations with Russia as a key foreign policy priority. Both the Party of Communists and the Democratic Party, while maintaining very active ties with Russian leaders, have often sacrificed the interests of developing relations with Russia for transitory political gains.

In promoting its interests in Moldova, Romanian policy is facilitated by such factors as the activities of numerous NGOs, the wide scope of Romanian educational programs in Moldova, the desire of Moldova to access to EU, the activities of the extracanonical Bessarabia diocese of the Romanian patriarchate and the political activity of the Liberal Party. At the same time, the pursuit of Romanian foreign policy towards Moldova is hampered by the fact that Romania is not a party to the negotiations on the settlement of the conflict in Transdnistria, and by the negative attitude of ethnic minorities in Moldova towards the growth of Romanian influence in the country.

oferit revistei Grupului de inițiativă al românilor din Basarabia. (28 November 2009). <http://www.presedinte.md/search.php?id=7368&lang=rom>.

After the Party of Communists entered the opposition in September 2009, the Romanian influence on political processes in Moldova increased. Russia views such developments with concern, more so in light of the fact that the growth of Romanian influence coincided with a protracted political crisis in Moldova, when three successive convocations of parliament in 2009-2012 failed to elect a president of the country.

Still, it would be wrong to anticipate the unification of Romania and Moldova any time in the foreseeable future. The main stumbling block on the path to implementation of such a scenario is the national self-identification of the majority of the population in Moldova (75.8 % as per the 2004 census) as ethnic Moldovans and not as Romanians.⁴¹ The Transdnistria conflict and the position taken by ethnic minorities living in the country play a role of their own, as does the reluctance of the Moldovan political elite to lose its status and external connections. However, it would be equally wrong not to admit that the public disturbances in Chişinău in April 2009 supported by Romania resulted in a realignment of political forces in the country which considerably hampers the implementation of Russia's interests in its relations with Moldova and is a reason for growing competition between Russia and Romania in the region.

PROSPECTS

Romania foreign policy under president Băseşcu has been an intentional reversal of the long-term traditions of Romanian diplomacy. The political elite of the country regards this with a growing divergence of opinion. Many initiatives of president

41 Guboglo, M.N. and Dergachev, V.A., eds. *The Moldavians*. N.N. Miklukho-Maklai Institute of Ethnology and Anthropology of the Russian Academy of Sciences; Institute of Cultural Heritage of the Academy of Sciences of Moldova. Moscow: Science Publishers, 2010. P. 111.

Bănescu in foreign policy are populist in nature and have been criticized by other influential politicians (Ion Iliescu, Victor Ponta, Călin Popescu-Tariceanu, Adrian Năstase, Mircea Geoană, etc.). In 2011, the leader of the parliament opposition, Victor Ponta, who became prime minister in May 2012, spoke in favor of pursuing a more balanced Romanian policy for economic reasons, in particular through the development of relations with China and Russia.⁴² He also stated that the top priority of Romanian foreign policy should not be relations with the US but rather multilateral cooperation within the EU.⁴³

One would like to believe that Bănescu's foreign policy is but a deviation from the mainstream traditions of Romania diplomacy, rather than the harbinger of a long-term trend towards an extremely biased orientation towards the US, which would only allow tensions and disagreements to accumulate in relations with Russia and a number of European countries.

The current antagonism in relations between Russia and Romania seems fated to continue until 2014 at least. Unfortunately, Russian-Romanian relations at the moment has reached a nadir since 1992 and disagreements have only multiplied with each passing year since 2005. Such pessimistic conclusions are based chiefly on the fact that Romanian policy towards Russia reflects the calculated intention of Romanian leaders to utilize conflicts with Russia both to further their domestic agenda and to strengthen military and political cooperation with the US.

The quest for a political accord between Russia and Romania

42 Ponta, V. De la FMI n-ar trebui sa mai luam imprumuturi, am putea lua de la China si Rusia. (11 January 2011). <http://www.hotnews.ro/stiri-8200584-audio-video-victor-ponta-fmi-trebuie-mai-luam-imprumuturi-putea-lua-china-rusia.htm>.

43 Interviu - Ponta: Subiectul Geoană nu mai există, o discuție cu el nu mai este utilă. (1 November 2011). <http://www.mediafax.ro/politic/interviu-ponta-subiectul-geoana-nu-mai-exista-o-discutie-cu-el-nu-mai-este-utila-video-8926043?p=2>.

was not an easy task even before 2004, when both countries still favored constructive approaches to bilateral relations. Since 2004, considering the hardened critical stand taken by Romania vis-à-vis Russia, any tangible progress in bilateral relations has become highly unlikely, at least until the next presidential election in Romania, slated for the end of 2014.

Romanian-Russian Relations since 1989

Sergiu Celac, Dan Dungaciu

SOME BACKGROUND ELEMENTS

In a way, relations between Romania and Russia have been problematic not just for the past twenty-odd years, but over the course of a long and complicated common history. For as long as the two countries (and their precursors and successors for that matter) have shared a common neighborhood, there have been moments in history when they were on the same side as well as times when they found themselves on opposite sides. Whole swathes of territory (populated mostly by Romanians) changed hands several times. An ally of Russia in World War I, Romania fought against the Soviet Union in the early part of World War II, then, in August 1944, joined the Allied forces and fought alongside the Red Army until the final defeat of Nazi Germany.

The legacy of past contention, which occasionally resurfaces even today, was compounded by the more recent history of confrontation and mutual suspicion even during communist times, when the two countries supposedly shared the same ideology and

strategic purpose. In the absence of any significant political base for the Romanian communists in the immediate aftermath of World War II, it was predominantly the Soviet Union's military presence and overwhelming political pressure which led to the rapid elimination of democratic institutions, the abolition of the monarchy and the establishment of a totalitarian communist dictatorship in Romania. This regime change was accompanied in Romania, as in the other Soviet satellite countries, by brutal repression, detention, deportation and dispossession on a massive scale.

After the withdrawal of the Soviet troops in July 1958, the more national-minded segments of the Romanian communist leadership, even while professing their allegiance to doctrinal purity, stepped up efforts to assert a position of increasing autonomy from the USSR. This was done gradually and incrementally, by opposing Khrushchev's integration schemes in the Council of Mutual Economic Assistance (COMECON), taking a neutral stance in the "ideological" dispute between the Soviet Union and China, establishing diplomatic relations with the Federal Republic of Germany, maintaining official ties with Israel after the war of 1967, condemning the Soviet-led invasion of Czechoslovakia in 1968, limiting participation in Warsaw Treaty activities, and breaking ranks on several crucial votes at the United Nations, in the process leading to the Conference on Security and Cooperation in Europe and the adoption of the Helsinki Final Act of 1975. Moreover, the gradual build-up of economic exchanges and political dialogue with the Western world, marked by high-level visits to and from the United States, France, West Germany, the United Kingdom, etc. were negatively viewed in Moscow and produced sharp responses and retaliatory measures.¹ This tit-for-tat policy was further inflamed by official

1 Georgescu, Vlad. *Istoria românilor de la origini până în zilele noastre* (History of the Romanians from Origins to the Present Day), 3rd edition. Bucharest: Humanitas, 1992. See also for events and dates: Calafeteanu, Ion, ed. *Istoria politicii externe românești în date* (Chronology of Romanian Foreign Policy).

propaganda on both sides, resulting in an abiding perception of mutual mistrust which was not easily erased.

In addition to geopolitical considerations and international circumstances, domestic developments also played a significant role in shaping the relationship between Romania and the Soviet Union. Once a proponent of reform, openness and outreach to the outside world in the 1960s and early 1970s – even while keeping within the confines of the communist doctrine and system – Romania became, during the last decade of Nicolae Ceausescu's personal dictatorship, a bastion of conservative, narrow-minded thinking and harsh oppression of the worst kind against its own people. While democratic awakening was taking root in some of the other socialist countries (the Solidarnost movement in Poland, "goulash communism" in Hungary, "ecological" activism in Bulgaria), Romania sank deeper into political and economic stagnation, impoverishment and international isolation in the 1980s. Not surprisingly, the reaction of the Romanian communist leaders to Mikhail Gorbachev's *perestroika* and *glasnost* was one of hostility and retrenchment in the old ideological clichés.

The violent character of the regime change in December 1989 and its confusing aftermath was thus the result of accumulated tensions within Romanian society in a dynamic international environment. Unlike other former communist countries of East-Central Europe, Romania did not experience a "velvet revolution" but rather a violent uprising resulting in an almost total breakdown of state institutions and the threat of economic collapse. Political transformation had to start from scratch, as it were, in a difficult and often painful transition to functional democracy and a market economy. The momentum of change soon swept away any illusion about the possibility of gradual reform. The Soviet model of *perestroika* was never considered seriously by any of the main contenders for political power in Romania. Even though a Polish-style shock therapy

was deemed to be inapplicable to the specific conditions prevailing in Romania, the popular demand for change went much deeper, calling for a total break with the communist past and a return to democratic Europe. All this, plus the excitement of domestic political battles and election campaigns, had an impact on foreign policy and was reflected in the shifting attitudes towards relations with the Soviet Union and, later, with the Russian Federation.

With Romanian-Russian relations having been “out of synch” for such a long time in terms of policies and resultant perceptions, it is no wonder that those relations today are still affected not only by diverging interpretations of historical facts but also by persistent disagreements about the very existence of some of those facts.

The current condition of Romanian-Russian state-to-state relations can be characterized as normal and stable in formal terms but unsatisfactory in terms of substance. Part of the explanation can be found in the limited agenda and level of political dialogue over the past decade or so. An impartial and pragmatic re-examination of the current state of bilateral relations and the realistic prospects for their development is long overdue. In the view of the mainstream Romanian academic and scientific community, step-by-step progress is, indeed, possible and desirable, provided that adequate (and probably tough) political decisions are made on both sides with an eye to the future.

THE BASIC TREATY

The first official document of the new administration that emerged after the fall of Ceausescu’s regime, the *Communique to the Country* issued by the Provisional Council of the National Salvation Front on the evening of 22 December 1989, stated that Romania would observe its existing international commitments, including

those relative to the Warsaw Treaty.² That position was reiterated during the visit to Romania of Eduard Shevardnadze, Minister of Foreign Affairs of the USSR, on 6 January 1990. However, the need to re-examine the entire legal framework of bilateral relations was also mentioned on that occasion and became the main object of the official talks during the visit of the Romanian Minister of Foreign Affairs Sergiu Celac to Moscow on 8 March 1990.

Talks focusing primarily on the preparation of a new draft basic Treaty meant to replace the Treaty signed in Bucharest on 7 July 1970 were conducted at the expert level (Moscow, 17-18 January 1991) and finalized during the visit to Romania of Yuly Kvitsinsky, Deputy Foreign Minister of the USSR (Bucharest, 8-11 March 1991). The text of the Treaty was initialled during the visit to Moscow of Adrian Nastase, Minister of Foreign Affairs of Romania, on 21-22 March 1991.³

The Treaty on Cooperation, Good Neighborly Relations and Friendship between Romania and the USSR was eventually signed on the occasion of the visit to Moscow of the Romanian President Ion Iliescu on 5 April 1991. The document was never submitted for ratification by the legislative bodies of the two countries and fell into oblivion after the events of August 1991 leading to the eventual dissolution of the USSR.

The opaque character of the negotiations elicited a sharply negative response from the opposition parties, large segments of the me-

2 The original Romanian text in Sava, Constantin and Monac, Constantin, eds. *Revoluția română în decembrie 1989 rețrăită prin documente și mărturii* (The Romanian Revolution of December 1989 Brought Alive in Documents and Testimonies). Bucharest: Editura Axioma, 2001. P. 323-325; English version from Ionescu, Mihail E., ed. *Romania-NATO Chronology 1989-2004*. Bucharest: Military Publishing House, 2004. P. 461.

3 Năstase, Adrian. *România după Malta* (Romania after Malta), volumes 1-7. Bucharest: Fundația Europeană Titulescu, 2006-2009; a record of A. Năstase's conversation with A. Bessmertnyh, Minister of Foreign Affairs of the USSR, in Moscow on 22 March 1991 can be found in *Op. cit.*, vol. 4. P. 161-174.

dia and the public in Romania, especially when it became known that the text contained provisions denying Romania's sovereign right to choose its own security arrangements in keeping with its national interest. Although the Treaty never came into force, the controversy surrounding it continued in the Romanian political scene long afterwards and flared up time and again in the electoral campaigns of 1996, 2000 and 2004.⁴ Mainstream Romanian historians and political analysts still regard the signing of that draft treaty as a serious error of judgement in terms of both timing and substance.

A second phase of discussions on a bilateral basic Treaty began in 1993. After several rounds of on-and-off exploratory talks with long pauses for further consultations with appropriate national authorities, a draft text was finally agreed at the level of senior officials and was deemed ready for initialling in April 1996. Even though the Russian Minister of Foreign Affairs, Yevgeny Primakov, travelled to Bucharest especially for that purpose, the ceremony had to be cancelled at the last minute. It had become obvious that the document had virtually no chance of being accepted and ratified by the Romanian Parliament, particularly considering the mounting pressures of political campaigning in the run-up to the parliamentary and presidential elections of 3 November 1996.⁵

There were several contentious issues which eventually scuttled the renewed attempt to conclude a bilateral basic Treaty, this time with the Russian Federation: the reluctance of the Russian side to accept the nullity of the Molotov-Ribbentrop Pact and the consequences of its secret protocol of 23 August 1939, Russia's reluc-

4 Abraham, Florin. *Transformarea României 1989-2006. Rolul factorilor externi* (The Transformation of Romania 1989-2006: The Role of External Factors) Bucharest: Institutul Național pentru Studiul Totalitarismului, 2006. P. 191; the chapter on Romanian-Russian relations. P. 184-211.

5 It is to be noted that by that time several East-Central European countries had managed to conclude their respective basic treaties with the Russian Federation in 1992: Czechoslovakia (1 April), Poland (22 May), Bulgaria (4 August).

tance to recognize even the existence of a dispute over the Romanian treasure of gold and other valuables deposited for safekeeping in Russia in 1916-1917 during World War I, and the insistence on formulations precluding Romania's accession to the North Atlantic Alliance. After two failed attempts to conclude a basic Treaty that would have reflected the new political realities, the question apparently slipped down the list of priorities in the two countries and lay dormant for the next five years.

The third phase of the formal normalization process began after the visit to Moscow of Mircea Geoana, Minister of Foreign Affairs of Romania and Chairman-in-Office of the Organization for Security and Cooperation in Europe, on 23-24 October 2001. Negotiations proceeded apace, though not without some friction, and were effectively concluded at the expert level by April 2002. The agreed text was initialled on 5 May 2003, during the visit to Romania of Igor Ivanov, Minister of Foreign Affairs of the Russian Federation.

Changed domestic and international circumstances had contributed to the resumption of that process. Extensive consultations with all parliamentary parties under the aegis of the Romanian Presidency produced a national consensus on the practical steps and procedures to be followed in preparation for joining NATO and the European Union. On 13 December 2002, the leaders of the European Union agreed in Copenhagen to set a target date for Romania's accession in 2007. The NATO summit in Prague (21 November 2002) decided to extend a formal invitation to Romania to join the Alliance.⁶

The prevailing feeling among the Romanian political elite at the time was that the conclusion of the basic Treaty with the Russian Federation, in addition to its intrinsic value for bilateral relations, would also reinforce Romania's bid for accession to both NATO

6 România. Date și fapte 1989-2009 (Romania: Dates and Facts 1989-2009). Bucharest: Agenția Națională de Presă Agerpres, 2010.

and the EU by sending a strong signal to the effect that Bucharest had no residual outstanding problems with its neighbors. The fact that other countries in transition had concluded such treaties with Russia without prejudice to their European and Atlantic aspirations as early as 1992 also played a role. The suggestion made by US President George W. Bush during his visit to Bucharest on 23 November 2002 that Romania should become a bridge to the new Russia further strengthened that argument and provided an incentive to expedite the process of bilateral normalization.

The Treaty on Friendly Relations and Cooperation was finally signed on 4 July 2003 by Presidents Ion Iliescu and Vladimir Putin during the official visit of the Romanian President to the Russian Federation (3-5 July 2003). It was duly ratified by the legislative bodies of the two countries (State Duma of the Russian Federation on 23 January 2004 and Parliament of Romania on 17 February 2004) and entered into force on 27 August 2004 following the exchange of the relevant legal instruments during the official visit to Moscow of Adrian Nastase, Prime Minister of Romania.

The agreed text placed no limitation on Romania's ability to join any political-military alliance or integrated political-economic structure or to accept the stationing of allied military forces or bases on its territory. A separate political statement of the two Ministers of Foreign Affairs equally condemned the Molotov-Ribbentrop Pact and Romania's participation in the war against the Soviet Union on the side of Nazi Germany.⁷ With regard to the Romanian treasure of gold and other assets deposited in Russia during World War I it was agreed that the issue should be further explored by a joint multidisciplinary commission.

7 Buga, Vasile and Chifu, Iulian. *România-Rusia: intrarea în normalitate* (Romania-Russia: Advent of Normality). Bucharest: Casa NATO, 2003.

ROMANIA'S FOREIGN POLICY AGENDA

Looking back on the evolution of Romanian foreign policy since December 1989, we can distinguish several phases in terms of conceptual approach and priorities for external action which approximately mirror the developments on the domestic political scene. Those periods are not neatly separated and may partially overlap in certain respects. However, an attempt to set some conventional landmarks may serve as a useful methodological tool enabling us to see also how Romanian-Russian relations evolved in the context of the political developments both in Romania and in the broader geopolitical environment.

Phase One: Opening up

December 1989 to 1 February 1993 - the signing of the Europe Agreement with the EU

Until a fully legitimate structure of governance came into effect after the presidential and parliamentary elections of 20 May 1990, Romania was governed by an interim administration: the Provisional Council of the National Salvation Front chaired by Ion Iliescu (from 22 December 1989), then the Provisional Council of National Unity, a multi-party ad-hoc legislative assembly (from 9 February 1990). The executive branch of the government with Petre Roman as Prime Minister held its first formal meeting on 31 December 1989.

The political scene was dominated by efforts to fill the political, constitutional and legal vacuum, to get the basic institutions of the state into working order and to cope with the consequences of a difficult and painful transition to functional democracy and a market economy. The country, which had already been in recession for two years before 1989, experienced a sharp fall in GDP accompanied

by rampant inflation and serious social problems, a situation that it took about a decade to overcome.

The main foreign policy concerns during the early part of that period were to break out of the self-imposed isolation of Ceausescu's regime and to establish meaningful political contacts with the outside world, presenting the situation in Romania and revealing the intentions and anticipated actions of the new authorities.⁸ The rebalancing of external relations took the form of opening up in every respect, with a special emphasis on the "return to Europe".

On 16 March 1990, Romania officially announced its intention to join the Council of Europe and, following the required procedures, became a full member on 7 October 1993. In 1991, official contacts took place with the Western European Union, resulting in the acquisition of associate partnership status for Romania (11 May 1994), then full membership for the duration of that organization. After years of stagnation in relations with international financial institutions and other multilateral organizations, agreements were signed for the establishment of the European Bank for Reconstruction and Development (May 1990, effective as of 15 April 1991) as well as with the International Monetary Fund (11 April 1991), UN Development Program (23 January 1991), UNICEF (2 June 1991) and other international agencies.

Following the first free elections on 20 May 1990, some progress toward functional democracy on the domestic political scene and the dissolution of the COMECON (30 June 1991) and the Warsaw Treaty (1 July 1991)⁹, Romanian foreign policy began to acquire a

8 In the first two months following the regime change, Romania received the visits of more than thirty foreign ministers or other senior dignitaries from partner countries and international organizations.

9 At the informal meeting of the Warsaw Treaty foreign ministers held on 12 February 1990 in the margins of the Open Sky Conference in Ottawa, Romania declined to host the next regular meeting of the Consultative Political Committee of the Treaty, invoking domestic political circumstances. On that occasion the ministers of Romania and Poland were the only ones to support the prospect of

new sense of purpose. After the attempted coup in Moscow and the proclamation of independence by the former Soviet republics, Romania extended recognition to Estonia, Georgia, Latvia and Lithuania (26 August 1991), the Republic of Moldova (27 August 1991) and then to all the other new states, offering to establish diplomatic relations.¹⁰

Official contacts with NATO and the European Communities became more frequent and gained in substance. Diplomatic demarches were initiated to establish official relations with NATO; on 23 October 1990 the Romanian Prime Minister paid a visit to the Allied Headquarters, followed by other exchanges at the senior level. An agreement on trade and economic cooperation with the European Economic Community was signed in Luxembourg on 22 October 1990.¹¹ The negotiations for the conclusion of the Association Agreement between Romania and the European Communities (Europe Agreement) started on 18 May 1992; the text was initialled on 17 November 1992, signed on 1 February 1993 and entered into force on 1 February 1995.

Bilateral relations with the USSR and then with Russia were characterized at that time by a mutual effort to adapt to the new political circumstances and to adjust the legal framework accordingly. A certain deterioration occurred in the aftermath of the proclamation of independence by the Republic of Moldova (27 August 1991), which was immediately recognized by Romania, and especially in connection with the violence that erupted in

German reunification as legitimate and historically inevitable.

10 For a critical analysis of the Romanian policies toward its Eastern neighbors during that period and relations first with the Soviet Union then with Russia and the Ukraine see Gosu, Armand. *Sur le poids de l'histoire: Les relations de la Roumanie avec l'Est*. In: *Geopolitique*. No. 90. April-July 2005. P. 48-58.

11 In fact, the history of Romania's relations with the EEC dates back to the early 1960s, when several technical agreements were concluded and a Joint Commission was established, which amounted to a *de facto* recognition of the EEC as a political entity.

that country in the summer of 1992 involving combat units of the Russian 14th Army.¹²

Phase Two: Apprenticeship

1 February 1993 to 25 April 2005 – the signing of EU Accession Treaty

The general elections of 27 September 1992 produced a more balanced representation in Parliament and brought about a relative stability in the political system. This also entailed a more active phase of Romanian involvement in international affairs, marked by frequent high-level exchanges and the conclusion of new accords.

On 26 January 1994, Romania was the first East Central European country to sign the Framework Agreement for the Partnership for Peace initiated by NATO. Romania's determination to prepare for eventual membership was officially stated in a message from the Romanian President to the NATO Secretary General on 11 October 1996.

After extensive consultations carried on by the President of Romania with political parties represented in Parliament, an expert commission (established on 8 March 1995) produced a national strategy for the accession of Romania to the European Union, which was submitted together with the formal application for membership on 22 June 1995.

The general and presidential elections on 3 November 1996 produced a new center-right parliamentary majority. Emil Constantinescu became the new President of Romania and assumed office on 29 November 1996. As a result of the elections of 26 November 2000, Ion Iliescu was re-instated as President (after the second round on 10 December 2000) and the social democrats formed the

12 Dungaciu, Dan. *Cine suntem noi. Cronici de la Est la Vest* (Who We Are: Chronicles from East to West). Chisinau: Editura Cartier, 2009.

government. Both elections showed the growing maturity of the Romanian political system, with smooth transition from one parliamentary majority to the next.

The main concerns of Romanian diplomacy at that time were full normalization of relations with the neighboring countries,¹³ a more activist stance in regional affairs¹⁴ and, most importantly, preparations for NATO and EU accession.

The failure to obtain an invitation for membership at the NATO Madrid summit of 8 July 1997 was a rude awakening for the Romanian authorities, calling attention to the need to accelerate the pace of domestic reform in order to comply with the alliance's standards and procedures. On 28 March 1998 the Romanian mission to NATO became operational. During the Kosovo crisis of 1998-1999, Romania abstained from participation in the NATO-led air campaign and, later, from extending official recognition to that province as a sovereign state. Romania was among the first countries to designate a military contingent for participation in the NATO-led ISAF operations in Afghanistan in response to the terrorist attack against the United States on 11 September 2001 and, from 2003, in the allied military presence in Iraq. At the NATO summit in Prague, on 21 November 2002, Romania received a formal invitation to join the Alliance and eventually, after ratification by all 19 member and 7 candidate states, became a full member on 2 April 2004.

On 23 March 1998, Romania officially submitted its national plan of accession to the European Commission. Following the decision of the European Council in Helsinki on 10-11 December 1999, accession negotiations with Romania and other candidate countries

13 After long and difficult negotiations basic Treaties were finally signed with Hungary (16 September 1996) and the Ukraine (2 June 1997).

14 Especially the Central European Initiative, Central European Free Trade Agreement, Black Sea Economic Cooperation; trilateral cooperative arrangements were agreed with Ukraine-Moldova; Bulgaria-Turkey and Greece-Bulgaria.

began on 15 February 2000. The EU summit in Copenhagen on 13 December 2002 decided to accept as members ten candidate countries and to set a target date for the accession of Romania and Bulgaria in 2007. Intensive consultations conducted by the Presidency with all parliamentary parties spurred the internal preparations for membership into a more active stage. Accession negotiations proceeded apace and were concluded for all chapters on 8 December 2004. The Treaty of Accession was formally signed in Luxembourg on 25 April 2005.

As a result of the parliamentary and presidential elections of 28 November 2004 (second round on 12 December), Traian Basescu became President of Romania (re-elected on 6 December 2009) and Călin Popescu-Tăriceanu assumed his duties as Prime Minister until 22 December 2008, followed by several cabinets led by Emil Boc.

In relations between Romania and Russia, despite the two aborted attempts to conclude a political Treaty and the pressure of a period of radical transformation in the domestic and foreign policies of the two countries, some positive developments were recorded, marked by mutual visits at senior governmental and parliamentary levels and the signing of new agreements that were better adapted to the changed circumstances. For several years in the latter half of the 1990s, bilateral relations appeared to settle into a pattern of mutual political indifference, though the climate improved for a while after the conclusion of the basic Treaty in 2003.

Still, high-level political dialogue continued with the visits to Moscow of Presidents Ion Iliescu (9 May 1995 for the celebrations marking the 50th anniversary of the end of World War II and 3-5 July 2003 for the signing of the basic Treaty) and Traian Basescu (14-15 February 2005). Prime Ministers Nicolae Vacaroiu (27-29 September 1993 and 25 October 1996), Radu Vasile (25-26 November 1999) and Adrian Nastase (21 February 2002 and 27 July 2004) also held talks in Moscow. Romania was visited by the First-Deputy Prime Ministers of the Russian Federation Yuri Yarov (20-

24 April 1994) and Oleg Soskovets (29-30 June 1995), and by Prime Minister Mikhail Kasyanov (27-28 March 2003).

Ministerial exchanges included 9 visits at the level of Foreign Ministers (4 to Romania and 5 to Russia) plus 15 visits by other members of the two governments. 17 visits at the senior parliamentary level also took place. On 28 March 1994 a bilateral military cooperation agreement was signed at the level of defense ministers. Contacts between cultural, ecclesiastical and scientific bodies as well as between various specialized agencies were also intensified. 16 intergovernmental agreements in various fields were signed during that period.¹⁵

Phase Three: Integration with the NATO and EU Systems

25 April 2005 and thereafter

Compared to the other Central European candidates in the first and second waves of EU enlargement, Romania had to make more strenuous efforts in order to comply with the requirements of membership and to transpose the *acquis communautaire* into its national legislation and practice of governance.¹⁶ During the process of ratification of the Accession Treaty and before its entry into force on 1 January 2007 important adjustments were necessary to the organization and functioning of existing institutional structures and operational procedures. External policies also faced new dimensions through the creative participation of Romania in the shaping and implementation of the common EU foreign, security and defense policies.¹⁷

15 Statistics compiled by special request, courtesy of Agerpres, Romanian State News Agency. 3 September 2011.

16 For a comprehensive survey of the process and the difficulties that had to be overcome see Orban, Leonard. Romania's Accession Negotiations with the EU: A Chief Negotiator's Perspective. In: Phinnemore, David, ed. The EU & Romania: Accession and Beyond. London: The Federal Trust, 2006. P. 78-92.

17 Celac, Sergiu. Romania, the Black Sea and Russia. In: Phinnemore, ed. Op.

Romania's involvement in NATO activities followed a normal course. It actively participated in the elaboration of the New Strategic Concept of the Alliance and had a well-appreciated contribution to NATO out-of-area missions.

After six years of steady GDP growth, well above the EU average, Romania was hit particularly hard by the effects of the world financial and economic crisis and had to negotiate a sizeable financial assistance package with the European Commission and international financial institutions to the tune of about Euro 20 billion. The agreed austerity measures led to reductions in public spending, higher value-added tax and considerable cuts in wages and pensions, resulting in diminished purchasing power for the population. The recovery has been slow and fragile, and the danger of further shocks still remains. The very low absorption rate of the EU cohesion and solidarity funds has further compounded the existing difficulties. Nevertheless, Romania has managed to maintain macroeconomic stability and to avoid falling into a double-dip recession.

Following a vote of non-confidence in the government dominated by the Democrat-Liberal Party (27 April 2012) and the emergence of a new parliamentary majority of social-democrats, liberals and conservatives, a new cabinet led by Victor Ponta came into office on 8 May 2012. An attempt to impeach the president in a referendum (29 July 2012), although approved by a vast majority of voters, was declared null and void because it failed to meet the required quorum. The general elections of 9 December 2012 confirmed that trend, giving a landslide victory to the Social-Liberal Union (USL). The second Ponta government took office on 21 December 2012.

Relations with the Russian Federation were marked by the visit to Moscow of President Traian Basescu (9 May 2005, to participate in the events commemorating 60 years since the end of World War II) and his meeting with President Vladimir Putin in

cit. P. 145-151.

the margins of the NATO summit and NATO-Russia Council in Bucharest (4 April 2008).

Parliamentary exchanges continued with the official visit to Romania of Sergei Mironov, President of the Federal Assembly of the Russian Federation (10-12 October 2007) and other contacts at working level. During the period there were 4 working visits at the level of ministers of Foreign Affairs: Mihai-Razvan Ungureanu (11-12 October 2005 for the inauguration of the Romanian Consulate General at Rostov-on-Don; 31 October - 1 November 2006), Cristian Diaconescu to Russia (27 February 2009) and Sergei Lavrov to Romania (8 November 2005). Seven other bilateral ministerial contacts took place in the margins of international events, including the meeting of ministers Teodor Baconschi and Sergei Lavrov during the UN General Assembly session (21 September 2011). Several agreements were signed on those occasions, covering in particular the status of military cemeteries in the two countries (the fourth meeting of the relevant joint committee took place in Moscow on 27-30 November 2012) and cooperative partnerships with various regions of the Russian Federation (Rostov and Tyumen). The bilateral Intergovernmental Commission on Economic, Technological and Scientific Cooperation held more or less regular sessions, with some interruptions after 2005.

IMPACT OF NATO AND EU ACCESSION

It is important to note that official Romanian documents consistently stated from the very beginning that membership in NATO and the European Union was in no way directed, explicitly or implicitly, against Russia or its legitimate interests. The main incentive for Romania's decision to join NATO and the EU was in effect a return to the fold of European democratic institutions and shared values to which it traditionally belonged.¹⁸

18 Buga, Vasile. Rumynia v novom geopoliticheskom izmerenii (Romania in a

From the perspective of most Romanian policy makers and analysts, the fact that Romania has become a member of the Atlantic Alliance and the European Union appears as an incentive rather than an obstacle to better and more constructive relations with the Russian Federation. The prevailing opinion is that NATO outreach and EU enlargement may have actually alleviated some of Russia's legitimate security concerns and improved the prospects for mutually beneficial economic and other forms of cooperation by providing additional elements of predictability and stability along its western borders.¹⁹

It should be noted that, according to a multi-annual series of opinion polls, the accession to NATO and the European Union has consistently enjoyed the overwhelming support of the Romanian public (in the range of 75-90%)²⁰ and has remained solid over the years. This is why some of the strongly-worded statements coming out of Moscow at the senior political level against the Euro-Atlantic community and practical action opposing, for example, the aspirations of Ukraine or the Republic of Moldova to develop closer ties with the EU tend to be interpreted by analysts in Bucharest as expressions of an anachronistic nostalgia for the Russian imperial past and former spheres of influence. The fact that few persuasive signals have emerged from Moscow to dispel this possible misapprehension has further reinforced that view. The sporadic character and limited agenda of bilateral political talks at an appropriate level may also be a contributing factor.

In the process of EU enlargement, the Russian side raised cer-

New Geopolitical Dimension). In: *Vestnik Evropy*, vol. IX. Moscow, 2003.

19 For an extensive analysis of the international circumstances that shaped the transformation of NATO, its attitude toward Moscow, the outreach to East-Central Europe and the role of the Partnership for Peace see Vlad, Constantin. *Diplomația secolului XX (Diplomacy in the Twentieth Century)*. Bucharest: Fundația Europeană Titulescu, 2006. P. 675-696, 707-715.

20 Barany, Zoltan. *The Future of NATO Expansion. Four Case Studies*. Cambridge: Cambridge University Press, 2003. P. 225.

tain specific objections regarding the accession of countries that were still regarded as belonging to its sphere of special interest prior to the eventual signing of the two relevant EU-Russia Joint Statements (April 2004 and April 2007.)²¹ While with regard to the Baltic states the issues raised concerned the status of Kaliningrad and of the Russian-speaking population (particularly for Estonia and Latvia), in the case of Romania (and Bulgaria) the issues were related to steel production, terms of trade in farm produce and intellectual property rights over military hardware allegedly produced under Soviet-era licences.

Alongside the other NATO and EU members, Romania is interested in working more closely together with a strong, prosperous, stable and democratic Russian Federation. This has been repeatedly stated in the official policy documents of both the EU and NATO. Moreover, it is important to note that Romania's commitment to such joint policies of constructive engagement toward Russia stem not only from group discipline and solidarity but also from the fact that they are consonant with the well-conceived national interest of Romania. Like all other countries examined in this report, Romania has been an active participant in shaping the consensual allied strategic concepts and current policies on all major issues, including relations with the Russian Federation. Therefore, any meaningful progress in bilateral relations between Romania and Russia is also likely to be reflected in the common positions of the European Union and the Atlantic Alliance.

With regard to the rationale, legal status and technical arrangements for US forward operational sites or joint training, logistical and transit facilities, including missile defense installations on the territory of Romania in accordance with its NATO commitments and strategic partnership with the United States, the authors have

21 Q.v. Joint Statement on EU Enlargement and Russia-EU Relations. Luxembourg, 23 April 2007, at http://www.russianmission.eu/userfiles/file/joint_statement_on_eu_enlargement_and_russia_eu_relations_2007_english.pdf.

ascertained that the Romanian authorities are prepared to offer the necessary clarifications, if so required by the Russian side. In fact, the US-Romania BMD agreement, signed in Washington on 13 September 2011, specifically reiterated the exclusively defensive character of the envisaged system and its use in conformity with the United Nations Charter. For the broader geo-strategic implications of such allied decisions, the Russian Federation is in a position to use the continuing bilateral high-level dialogue and political-military channels of communication with the United States as well as the framework of the NATO-Russia Council, of which Romania is also a member.

In the considered view of most Romanian analysts, the evolving context of the US-Russia dialogue, the NATO-Russia cooperative framework and the EU-Russia strategic partnership is likely to favour a more stable and constructive relationship also between Romania and the Russian Federation. An improvement in the international and regional political climate is believed to be conducive to more realistic attitudes allowing for mutual accommodation of legitimate national interests. Understandably, Romania has a stake in the success of the EU regional programs in the common neighborhood, such as the Eastern Partnership, the Black Sea Synergy and the Danube Initiative. The positive involvement of the Russian Federation in those cooperative endeavors could really make a difference. Much will depend also on the progress toward a new, comprehensive EU-Russia arrangement to replace the Partnership and Cooperation Agreement of 1997.

Considering the burden of the historical legacy and the state of affairs prior to the regime change of 1989-1991 in both countries, it is fair to say that, other than harsh rhetoric from Moscow and an occasional freeze of high-level political contacts, Romania's demarches for accession and then actual membership in NATO and the EU prompted no major shift in bilateral relations with the Russian Federation.

ROMANIAN DOMESTIC POLITICAL DISCOURSE

Official Romanian policy documents and authorized statements by state leaders and senior officials have generally followed the course of bilateral relations with the USSR and then the Russian Federation. Over the years, they have also increasingly reflected the common positions agreed to in the framework of NATO and the European Union. The common denominator has been Romania's readiness to pursue normal and constructive relations with Russia proceeding from the recognition of the new realities after the end of the Cold War, respect for each other's political choices and legitimate interests, and a pragmatic, businesslike approach in seeking mutually acceptable solutions to existing problems with an emphasis on economic exchanges and other forms of cooperation. It has repeatedly been emphasized that the burden of past history, while not forgotten, should not be seen as an insurmountable obstacle to better relations now and in the future. With insignificant variations, this official position has remained essentially unchanged for the past two decades.

The National Security Strategy of Romania (2007) made no specific reference to relations with the Russian Federation other than in the context of regional stability and security (Chapter V) or the Black Sea cooperation (Chapter VI).²²

The National Defence Strategy (2010) contains in Chapter 5, on the international security environment, a reference to the "conflict in the summer of 2008 between the Russian Federation and Georgia", serving as a reminder that "the risks and threats that we deemed to be things of the past are coming back onto our security agenda".²³ Further on, in relation to the Republic of Moldova, the document states: "The stationing of foreign troops without the agreement of

22 *Strategia de Securitate Nationala a Romaniei*, Romania-Presedintele, Bucuresti, 2007, at www.presidency.ro.

23 *Strategia Nationala de Aparare*, Bucuresti, 2010, at www.presidency.ro.

the host country is a threat to national security; for this reason Romania will continue to be actively involved in promoting solutions aimed at the demilitarization of the region through the withdrawal of the unlawfully stationed troops and armaments.”²⁴ With regard to the missile defence initiative, the National Defence Strategy proceeds from the premise that Romania is in no position to develop such a system through its national efforts alone and states that “the bilateral project that is being put in place with the United States will be a concrete contribution to the development of the anti-missile defense envisaged by NATO”.²⁵

The country file on the Russian Federation posted on the official website of the Romanian Ministry of Foreign Affairs provides a factual synopsis of political and other contacts after the conclusion of the basic Treaty of 2003 and presents a brief description of the existing legal framework for economic, cultural and scientific cooperation.²⁶ The text also mentions that, according to the census of 2010, in the Russian Federation there were 3,201 ethnic Romanians, plus about 156,000 persons who stated their nationality as Moldovan, Bessarabian or Vlach.

The most authoritative source for recent public pronouncements at the highest political level have been the speeches of the President of Romania at the annual meetings with the chiefs of Romanian diplomatic and consular missions (every September) and the diplomatic corps accredited to Bucharest (every January). With reference to the Russian Federation they have essentially reiterated the position that acknowledges the existence of certain differences but calls for a pragmatic approach, especially in the economic sphere: “In the following period, we think it appropriate to work together also with the Russian Federation in promoting the values of the European spirit, following the positive developments already seen

24 Ibidem, Chapter 7, section 7.1.

25 Ibidem, section 7.2.

26 www.mae.ro

in bilateral economic relations. As I have repeatedly mentioned before, Romania wishes to consolidate its dialogue with Russia in order to take advantage of the opportunities for cooperation on a pragmatic and comprehensive basis, in an open and European spirit that takes into consideration both the international standing and the interests of each state”.²⁷

The official public discourse in Romania on the current state of affairs and future prospects for relations with the Russian Federation have generally followed that pattern.²⁸ There have been some exceptions however, mostly related to the domestic political agenda on either side or the pressures of electoral campaigns with occasional rhetorical outbursts that may have been destined to score points against internal political opponents or to send signals to third parties. Although the impact on bilateral relations has been limited, such pronouncements have the perverse effect of inciting the other side to respond in kind. A former Romanian ambassador to Moscow recalled that, when he presented his credentials to the Russian Ministry of Foreign Affairs, he was confronted with a file of public statements made by Romanian officials over the past ten years, which the Russian side found to be objectionable. He was then informed that, even if such declarations were to cease, it could take another five years before Russia would be ready to reconsider its position with regard to Romania.²⁹

It stands to reason that a climate of civility is essential for any

27 Basescu, Traian. Speech at the annual meeting with the heads of diplomatic missions accredited to Romania, 19 January 2012, available at the official site of the Presidential Administration www.presidency.ro.

28 For more details and a critical assessment of the references to relations with the Russian Federation in official Romanian documents and statements see Chifu, Iulian. *The Perception of Russia in Romania: August 2008-April 2010*. In: Chifu, Iulian; Nantoi, Oazu; Suchko, Oleksandr. *The Perception of Russia in Romania, Republic of Moldova and Ukraine, in English and Romanian*. Bucharest: Editura Curtea Veche, 2010. P. 9-17.

29 Prunariu, Dumitru-Dorin. *Pe lista gri a Moscovei (On Russia's Grey List)*. In: *Foreign Policy Romania*, July-August 2011. P. 78.

meaningful political dialogue. Perceptions may easily have a detrimental effect on the substance of bilateral relations. This applies in particular to Romanian-Russian relations, where the emotional charges of past history, the conflicting interpretations of events or facts and the conceptual differences concerning the conduct of international affairs remain present in the thinking of today.

Public Perceptions of Romania-Russia Relations

Against the background of abiding historical memories, residual problems and the unimpressive recent record of bilateral relations, it should not be surprising to learn that, according to professional opinion polls, Russia is still perceived to be among the countries most unfriendly to Romania. In 1999, about 46 per cent of the respondents had a negative or very negative opinion of Russia.³⁰ Roughly the same figure was registered in 2005.³¹

However, recent in-depth studies reveal a somewhat more nuanced picture. A recent report on a study monitoring the coverage of Russia and Romanian-Russian relations in the Romanian media (4 television channels and 6 dailies with national reach or distribution) between 1 August 2008 and 20 April 2010 counted an average of 400 items per media outlet. In qualitative terms, political news and analytical editorial comments tended to have a predominantly negative bent vis-à-vis Russian policies, while reports on cultural, scientific and sports events were mostly positive. On the whole, the favorable, neutral and unfavorable references (about one-third each) seemed to be almost evenly balanced, and variations mirror-

30 Barometrul de opinie publică România (Barometer of Public Opinion in Romania). Cluj: Metro Media Transilvania, May 1999. P. 46, at www.osf.ro.

31 Percepția opiniei publice din România asupra politicii externe și relațiilor internaționale (Perceptions of the Public Opinion in Romania on Foreign Policy and International Relations). Bucharest: Institutul de Politici Publice, October 2005. P. 68.

ing the editorial policies of individual publications did not significantly alter the statistical average.³²

Professional opinion polls conducted in Romania in April and August 2010 revealed that 39% and 38% of the respondents, respectively, had a very favorable or rather favorable attitude toward Russia as a country, 35% and 38% somewhat unfavorable or very unfavorable, with about 25% not decided. The figures for Russia were quite similar to those for the Ukraine. The positive ratings among the Romanian public were considerably higher for the Republic of Moldova (55%), the United States (66%) or the EU (73%). However, when questioned about their view of the Russians as persons, the Romanian respondents gave a consistently positive rating of over 50%.³³

Some 40% of the respondents described the quality of relations between Romania and the Russian Federation as good in April 2010, though this number dropped to 28% in August 2010. The same holds true for expectations for an improvement in bilateral relations in the next 12 months (30% in August, down from 42% in April 2010).³⁴ The main concerns of the Romanian public were related to the country's dependence on Russian energy resources (about 41% felt worried about that in April and 47% in August 2010) and the behavior of the Russian Federation toward its neighbors (29% in April and 34% in August 2010).³⁵

A survey (released on 14 September 2011) conducted in 14 countries by the German Marshall Fund of the US showed a somewhat different picture. About 50% of the Romanian respondents had a favorable opinion of Russia, roughly equal with the rating for Brazil and ahead of India (40%) and Pakistan (20%) but below the 81%

32 Chifu, Iulian et al. *Op. cit.* P. 17-22. For a detailed presentation of the themes that elicited the most attention in the Romanian media see also the research paper by Cucu-Popescu, Vlad. *Ibidem.* P. 24-42.

33 *Ibidem.* Tables. P. 57.

34 *Ibidem.* Tables. P. 61.

35 *Ibidem.* Tables. P. 62.

for the US or 69% for China. The rate of approval for the Romanian Government's handling of relations with the Russian Federation stood at 50%, equal to that of Poland and Spain but well below the average of the sampled countries.³⁶ According to an opinion poll taken by the Romanian Institute for Evaluation and Strategy (IRES) on 19-21 December 2012, only about 7% of the Romanian respondents believed that relations with Russia should be given priority (compared to 38% for Germany and 20% for the US).³⁷

The discrepancies in the findings of the various polls, which seem to be statistically reliable, may be attributable to the different methodologies used, but they may also indicate a slight positive shift in the perceptions of Russia among the Romanian public.

Although conducting similar polls in the Russian Federation on popular perceptions of Romania and bilateral relations is unrealistic and may not even be productive, it could be useful to explore systematically the opinions of scholars and analysts who are familiar with the subject. This can be done periodically on the basis of an agreed questionnaire resulting in a dynamic record of mutual perceptions over time.³⁸

36 Ghinea, Cristian. Key Findings for Romania. Presentation based on Transatlantic Trends 2011. The German Marshall Fund of the US, at www.transatlantic-trends.org.

37 Ora nouă online, 16 January 2013, at www.oranoua.ro.

38 For a sample of how this method can be applied in practice, see Cojocariu, Tudor and Toma, Bianca. Narrowing the perceptions gap: Views from Bucharest and Kyiv. Policy Memo. Bucharest: Romanian Centre for European Policy Studies, December 2012. Available at www.crpe.ro.

OPEN ISSUES AND CONTROVERSIAL INTERPRETATIONS

The Consequences of the Molotov-Ribbentrop Pact and its Additional Protocol

Both Romania and the Russian Federation need to face a new reality: following the dissolution of the USSR, the two countries no longer share a common border for the first time in centuries. For this reason, most of the bilateral problems that were formally part of the historical legacy, including those caused by the consequences of the Molotov-Ribbentrop Pact of 23 August 1939, have been automatically transferred to Romania's current immediate neighbors, the sovereign states of the Ukraine and the Republic of Moldova.

By the very act of welcoming the independence of those states and establishing diplomatic relations with them, Romania thereby acknowledged their sovereignty and territorial integrity within their internationally recognized borders, further confirmed by the conclusion of bilateral treaties. This has been the official position of Romania and it stands as stated. Consequently, any insinuations (occasionally revealed in the Russian media and research papers) concerning Romania's alleged dark designs or territorial claims against its immediate neighbors are totally devoid of foundation in fact or intention. The conclusive proof is the final settlement of the issue of the delimitation of the continental shelf and exclusive economic zones between Romania and the Ukraine by a unanimous verdict of the International Court of Justice in the Hague, delivered on 3 February 2009 following the agreement of the two litigants to submit the case to the Court's jurisdiction. Notably, the negotiations on that subject had dragged on with the Soviet Union for twenty years (1967-1987) and took another 34 rounds of talks with the Ukraine before reaching that mutually satisfactory conclusion.³⁹

39 Dungaciu, Dan. *Basarabia e România? Dileme identitare și (geo)politice în Republica Moldova* (Is Bessarabia Romania? Identity and (Geo)political Dilem-

One can only hope that similar cases, specifically the protracted conflicts in which Russia is directly involved, may find equally fair solutions in line with the established tenets of international law and justice.

The current borders of Romania were set by the Paris Peace Treaty of 10 February 1947 and remain unquestioned. But the moral responsibility for carving up the map of Central Europe as a direct consequence of the secret conspiracy between Hitler and Stalin has not yet been fully assumed. Romanian historians are puzzled by the fact that the propaganda brochure *Falsifikatory istorii. Istoricheskaia spravka*, which was released in Moscow in 1948 in response to the publication earlier that year by the US State Department of the authentic documents on Germany's foreign policy in 1939-1941, including the Additional Protocol to the Molotov-Ribbentrop Pact, is still regarded today by a significant segment of the Russian historical community as a valid scientific source for the interpretation of those events.⁴⁰

According to mainstream Romanian historical research, the Soviet ultimatum to Romania of 26-28 June 1940 went even beyond the provisions of the Additional Protocol by forcing the cession to the USSR not only of the province of Bessarabia but also Northern Bucovina and the Hertza Land, which had never before been parts of Russia. This was followed, on 2 August 1940, by the decision to incorporate into the newly established Soviet Socialist Republic of Moldova only the central portion of Bessarabia and only half

mas in the Republic of Moldova). *Lecțiile deciziei de la Haga* (Lessons from the Hague Decision). Chisinau: Editura Cartier, 2011. P. 89.

40 This is persuasively illustrated in the even-handed presentation of the on-going debate between the “critics” and the “traditionalists” in contemporary Russian historical research, q.v. Smirnov, V.P. *Miunkhenskaia konferentsia I sovetsko-germanski pakt o nenapadenii v diskussiakh rossiskikh istorikov*. In: Narinski, M.M. and Dembski, S., eds. *Mezhdunarodnyi krizis 1939 goda v traktovkakh rossiskikh i polskikh istorikov*. Moscow: MGIMO, 2009. P. 9-45; references to Romania on pages 42, 44.

of the former Soviet Socialist Autonomous Republic of Moldova (MSSAR) on the left bank of the Nistru (Dniestr), while including the rest of the newly acquired territories within the jurisdiction of the Ukrainian SSR.⁴¹ Quite a few Romanian historians and political analysts are still unhappy about the fact that the statement accompanying the basic Treaty of 2003 condemned equally the Molotov-Ribbentrop Pact and Romania's participation in the war against the Soviet Union – considering that the latter decision was intended to redress the injustice caused precisely by the Pact.⁴² But they also tend to agree that the move of the Romanian armed forces into Soviet territory beyond the river Nistru as far as Stalingrad in 1941-1943 was a fatal error, which had no precedent in the conduct of Romanian policy in peace or war since the time of the Middle Ages.

Apart from placing the historical facts in accurate perspective, those past events have lessons to offer that are relevant today for the respective attitudes of Romania and Russia toward the Republic of Moldova and the lingering conflict over Transnistria which, unlike other conflicts in the former Soviet space, is not ethnic but eminently political.⁴³ In the wake of military confrontations which also involved Russian forces stationed on the left bank of the Nistru, a quadripartite mechanism including Russia, Ukraine, Romania

41 Dungaciu. *Op cit.* P. 211-215; See also Dungaciu, Dan. Ribbentrop-Molotov Pact – Symbolic and Juridical Aspects. Research paper prepared for the purpose of this project. 4 September 2011.

42 Q.v., for instance, Chifu, Iulian. *Lungul drum de la dialog la cooperare* (The Long Way from Dialogue to Cooperation). In: Buga and Chifu. *Op. cit.* P. 26-29.

43 For detailed presentations of the current situation in Transnistria and civil society involvement in seeking imaginative and constructive solutions, q. v. the research papers presented at the meeting of the Civil Society Dialogue Network on Conflict Prevention and Peacekeeping in the EU's Eastern Neighborhood and the Western Balkans. Bucharest, 28 June 2011: Beyer, John. *Routes across the Nistru. Transnistria: People's Peacemaking Perspectives*. And Cristescu, Roxana and Medvedev, Denis. *Peacebuilding and Conflict Prevention in Moldova: The Role of the EU*. Available at <http://www.eplo.org/civil-society-dialogue-network.html>.

and the Republic of Moldova was established in April 1992 to supervise the ceasefire and to mediate a solution. This was replaced by Russian-Moldovan bilateral talks and, in 2005, by a 5+2 format involving Russia, Ukraine, OSCE, the Republic of Moldova and the Transnistrian separatist authorities plus the United States and the European Union as observers. So far, the on-and-off negotiations have made little progress, mainly because of stonewalling by the Transnistrian side.⁴⁴ The prevailing sentiment among Romanian analysts is that the separatist regime in Tiraspol is entirely dependent upon Russia and that its every move is inspired and tightly controlled, officially or unofficially, by Moscow. The rationale for that policy has never been satisfactorily explained.

The official position of Romania is to provide firm support for the independence, sovereignty and territorial integrity of the Republic of Moldova within its internationally recognized borders and its aspiration to become more closely associated with the European Union. This expression of solidarity is only natural considering the common linguistic and cultural identity that has remained intact despite a complicated historical legacy. The steady improvement of relations with the Republic of Moldova in all fields is a priority that is shared by the entire spectrum of political forces in Romania and is considered to be in the fundamental interests of the two countries. The protracted conflict over Transnistria is seen as a direct consequence of the continued Russian military presence in the province without the consent of the host country or a proper peace-keeping mandate, contrary to the explicit commitments of Russia under the OSCE and in violation of the constitutional terms of the Republic of Moldova.⁴⁵ That presence is also regarded in Bucharest as a legitimate national security concern.

44 Dungaciu. *Op. cit.* See Note 39 *supra*.

45 Celac, Sergiu. *Printsipy mezhdunarodnogo prava i spetsificheskie situatsii*. Interview with Sergey Markedonov in *Caucasus Times*, 19 October 2010, at <http://www.caucasustimes.com/article.asp?id=20439>.

Although Romania is not a party to the current negotiating format for Transnistria, many Romanian analysts think that, sooner or later, the broader implications of the issues related to that break-away province will have to be discussed also bilaterally, at the official level between Romania and the Russian Federation with a view to removing residual misapprehensions and seeking mutual accommodation with due respect for the territorial integrity and sovereign rights of the Republic of Moldova, its legitimate aspiration to be more closely associated with the European Union, and the general interests of security, stability and cooperation in Europe. In any event, the inclusion of Romania, as an immediate neighbor and interested party, in any future negotiating format on the Transnistrian issue is deemed to be logical and desirable.

Romanian treasure of gold and other valuables

This issue has been on the bilateral agenda since the Paris Conference of 1919, was raised again after the re-establishment of diplomatic relations between the Kingdom of Romania and the USSR in 1934 and was officially tabled once more in 1965 at the highest policy-making level. As a result of long and difficult negotiations, the statement attached to the basic Treaty of 2003 specifically mentioned the agreement of the two sides that a joint multidisciplinary commission should further explore the issue.⁴⁶

The facts are simple. During World War I, in the last few months of 1916, following a coordinated offensive of German, Austrian, Hungarian and Bulgarian forces, most of the territory of Romania was occupied, including the capital city of Bucharest. The government moved to Iasi in North-East Romania. On 14 (27) December 1916, a convention was signed between the governments of Ro-

46 For an insider's view of those negotiations see Diaconescu, Cristian. *Cum se negociază un tezaur* (How to Negotiate a Treasure). Cover-story interview with Floriana Jucan in Q Magazine No. 108, 13-26 June 2011.

mania and Russia, then an ally in the Entente, and the first shipment of the Romanian National Bank treasure, consisting of gold bullion and crown jewels, was sent to Moscow for safekeeping. A second shipment consisting of gold and other valuables deposited by private individuals with the National Bank was sent on 27 July (9 August) 1917 and a proper protocol of receipt was signed by representatives of the two governments.⁴⁷

In this respect the situation of the Romanian treasure substantially differs, in historical and legal terms, from the question of cultural assets unlawfully taken from the territory of another country, as stipulated in specific agreements that were concluded by the Russian Federation with some Central European states. It is important to mention in this context that some valuable artifacts belonging to the national heritage, part of the treasure evacuated during World War I, were returned to Romania by the Soviet Government in 1935 and 1956 as a gesture of good will.

Over the years, the case elicited a lot of speculation in the media in Romania and elsewhere. There were also press reports of informal demarches, allegedly sanctioned by the relevant Russian authorities but conducted by third-party companies or individuals in 2004 and 2005, aimed at seeking practical solutions to compensate Romania for the loss of the treasure through private business deals amounting to a total US\$ 10 billion.⁴⁸ Such attempts were firmly rejected by the Romanian Ministry of Foreign Affairs.

So far, the Joint Commission established according to the po-

47 For a collection of relevant authentic documents and a historical record of the case, q.v. Păunescu, Cristian and Ștefan, Marian. *Tezaurul Băncii Naționale a României la Moscova* (The Treasure of the National Bank of Romania in Moscow) with a Foreword by Academician Mugur Isărescu, Governor of the NBR. Bucharest: Editura Oscar Print, 2011.

48 Petrescu, Lucian, *Relațiile româno-ruse. Istorie-actualitate-viitor* (Romanian-Russian Relations. History-Present-Future). In Anghel, Ioan; Petrescu, Lucian; Tudor, Valeriu, eds., *Pagini din diplomația României* (Pages from Romanian Diplomacy), vol. I, Iasi: Editura Junimea, 2009, P. 104-107.

litical statement attached to the basic Treaty of 2003 has met three times and managed to clarify some aspects related to the Romanian treasure. But the main question is still pending. It is not merely about retracing the trail of the Romanian treasure of gold and other assets but rather the simple principle of the restitution of property for which certificates of receipt were duly signed. Discussions of that subject naturally remain sensitive and require careful consideration, but ultimately a satisfactory resolution calls for a political decision based on a rational understanding of the long-term mutual interest of preserving and enhancing the friendly relationship between the two countries. It is therefore encouraging that, after long delays which were not properly explained, the commission co-chairmen were able to meet in Bucharest on 24 October 2012 and agreed to prepare an interim report and to set a tentative date for the next regular meeting of the Joint Commission in March 2013, in Bucharest.

The prevailing opinion among Romanian historians and political analysts is that the Romanian authorities should not expedite a settlement until the requisite conditions are in place for a fair and reasonable resolution in line with the letter and spirit of international law and accepted practice. In the meantime, the issue of the Romanian treasure, as well as other questions on which the views and interpretations of the two sides may still differ, should not be an impediment to normal and constructive good neighborly relations between Romania and the Russian Federation.

CURRENT STATE OF AFFAIRS AND PROSPECTS

The predominant view among Romanian historians and political analysts (which, incidentally, appears to be shared by colleagues in other East Central European NATO and EU member countries) is that the region as a whole has not thus far been a priority for Rus-

sian foreign policy. Russia has apparently preferred to reach out to the major actors in Western Europe (Germany, France, Italy), and enlist their support in promoting Russian interests in the region. The inclination of the Russian Federation to deal with the United States rather than NATO or with individual European countries rather than the EU is perceived as a pattern of behavior that a country like Romania can hardly be comfortable with. It is also true that Romania, like other countries in the region, has focused primarily on relations with its Western allies and friends, and has been late to explore the very real opportunities that exist in current circumstances for more substantive cooperation with traditional partners such as Russia.

In the absence of a clear expression of interest or any meaningful offer from the Russian side, it should come as no surprise that Romanian analysts wonder if there is any real point in making a particular effort and contemplating further concessions for the sake of superficially improving the political atmosphere in relations with the Russian Federation. Some have even gone so far as to suggest that the correct attitude in such circumstances would be that of “strategic indifference”.⁴⁹ Other, far more skeptical views have also been expressed with regard to the historical background and the prospects for Romania’s relations with Russia.⁵⁰ To be fair, there are also voices, especially among informed analysts and veteran diplomats with hands-on experience of Romanian-Russian relations, who believe that a wait-and-see attitude and continued postponement of practical action in anticipation of better days is apt to be counterproductive and to cause further disap-

49 This sentiment transpires in particular from the collection of essays *Rusia de azi. Cum arată și ce vrea* (Russia Today: What It Looks Like and what It Wants). Ghinea, Cristian, ed. Published as a supplement to the journal *Dilema veche*, year VIII, issue 392. Bucharest, 18-24 August 2011.

50 Q.v., for example, Preda, Aurel. *Memoriile unui diplomat oarecare* (Memoirs of an Ordinary Diplomat). Bucharest: Editura Victor, 2009; Victor Roncea blog in Ziariști Online Portal, <http://roncea.ro>.

pointment to those who sincerely wish for a substantial re-launch of the relationship between the two states based on the realities of the twenty-first century.⁵¹

Gradual progress in overcoming the stereotypes of the past and opening new areas of constructive dialogue can greatly contribute toward building a reliable foundation for better relations in the future. Speaking on behalf of the Government, the current Romanian Minister of Foreign Affairs stated: "In our dialogue and cooperation with the Russian Federation, we shall continue to identify the points we have in common both bilaterally and in the European context, considering in particular that the Russian Federation is engaged in a partnership for modernization with the European Union. We certainly have to be able to cultivate relevant political contacts at the governmental level, starting with the Ministry of Foreign Affairs and going up to the level of Prime Ministers. Romania's diplomatic efforts will remain dedicated to the consolidation of relations with Russia based on a positive and constructive agenda. We aim to engage in the kind of cooperation that can give transparency and predictability to our relations."⁵²

So far, despite the limited and relatively low-calibre political agenda, encouraging signs can be detected in several specific fields of activity. In the economic sphere, bilateral trade exchanges grew from \$2.3 billion in 2004 to \$4.3 bln. in 2011 (\$3.6 bln. in the first three quarters of 2012).⁵³ Although the imbalance between exports and imports is likely to persist (about \$1.5 bln. in Russia's favor), trade dynamics indicate a significant narrowing of that discrepancy.

51 See, for example, Buga, Vasile. *Relațiile româno-ruse. Stadiu și perspective* (Romanian-Russian Relations: Present State of Affairs and Future Prospects). In: Buga and Chifu. *Op. cit.* P. 23. For a succinct presentation of the main landmarks of Romanian-Russian relations q.v. Petrescu, Lucian, *Op.cit.* P. 83-108.

52 Corlațean, Titus. Speech at the Annual Assembly of Romanian Diplomacy, 3 September 2012. Available at www.mae.ro.

53 Official site of the Romanian Ministry of Foreign Affairs, country file on Russia, www.mae.ro, accessed on 10 January 2013.

There is an increasing awareness on the part of Romanian officials and the business community that vast, yet untapped, opportunities for the development and diversification of bilateral economic relations should be further explored and taken advantage of.

An important role in that regard can be played by the Joint Intergovernmental Commission on Economic, Technological and Scientific Cooperation established under the Intergovernmental Agreement signed on 29 September 1993. A revised and updated version of the agreement has been negotiated and is likely to be signed soon. During the visit to Romania of Konstantin Kosachev, Co-Chairman of the Joint Commission, on 8 October 2012, a positive agenda was discussed for the 9th session of the Commission to be held in Bucharest in the spring of 2013. That visit received positive coverage in the Romanian media. High expectations also accompany the activities of the newly established bilateral Business Councils in Russia (14 December 2010) and Romania (22 February 2011) to promote and support the development of mutual investment and bilateral economic exchanges.

More recently, encouraging steps have been taken to revitalize traditional areas of bilateral cooperation and to develop new ones. Some notable progress has been made in enhancing mutual knowledge through high-profile cultural events.⁵⁴ The Romanian public and media appreciated in particular the series of cultural festivities organized by the Embassy of the Russian Federation in Bucharest (23 November - 7 December 2012), including the donation to the Romanian Academy of a set of 25 volumes of the series of complete manuscripts by Dimitrie Cantemir.⁵⁵

54 The Russian Spiritual Culture Days in Romania (2011) and the Romanian Culture Days in the Russian Federation (24 September - 18 November 2012), including tours of leading philharmonic orchestras, opera, theater and film shows, folk art and various exhibitions in the national capitals and other major cities.

55 Special credit for this remarkable achievement is due to Alexander Churilin, the former Russian Ambassador to Bucharest, and Viktor Kirillov, Vice Rector of the Moscow State Institute of International Relations (MGIMO). Q.v. Prof. Con-

A Romanian branch of the Russkiy Mir Foundation was opened in Bucharest on 4 December 2009, with extensions in other university centers. Preparations are well underway for the inauguration of the Romanian Cultural Institute in Moscow and the Russian Center for Culture and Science in Bucharest.

Under the terms of the Agreement (24 May 1993) between the Romanian Academy and the Russian Academy of Sciences, a joint committee of historians has been meeting (with some interruptions) on a yearly basis and has successfully tackled some joint projects, such as the publication of collections of historical documents regarding bilateral relations.⁵⁶ The international conference on “Russia and Romania after 20 years: Perceptions, realities, perspectives”, which was organized by the Institute of Political Science and International Relations of the Romanian Academy in Bucharest, on 4 October 2012, was another important landmark demonstrating once more the usefulness of scientific debate in exploring and clarifying the current issues on the bilateral agenda, no matter how politically complex they may be.⁵⁷

Still, there is a feeling in the Romanian intellectual and scientific community that considerably more could be done by placing onto the agenda of bilateral contacts – both officially and at the level of the academic community and civil society – some of the substantive issues of Romania-Russia relations. Informed debate based on solid facts and using the instruments of science, even on subjects that may still be controversial and open to various interpretations, can go a long way towards building mutual trust and generally im-

stantin Barbu, coordinator of the Cantemir project, Interview for the Romanian news agency Mediafax, 21 November 2012.

56 Two such bilingual volumes were published in 2000 for the period 1917-1934 and in 2003 for the period 1935-1941. The third volume covering the years 1941-1947 is in the process of being completed.

57 More than 20 scientific research papers by scholars from Romania, the Russian Federation and the Republic of Moldova were presented on that occasion, some of them available at www.ispri.ro.

proving the political atmosphere. We see our task as scholars not just to reveal and explain the existing differences as a matter of record, but rather to seek workable solutions that may help the political decision makers to chart a more realistic and constructive way forward.

The Transformation of Russia's Economic Links with ECE Countries

Boris Frumkin

INTRODUCTION

In this chapter the examination of the development of economic links with Russia is limited to the eight countries which were selected for the project. This offers a picture which is sufficiently representative of the general trends since, in 2010, they accounted for 91% of the total exports and imports of the 10 East Central European (ECE) countries that are EU members, as well as 93% of those 10 countries' imports from Russia. It appears to be appropriate and justified for the purposes of this research to regard the examined countries as a group, considering the closeness of their mutual ties (including elements of the EU macro-regional economic space) and the similarity of the main trends in their bilateral interaction with Russia. In accordance with those indicators the chapter deals specifically with the countries of the Visegrad group (Czech Republic, Hungary, Poland and Slovakia), the Baltic countries (Estonia, Latvia, Lithuania), and Romania.

The process leading to the transformation of the trade and economic relations of these countries with Russia over the past two decades can be divided into three main stages that differ substantially in terms of structure, geographical distribution, and economic and legal implementation mechanisms. The first (mid-1991 to late 1993) was the “post-COMECON” period, which produced a radical break with the former, USSR-oriented system of integration and economic ties. The second (1994-2004, and 1994-2007 for Romania) was the “pre-EU” period of preparation for accession to the West-European economic integration system.

The third – the “EU” – period from 2005 onward was a period of adaptation to the EU integration system and assimilation of its aquis. This period is essentially still going on and may, in general terms, be completed by 2015- 2018, once the East Central European countries have begun to function in line with the “enlarged” EU’s objectives and rules of regional integration, which have already been modified under their participation and enshrined in the Lisbon Treaty of 2007 and mostly switched to the common currency – euro. (or joined the Eurozone)

At the same time, in 2010-2011 a new phase of this period began, resulting from the long-term impact of the global financial and economic crisis of 2008 on integration within the EU as well as in the post-Soviet area (primarily within the Customs Union and the Common Economic Space of Russia, Belarus, and Kazakhstan).

THE DEMISE OF COMECON

The “post-COMECON” period set in motion a radical transformation of trade and economic relations between Russia and the ECE countries and pre-determined in many respects the irreversible character of that process. This transformation was an objective re-

sult of the crisis in the way in which economic cooperation within COMECON was organized and practiced. This crisis was accelerated by the desire of the new governments that had emerged in the ECE in 1989-1990 to abandon non-market integration with the Soviet Union and join the integration processes in Western Europe.

Since the 1970s, the preferential trade area established within the COMECON had been supplemented by elements of a single economic space, which ensured, at a certain stage, the sufficiently dynamic growth of intra-regional trade. In the 1970s and 1980s, exports of ECE countries to the European COMECON area grew (in current prices) almost 4 times and their imports 4.4 times. The central position in intra-COMECON trade was held by the USSR. Soviet supplies covered a substantial portion (an overwhelming one in the case of oil and gas) of the requirements of the ECE countries. At the same time, in several of those countries, more than one-third of the manufacturing industries worked entirely or preponderantly for the Soviet market.

In 1980, the USSR accounted for more than 34% of the exports (\$26.9 billion) and in excess of 39% of the total imports (\$39.3 billion) of the ECE countries (except the Baltic countries), with more than 70% of those export-import flows involving Russia. An additional 25% of those countries' exports and 24% of their imports consisted of mutual trade. In this way the intra-COMECON trade accounted for 59% of the exports and 63% of the imports of the ECE countries.¹

However, even at its peak, from the mid-1970s to early 1980s, COMECON did not meet the basic principles of regional economic integration: competition to stimulate growth, cooperation to bring economies closer to each other, and solidarity in order to achieve common goals.

1 Albania, Bulgaria, Hungary, GDR, Poland, Romania, Czechoslovakia. In 2010, intra-EU trade accounted for 77% of the exports and 71% of the imports of the ECE countries.

Direct cooperation between enterprises was practically excluded so long as decision-making was confined to the state level. As Oleg Bogomolov has noted, the COMECON was “a rigid bureaucratic construction where market instruments (prices reflecting the relationship between supply and demand, currency and exchange rates, competition) played a subordinate and, occasionally, purely formal role”.² The absence of competition and the use of non-market prices considerably isolated the community from world markets and functioned as disincentives to raising the quality and the scientific and technological level of the products that being exchanged. They slowed economic modernization in line with respective international trends, and increased the lag behind the developed and the fast-growing developing countries. The trade with energy commodities and other mineral products primarily had a barter or quasi-barter character; the “contractual” export prices were subsidized. This trade was dominated by Soviet oil and gas supplies at prices significantly below world market prices, for political reasons.

As Anders Åslund notes, a significant portion of the mutual exchanges consisted of “substandard, low quality and excessively costly goods”, while the countries that exported energy resources “provided hidden subsidies to the exporters of industrial production”.³ A structural barrier to the development of trade and economic interaction emerged, in particular between the USSR and the European COMECON countries, which largely pre-determined the crisis and subsequent dissolution of that organization. During

2 Bogomolov, Oleg. Опыт СЭВ в свете современности (The COMECON experience in the modern light). In: К 60-летию Совета Экономической Взаимопомощи. Единая Европа: прошлое и настоящее экономической интеграции (60 years Anniversary of the Council of Mutual Economic Assistance. One Europe: past and present of economic integration). Moscow: Institut ekonomiki RAN, 2009. P. 41.

3 Åslund, Anders. Строительство капитализма (Building capitalism). Moscow: Logos, 2003. P. 204.

the last decade of its existence, the possibility of increasing Soviet deliveries of subsidized energy resources and raw materials from the USSR visibly narrowed without being compensated for by a growth in the export of manufactured goods. The growth of ECE countries' imports from the USSR in the 1980s (22%) reflected almost entirely the rise in world prices and, consequently, the contract prices, and not the physical volume of deliveries,⁴ while their exports even decreased (by 29%).

Since the real basis of regional cooperation was based primarily on bilateral links between member countries and the USSR, which was the main driver and sponsor of COMECON integration, the progressive deterioration of the Soviet economy substantially undermined the whole network of these links upon which the Council's work was founded and engendered a crisis in mutual economic cooperation, which worsened in the late 1980s.

The 1988 decision to reform COMECON by introducing market principles and forming a single market could not be implemented because the economies of the member countries remained unreformed and, later, because of the re-orientation of the ECE countries toward integration with the EU. At this point in time, cooperation within the COMECON was increasingly perceived precisely as "mutual assistance", which was incidentally quite unprofitable – of benefit neither to most of the European members of the community, nor to the USSR. Mikhail Gorbachev confirmed this quite frankly and emotionally in July 1991: "They are bored with us! But we are also bored with them!" Gorbachev further added that the USSR would not claim any "special" relations with the ECE countries even in "a new form".⁵

4 Orlik I.I. Центрально-восточная Европа: от СЭВ до Евросоюза (Central-Eastern Europe: From COMECON to European Union). http://www.perspektivy.info/rus/desk/centralno-vostochnaja_jevropa_ot_sec_do_jevrosojuza_2010-07-12.htm.

5 Chernyaev, A.S. 1991 год: Дневник помощника президента СССР (1991: Diary of an assistant to the President of the USSR). Moscow: TERRA Respub-

Nevertheless, up until the disintegration of the USSR, the Soviet leadership sought to preserve cooperation with the ECE countries within the COMECON framework. It took the initiative in maintaining the community at least in the economically more closely interlinked European region, while elsewhere, Vietnam, Cuba and Mongolia agreed to voluntarily renounce their COMECON membership. In 1991, even after the decision was taken to dismantle the COMECON, a project was prepared to transform it into a consultative Organization of Economic Cooperation with “soft” mutual commitments. The USSR also agreed to proceed to the settlement of mutual obligations on a dollar basis.⁶ Attempts were also made to “democratize” the system of inter-republican trade and economic links with the Baltic republics within the USSR. A special Union Law was adopted, in November 1989, “On the economic autonomy independence of the Lithuanian Soviet Socialist Republic, Latvian SSR and Estonian SSR”, which granted them the right to a sufficiently independent conduct of their economy, including external economic relations.

However, the course taken by the new governments in the ECE countries toward integration with the EU, and the subsequent dissolution of the USSR, precluded the preservation of multilateral economic cooperation among the former COMECON participants in any form. Nothing resembling the future Community of Independent States (CIS) proved possible in the ECE region. The recalculation of the settlement of mutual obligations at an overvalued exchange rate of the transferable ruble in relation to the dollar (0.92-1.0 rubles for 1 dollar) transformed the USSR from a creditor into a debtor of the ECE countries, who were responsible for nearly one-third of the overall Soviet external debt in 1991.

Despite the crisis of the COMECON and in relations with the

lika, 1997. P. 166.

6 60 years Anniversary of the Council of Mutual Economic Assistance. P. 73, 87.

Baltic republics, the baseline of their trade and economic interdependence with Russia was quite high. In 1990, intra-COMECON trade accounted for 43% of the exports (\$33.6 billion) and about 62% of the imports (\$52.2 billion) of the ECE countries (not counting the Baltic republics). Trade with the USSR accounted for nearly 27% (\$20.8 billion) and 47% (\$39.4 billion), respectively. Therefore, the balance in favor of the USSR was almost \$19 billion, while the exports from the ECE countries covered only 53% of the cost of imports. Since 1/2 to 2/3 of the export-import links with those countries was covered by Russia, the starting base for its future trade with the new market economies of the ECE was solid enough.

For the Baltic republics the inter-republican exchanges within the USSR accounted, in 1990, for almost 93% of all imports and 78% of exports, of which about 70% was exchanged with Russia. The overall balance (inside and outside the USSR) of imports and exports of those countries was negative and represented nearly 16% of the export value; calculated according to world prices, it would have been 2.6 times larger than the amount due under the internal Soviet Union settlements.⁷

The largest decline in trade between the ECE countries and Russia occurred in 1993, when the absolute volume (in particular their exports) shrank by 40% and even more compared to 1990. As a result, the trade imbalance in Russia's favor became even deeper. In 1993, the exports of the ECE countries to Russia covered 1.4 times fewer imports than they had in their trade with the whole of the USSR in 1990. This was a direct consequence of the cessation of the old coordination and planning mechanism for cooperation with

7 Calculated from the figures in Ustinov, I.N. *Мировая торговля: Статистическо-энциклопедический справочник* (World trade: Statistically-encyclopedia handbook). Moscow: Ekonomika, 2002. P. 712-713; *Народное хозяйство СССР в 1990 г.* (National economy of the USSR in 1990). Moscow: Finansy i statistika. 1991.

the former COMECON countries (in 1992, the last planning protocols on trade exchanges were implemented with those countries), the transfer of mutual settlements to hard currency, which was hard to obtain in those countries (the proliferation of barter deals did not compensate for it), and the total renunciation by the Baltic countries of the elements of central planning and management that had been inherited from the USSR, and their exit from the ruble zone.

In addition, Russia ended up as a big debtor of the ECE countries, since it took upon itself the entire Soviet debt to them (about \$24 billion), while its formal share was 61% only.⁸ After 1992, Russia introduced special measures that brought the terms of trade with the Baltic countries closer to worldwide practice (customs tariffs as well as quotas and licenses for 80%-85% of the current volumes of exports to those countries). Trade with EU countries acquired a leading position in the ECE countries' trade, primarily with Germany, whose share of 26%-28% of the import-export exchanges with the ECE countries was comparable to the share of the USSR in 1990.

To a large extent, the politically motivated "economic emancipation" of the ECE countries from Russia inevitably led to considerable economic disruption, which manifested itself as shocks in the short term. According to minimal estimates, following the cessation of trade of non-competitive goods and the elimination of hidden subsidies for the delivery of energy resources (mainly from Russia), by 1991-1993 Hungary, Poland and Czechoslovakia had lost 1.5%-7.8% of their GDP. The effects were not as significant in the case of Romania (0.4% of GDP), which was not as interdependent with Russia, but for the Baltic countries, breaking ties with Russia led to even greater losses. The hidden subsidies in their

8 Heifetz, B.A. Кредитная история России. Характеристика современного заемщика (The credit history of Russia: The profile of a sovereign borrower). Moscow: Ekonomika, 2003. P. 158, 159, 165.

trade within the USSR had been estimated to amount, in 1990, to 10% of the GDP in Latvia and 17% in Lithuania.⁹

On the whole, the radical market transformation and sharp change in the terms and volumes of trade with Russia were largely responsible for a decline in GDP by 35% in Estonia and 46% in Latvia, as well as in industrial production – by 51% in Estonia and 57% in Lithuania. The sectors that suffered most were those which were dominated by enterprises working in the framework of COMECON industrial specialization and cooperation and by enterprises under Soviet subordination in the Baltic republics (machine building, metal processing). They lost their guaranteed markets in Russia and other former Soviet republics. About one-third of those lay idle or had to be shut down. The sectors that were more competitive outside the COMECON market but also less technologically advanced became preponderant in industrial structure (woodworking, food processing, textiles, etc.). A certain “de-industrialization” of production and exports took place in the ECE countries, especially in relation to the Western markets that were attractive to them.

According to some estimates, even in 1995, of the eight ECE countries examined, exports to the EU were competitive in all eight countries for timber and wood products, in seven for textiles, in five for metals, and only in three for means of transport and in one for electrical and optical instruments. The machinery and equipment produced in all COMECON countries were simply not competitive on the EU market.¹⁰ In the Baltic countries, high-technology production employed as late as 2002 between 1.9% (Latvia) and 3.4% (Estonia) of the labor force compared to an average 7.4% in the EU. The share of manufacturing industries in GDP decreased in all ECE countries, while the share of services (primarily related to transit) rose. In

9 Aslund, Anders. Building capitalism. P. 205, 207.

10 Havlik, P.; Landesmann, M.; Steher, R. Competitiveness of CEE Industries: Evidence from Foreign Trade Specialization and Quality Indicators. In: WIIW Research Reports. No 278. 2001. P. 12.

his assessment of the first stage in the transformation of economic relations between the ECE countries and Russia, Åslund particularly notes the ambivalence of changes occurring at that time: “The decline of mutual trade between the former communist countries was largely a favorable development since it signalled the elimination of non-liquid goods from the marketplace and the cessation of irrational squandering of raw materials. At the same time, a certain destruction of viable trade links undoubtedly also resulted.”¹¹

The brief but dramatic post-COMECON period in trade and economic links was largely motivated politically by the tendency, which was “active” in the ECE countries and the Baltic republics and “passive” in Russia, to give priority to the development of relations with the West. During that period the mutual links largely lost their cooperative character. Trade imbalances became deeper. The platform for industrial cooperation and investment between the ECE countries and Russia was sharply curtailed. Trade and economic relations shifted to a bilateral pattern, and the activities of the multilateral financial and credit structures that had survived the breakdown of the COMECON, such as the International Bank of Economic Cooperation and the International Investment Bank, were frozen. The process leading to the economic re-orientation of the ECE region toward the EU countries gained scope, but it had not yet become irreversible, because of the structural inertia of the national economies of the ECE countries and Russia, which were still complementary.

PRIOR TO EU ACCESSION

The pre-EU or pre-accession period marked a certain (albeit unstable) dynamism in the bilateral trade and investment links between

11 Åslund, Anders. *Building capitalism*. P. 204.

Russia and the ECE countries on a new institutional and legal foundation that broadly conformed to world practice.

In 1992-1993, Russia carried out a radical reform liberalizing the regulation of external economic relations on market principles, eliminating most quantitative limitations and non-tariff barriers and introducing differentiated customs tariffs for the countries that enjoyed, or did not enjoy, a most-favored-nation regime. Substantial customs preferences were preserved for the former Soviet republics that had joined the CIS. The state ceased to exert direct control over trade flows, which were determined by decisions at company level on the basis of world prices and settlements in hard currency.

The ECE countries advanced even further in the liberalization of their external economic activities. By the time they joined the EU, their customs tariffs for most manufactured goods (7.4%) were lower than Russia's but still twice as high as the EU average (3.9%). In June 1992, Russia joined the multilateral economic organizations that contributed to the development of international financial, investment and credit relations: the World Bank Group and the International Monetary Fund; in March 1994, it applied for membership in GATT/WTO, which regulated international trade. As legal successor of the USSR, Russia also became a co-founder of the European Bank for Reconstruction and Development, which was set up in 1991 to provide investment and financial support for market reforms in the post-communist economies.

This enabled the establishment of a new treaty-based legal foundation for Russia's trade and economic relations with the ECE countries, corresponding to the principles and basic rules of GATT/WTO. The five-year trade agreements that used to be concluded between individual ECE countries and the USSR – relying on the coordination of their national economic plans and setting the quotas of goods earmarked for mutual trade (annually updated and revised) – were replaced by agreements on trade and economic cooperation of a more general type. These were concluded for an indefinite period of time

and could be renounced at the initiative of one of the parties. The agreements established the basic principles and legal framework for trade and economic interaction between companies, which now directly carried out their external economic relations, and provided guidelines for priority sectors, areas and forms of cooperation.

In 1992-1993, such new agreements (or updated versions of former ones that had been concluded with Soviet Russia in 1990-1991) were signed with Hungary, Poland, Czech Republic, Slovakia, Romania and the Baltic States. They provided for the mutual extension of most-favored-nation status (MFN) concerning the export, import and transit of goods, the interdiction against re-exporting mutually traded goods to third countries without prior coordination (for the Baltic States), the sale, acquisition, transport and distribution of merchandise on the domestic market; support for the development of industrial cooperation and investments; encouragement of direct links between enterprises; protection of intellectual property, etc., as well as the establishment of inter-governmental commissions for the resolution of concrete issues arising from the implementation of those agreements, and the elaboration of proposals for the development of all forms of cooperation, especially in agreed priority areas. In 1994-1995, those agreements came into force except for Russia's agreement with Estonia. For that reason, until Estonia's accession to the EU in 2004, the MFN clause did not apply to bilateral trade.¹²

Thanks to those agreements and follow-up accords (on customs cooperation, avoidance of double taxation, cooperation in the fields of transport, communications, etc.), trade and economic links became more active from 1994 on (Table 1).

The trade between the ECE countries and Russia in 1994-2004

12 In formal terms this amounted to mutual application of dual customs tariffs which limited Russian-Estonian trade, although in practice companies managed to bypass that barrier by setting up joint ventures with the participation of third countries or by other means.

was characterized by a rising trend. During that period as a whole the imports of the ECE countries from Russia (at current prices) grew more than three times (to some \$21.3 billion), almost 1.3 times faster than their exports. As a result, mutual trade became even more unbalanced. The balance in Russia's favor increased 3.6 times (to \$14.6 billion) and exceeded, in 2004, 2.2 times the exports of the ECE countries to Russia. This general trend was interrupted only in 1999-2000 because of the Russian financial crisis of 1998. Exports from Russia to ECE in 1999, which predominantly consisted of fuels and raw materials, merely experienced a reduction in the rate of growth (to under 5%), while Russian imports of manufactured goods from the ECE countries declined by 45%. That decline was most damaging for the Baltic countries (66%).

It was partly compensated in 2000-2004, when the ECE states' exports to Russia grew 1.5 times faster than their imports. To some extent, this was caused by drastic changes in Russia's export tariffs implemented in 2001-2002 against the background of more intensive negotiations on Russia's WTO accession. The tariff structure was simplified and adapted to the structure of the EU's unified tariffs, whereupon the maximum import duties decreased by 50 %, with the average weighted rate lowered from 13 to 11 %. This reduction was comparable with Russia's obligations accepted upon conclusion of the WTO accession talks in December 2011.¹³

At the same time, the relative importance of bilateral trade declined more visibly for the ECE countries than it did for Russia. By the time of the ECE countries' accession to the European Union, Russia had definitively lost its position as the leading trade partner. In 1993, its share in the exports of the ECE states was 4.5 times, and of their imports - almost 4 times lower than with the USSR in 1990. In 1993-2004, the share of Russia in the exports of the ECE

13 Obolensky, V.P. Обязательства России в ВТО: Плюсы и минусы (Russia's obligations in the WTO: Pluses and minuses). In: Rossiyskii Veshneekonomicheskii vestnik. 2012. No. 2. P. 33.

countries shrank 2.4 times (to 2.5%) and its share of imports 1.6 times (to 7.1%). At the same time, the share of the ECE countries in Russia's exports declined only 1.2 times (to 12.6%) and for imports it remained practically unchanged (7.6%).

Those trends become even more manifest if compared with the indicators for Russia and Germany, which became the leading trade partner for all ECE countries in general and within the EU in particular. In 1993-1994, the exports of the ECE countries to Germany grew more than 5 times (twice as rapidly as to the Russian Federation) and their imports 4.7 times (1.5 times faster). Consequently, in 2004 the share of Germany in the imports of the ECE countries exceeded 51%, corresponding to the share of the USSR in 1990, while for exports the respective shares evened out. In addition, the trade of the ECE countries with Germany was more stable and balanced in 2004 and their deficit was 3.3 times lower than it was in their trade with the Russian Federation. The ability of the ECE countries to cover their imports from Germany through their exports was almost twice as high than it was in their trade with Russia.

In many respects this was related to the growing adaptation of the export structure of the ECE countries to the EU import structure. The median correlation degree of those structures from 1993-1995 to 1996-1998 rose in the case of the ECE countries from 0.293 (Poland) and 0.704 (Hungary) to 0.447 (Poland) and 0.799 (Hungary). It decreased only in the case of Romania, where transformation was slower. This resulted from the development of investment and co-operation with the EU countries, priority being given to the development of high-technology sectors in the ECE countries: machine building, electric engineering and automotive industries.¹⁴

Conversely, the growth of trade with Russia still relied on

14 Landesmann, M. and Stehrer, R. Trade Structures, Quality Differentiation and Technical Barriers in CEE-EU Trade. In: WIIW Research Reports. No. 282. 2002. P. 9, 11.

larger imports of energy resources, metals and other resource-intensive goods, while imports of machinery, industrial equipment and other products requiring a comparatively high level of technology and processing experienced a decline in absolute and relative terms. In 2000, the share of energy resources in Russian exports to the ECE countries rose to 74%, while the share of machinery, equipment and means of transport fell to 8.4%. The share of Russian imports of machinery and technology from the ECE countries, however, grew to 29%, exceeding its exports in value terms.¹⁵ The itemized structure of exports, which is unfavorable to Russia, and the related chronic trade deficit for the ECE countries are the principal problems that obstruct the further dynamic and rational development of their bilateral trade.

The above-mentioned trends have been more obvious in Russia's trade with some Baltic countries and less so in the case of Estonia and Romania. In 1993-2004, Estonian exports to Russia rose 1.3 times less than the Visegrad group average and 1.5 times less than the average for the Baltic countries. Romanian exports to Russia visibly declined, while the growth of imports equalled the Visegrad group average and was almost twice as low as the average for the Baltic countries.

A contributing factor to the imbalance and particularly the lack of stability in the realm of trade was the fact that it was dominated (primarily on the part of the ECE countries) by small and medium businesses.¹⁶ They were more mobile and could manage without the developed credit and financial infrastructure required for the import/

15 See Glinkina, S.P. and Kulikova, N.V. (eds). Страны Центральной и Восточной Европы – новые члены Европейского союза (Central-Eastern European countries – new members of the European Union). Moscow: Nauka, 2010. P. 223-224.

16 Small and medium companies provided, for example, 80% of the Polish exports to Russia. See Bukharin, N.I. Российско-польские отношения: 90-е годы XX в. – начало XXI в. (Russian-Polish relations: the 90s of the 20th century – early in the 21st century). Moscow: Nauka, 2007. P.186.

export operations of large enterprises, which, in addition, were going through a difficult process of privatization and restructuring. Those advantages, however, quickly turned into drawbacks under fluctuating market conditions, especially in times of crisis. On the other hand, the imbalances in officially registered two-way trade, particularly in the early stage of that period, were partially compensated for through the re-export of goods from the ECE countries to Russia by way of third countries and through informal commercial operations carried out by citizens, the so-called “shuttle trade”. This thrived chiefly in the case of Poland and the Baltic countries.¹⁷

During that period a newly emerging phenomenon was the substantial growth of trade in services (chiefly for transit and construction); the revenue it generated somewhat cushioned the negative effects of the trade in goods. In the early 2000s, thanks to the commissioning of the Yamal-Europe gas pipeline and the use of the Polish oil pipeline network, the transit revenues accruing to Poland amounted to approximately \$2 billion, equivalent to 40% of the Polish import of goods from Russia. The total expenses incurred by Russia for the transit of crude oil through the Baltic countries represented some \$450 million, i.e. the equivalent of 12% of its export of goods in value terms – nearly equal to the value of imports from those countries.¹⁸

The presence of Russia as an investor in the ECE countries was considerably weaker than its trade performance. Especially in the

17 Thus, in the early 2000s, re-export of goods to Russia represented in excess of 60% (about \$800 million) of Polish exports to Lithuania. Up to mid-1998, the turnover of “shuttle” trade between Russia and Poland amounted to several billion dollars; it involved about 4 million Russian traders providing employment to some six thousand Polish companies in the field of garment and footwear production alone. See Bukharin, N.I. Russian-Polish relations: the 90s of the 20th century – early in the 21st century. P. 178, 179.

18 Frumkin, B.E. and Kobrinskaya, I.Y. Россия и Балтия: 2010 (Russia and the Baltics: 2010). Moscow: FPII, 2003. P. 29; Bukharin, N.I. Russian-Polish relations: the 90s of the 20th century – early in the 21st century. P. 169.

first half of that period, Russian companies had neither clearly identified interests nor sufficient experience and means, nor visible political support from the state for the implementation of investment projects in the former COMECON countries. The attitude of the authorities in the ECE countries toward new Russian capital was wary and quite often almost hostile. For this reason Russian companies were unable to seize the opportunities arising from the on-going privatization drive in the ECE countries. The fact that Russia was more interested at that stage in investing in the CIS countries to which it was more closely linked also played a certain role. As a result, even in 2001-2003 Russian foreign direct investment (FDI) in the ECE countries was not significant. It comprised less than \$2 billion (including more than \$0.2 billion in the Baltic countries) compared to \$1.4 billion in the CIS countries. Russia's share of cumulative FDI was only 0.07%-1.90% in the countries of the Visegrad group, 1.40%-5.30% in the Baltic countries, and 0.01% in Romania, compared to 4%-41% in Belarus, Kazakhstan and the Ukraine.¹⁹

For this reason the major investment projects comparable in scope to the international projects in the COMECON framework had a "spot" character, e.g. the construction of the Yamal-Europe gas pipeline, where the Polish segment cost the Russian company Gazprom almost \$1.3 billion. The investments of the ECE countries in Russia were even less significant, due to both a lack of financial resources and weak support from the state. Mutual investments were basically concentrated in non-strategic sectors (commerce, real estate, foodstuffs, furniture, etc.). A more sizeable investment from the ECE countries was the involvement of the Hungarian company MOL in the development of oilfields in the Khanty-Mansiysk region. The banking and insurance sector, which was meant

19 Frumkin, B.E. and Kobrinskaya, I.Y. Russia and the Baltics: 2010. P. 27; Liuhto, K. and Vincze, Z. (eds). Wider Europe. Turku: Esa Print Oy, 2005. P. 157-159.

to provide the financial and credit foundation for cooperation, was essentially untouched by mutual investments (except the acquisition by Russian investors of some small banks in Hungary and in the Baltic countries). This painfully backfired during the financial crisis of 1998 in Russia, when scores of Russian enterprises that imported goods from ECE countries, as well as their commercial and industrial partners, went bankrupt (especially in Poland and Baltic countries). The weakness of state support for credit and insurance became an important factor in the shocking collapse of the two-way trade and the sharply diminished confidence in the Russian market.

The emergence during that period of several multilateral legally binding mechanisms that more effectively encouraged the cooperation of the ECE countries with the EU, among themselves and also between Russia and the EU had a dampening impact on the development of trade and investment links between the ECE countries and Russia.

For the ECE countries these included the Europe Agreements of association with the EU, which came into force in 1994-1995, as well as the Central European Free Trade Agreement (CEFTA) and the Baltic Free Trade Agreement, which became effective in 1993-1994. The former ensured the establishment by 2001-2002 of free trade zones between the EU and the ECE countries for manufactured products, providing for asymmetric liberalization of trade favoring those countries, free movement of capital and of an agreed number of workers, full acceptance by the ECE countries of the EU demands concerning the legal regulation of external economic ties, and targeted support from the EU for cooperation in those areas that had priority for bringing the EU and ECE countries closer together. Largely thanks to those agreements the EU share in the exports and imports of the ECE countries in 1993-2004 more than doubled.

The second set of agreements was aimed at stimulating a “group” approach to trade and economic links in order to mitigate the consequences of weakened cooperation with Russia and to prepare for

EU accession. CEFTA membership enabled the Visegrad countries to increase, during that period, the share of their mutual exchanges within their total foreign trade to nearly 12%, i.e. the same indicator that used to apply to their trade turnover in the framework of COMECON. Cooperation within the Baltic Agreement (with additional elements in 1996) was instrumental in achieving, over 1995-2001, an enhanced share of mutual exchanges among the Baltic countries from 8%-10% to 13%-15% for exports and from 3%-9% to 4%-14% for imports.²⁰

The access of Russia to those sub-regional groups was deliberately closed (e.g. CEFTA membership was allowed only to countries that had been accepted to the WTO and had trade agreements with the EU). This discouraged, primarily, the expansion of Russian exports except energy and raw materials to the ECE countries.²¹ The elements of an agreed approach to the development of relations with Russia began to take shape during that period, involving both the above-mentioned groups of countries and, to a certain extent, the ECE region as a whole.

On the other hand, the Partnership and Cooperation Agreement (PCA) between Russia and the European Union, which was signed in 1994 and became operational in 1997, created a more effective legal and institutional framework for the development of trade, economic, scientific and technological ties, including interaction at the company level. In addition to mutual extension of MFN treatment, the PCA ensured the elimination of most quantitative limits to trade (asymmetrical in Russia's favor), stipulated mutual renunciation of discrimination with regard to imported merchandise, established a mechanism for the settlement of disputes, clarified a wide range of

20 See Frumkin, B.E. and Kobrinskaya, I.Y. *Russia and the Baltics*: 2010. P. 24-26; Butorina, O.V. (ed). *Европейская интеграция* (European integration). Moscow: Delovaya literatura, 2011. P. 634.

21 In 1997, more than 50% of the manufactured goods from EU countries and 90% from CEFTA countries were imported tariff-free into Hungary, while Russia, which did not enjoy similar treatment, lost about \$80 million.

issues pertaining to the cross-border activities of companies (including payments and movement of capital), and identified more than 30 promising areas for cooperation (including industrial cooperation, energy, transport, scientific research and technological development, small and medium businesses, education, etc.). A system of institutions for cooperation was established to supervise the implementation of the PCA, to settle possible disputes and to encourage dialogue on a broad range of subjects.²² The application of the PCA considerably helped to re-orient Russia's trade and economic links from the ECE countries to the EU 15, primarily to Germany, which absorbed 8% of Russian exports (only four percentage points less than the total share of the ECE countries) and accounted for more than 15% of Russia's imports (almost eight percentage points higher than the ECE).

In the latter half of the decade, trade and economic relations – particularly investments – between Russia and the ECE countries became more active despite the fact that those countries were completing their preparations for EU accession. That period also marked the beginning of the expansion of investments by the Russian companies which had traditionally been well-positioned on the ECE markets and could rely on the necessary financial resources and benevolent attitude of the Russian state, mainly in such sectors as fuel and energy, metallurgy, transport and infrastructure, and energy equipment. The deliveries of military hardware, spare parts and other items were used to cover partly the Russian debt to the ECE countries.

Toward the end of that period, however, the ECE countries began to regard trade and economic relations with Russia as being of secondary importance compared to their relations with the EU countries, while Russia saw its ties with the ECE countries as “auxiliary” to their burgeoning cooperation with the “old” EU countries and of lesser importance compared to some CIS countries. This was

22 Butorina, O.V. (ed). European integration. P. 539.

also reflected in the geographical distribution of Russian foreign trade. In 2004, the EU 15 provided almost 36% of Russia's exports and more than 37% of its imports; the share of the CIS was 16% and 23%, respectively, and that of the ECE countries was about 12% and less than 8%.

That attitude was manifest even in the sphere of fuels and energy, which was crucial for cooperation between the ECE countries and Russia. Before the EU accession of the Visegrad countries and especially the Baltic states, their national energy policies and the coordination of those policies were predominantly passive. This was also determined to a considerable extent by the respective positions of Russia and the old EU members. By the late 1990s/early 2000s, Russia was anxious to keep the ECE countries (especially the Visegrad countries) as a significant market for the sale of its energy resources and equipment (particularly fuels and equipment for nuclear power stations) and as conduits for the uninterrupted transit of primary energy resources to the West. Russia did not pursue an active energy policy toward the ECE countries in terms of investment and trade. Oil and gas supplies to ECE countries were (in contrast to COMECON as an effectively unified political space) contractually divided in export and transit, but until the mid-1990s the natural gas export prices charged still remained "less market-impacted" and lower than those for the West European countries. This, to some extent, reduced the burden of the "system transformation" for the ECE countries.

The old EU countries also strove to avoid the disruption of energy supplies to the ECE countries during the pre-accession period and did not insist that the latter should forcibly reduce their dependence on Russia in terms of energy resources. With respect to Russian gas supplies to ECE countries, the final changeover from "politically influenced" to "market-impacted" price determination in line with the West European model occurred as late as the end of the 1990s, namely in the final phase of their preparations for EU accession. However, in the end it was painless, thanks to the

then low world market prices for oil and oil products serving as the basis for the new contractual gas pricing.²³ Essentially, the early systemic difficulties in relations between those countries and Russia emerged in 2003-2004, just prior to their EU accession.

On the whole, interdependence between Russia and the ECE countries remained rather high during that period, and in a certain sense became even stronger. Russia was successful in preserving that region as a significant market for its energy resources. After an early decline following a sudden price hike (due to the shift from transferable rubles to hard currency in settlements with Russia) and lower demand for oil and gas (because of the transformational economic decline of the ECE countries), from the mid-1990s to the mid-2000s deliveries began to rise and in some cases exceeded the peak volumes of Soviet deliveries of 1988-1989. This caused, during that period, a steep rise in the share of hydrocarbons in Russian exports to those countries, compounded by the worsening opportunities for the export of Russian manufactured products: from 70% to 85% for Hungary, from 80% to 90% for Poland, from 80% to 85% for Slovakia, and close to 85% for the Czech Republic. In spite of the gradual shrinking of the share held by the ECE countries in overall Russian energy exports, by the mid-2000s the Visegrad countries alone absorbed 15% of Russian exports of natural gas and 14% of its crude oil (including about 26% of the Russian gas deliveries to the EU).

The role of the ECE countries as a transit corridor for Russia to the key markets of Western Europe became more important. Toward the end of that period, two-thirds of the pipelines from Russia to the West-European markets passed through the Visegrad countries, encompassing, for example, 95% of the Russian gas deliveries to the EU. 24% of the Russian exports of crude and petroleum products went through ports in the Baltic countries. Regardless of

23 Конопляник, А.А. На пороге смены экспортной стратегии (At the brink of changing export strategy). In: *Neft Rossii*. No. 3. 2010. P. 58.

the complicated political relations with Poland, the “great Polish transit” came into being. By late 2004, deliveries of Russian crude through the new maritime terminal in Gdansk and of gas through the Yamal-Europe pipeline had increased Poland’s share in the transit of exported Russian crude to 30% and for gas, to 16%. In 1996, Russia signed with Poland the largest contract in Europe for the delivery and transit of natural gas over 25 years; in 1998, it signed a similar contract with the Czech Republic for 15 years.²⁴

Fuels and equipment for nuclear reactors continued to form a significant segment of the Russian export of goods to the Visegrad countries, except Poland (in 1999, Russia signed a 10-year contract with Hungary for deliveries of nuclear fuel)²⁵, as did certain oil-or-gas-intensive industrial products (petroleum products and synthetic materials, nitrogen fertilizers). In this way the importance of the Visegrad group (and the Baltic countries until 2001) to Russia considerably increased in terms of export outlets and transit routes, which offered certain incentives for those groups of countries to coordinate their future actions in relation to Russia. On the other hand economic realities did not allow the Visegrad countries to realize their preponderantly politically motivated plans aimed at reducing their energy dependence on Russia. Moreover, that dependence even grew in some cases. In 2004, the coefficient of dependence on Russian deliveries of primary energy resources had reached 24.6 (Czech Republic) and 53.7 (Slovakia) for the Visegrad group, 13.0 (Estonia) and 67.7 (Latvia) for the Baltic countries, and 22.3 for Romania, as opposed to the 17.2 average for the EU 27.²⁶

24 Bukharin, N.I. Russian-Polish relations: the 90s of the 20th century – early in the 21st century. P. 200, 207; Kulikova, N.V. (ed). Российский фактор в энергетической политике стран Центральной и Юго-Восточной Европы (The Russian factor in the energy policy of Central and South-Eastern European countries). Moscow: Institut Ekonomiki RAN, 2010. P. 271.

25 Kulikova, N.V. (ed). The Russian factor in the energy policy of Central and South-Eastern European countries. P. 130.

26 The coefficient of general dependence is equal to the sum of the derivative

The rather long “pre-EU” period in trade and economic relations between the ECE countries and Russia did not lead to the establishment of foundations for a common economic space of “Greater Europe”, mainly for political reasons. As the ECE and Russia each re-oriented their trade and economic relations towards the EU, and away from each other, this deprived the ECE region of the chance to become an effective intermediary link between Russia and the EU 15 and left the ECE countries insufficiently prepared, from an economic point of view, for accession to the EU economic space, which complicated the process of deeper integration in the framework of the “enlarged” EU.

This period was characterized by the absolute growth and relative decline (for the ECE countries in particular) of the two-way trade in goods; the enhanced focus on fuels and energy, which was financially burdensome for the ECE countries and ended up “de-industrializing” Russia’s exports; the transformation of the fuel and energy complex into the key sector of their cooperation; and the irreversible re-orientation of ECE trade and investment toward the West, which their subsequent accession to the EU merely formally sanctioned. Meanwhile, the countries acquired experience in organizing their cooperation in a market environment and setting in motion specific market mechanisms, and enhanced their realization that further substantial changes were needed in their scientific and technological system and in their industrial cooperation in order to make their interaction more rational and dynamic, and to work out an agreed vision on the future development of “Greater Europe” at a time of globalization.

shares of the given energy resource in the national energy balance, the share of the specific imported energy resource in overall consumption, and the share of Russian deliveries in the total volume of imports. See Oleynik, A.N. *Власть и рынок: исследовательская программа* (Might and market: A research program). Moscow: Institut ekonomiki RAN, 2009. P. 14.

AFTER EU ACCESSION

After the ECE countries joined the EU, the regulatory system of their trade and economic relations with Russia underwent substantive changes. The most important aspects of the regulation of the ECE countries' trade and customs policies were transferred to the EU competence. The main element of the regulatory system became once again a multilateral one: the Partnership and Cooperation Agreement, which now applied to the ECE countries according to a special protocol.

The PCA regulated the main aims, principles, directions and forms of cooperation; its provisions overrode the bilateral agreements. The regulation of bilateral relations became once again an ancillary, though important, element of the system. Those relations were built on new inter-governmental agreements on economic and scientific-technological cooperation, which had been concluded with most ECE countries in 2004-2006, and on the related inter-departmental agreements (on tourism, transport, etc.). By 2010, about 10 to 20 such specific economic accords were operational between the ECE countries and Russia. New bilateral inter-governmental commissions on trade, economic and scientific-technological cooperation (for Latvia and Lithuania they also covered the humanitarian sphere) were established with all ECE countries except Estonia, including also working groups for more sensitive issues (energy, military technology, and regional cooperation).

On the other hand, EU accession also caused changes in the organizational and legal arrangements for "group" cooperation among the ECE countries. The Visegrad countries (and Romania after 2007) renounced the agreements on CEFTA membership, and the Baltic countries renounced the Baltic Free Trade Agreement. However, through the frameworks of the Visegrad group and the Baltic Ministerial Council they maintained and even en-

hanced their political coordination toward harmonizing common economic interests, articulating them and promoting them at the EU level (including relations with Russia). In recent years, EU summits have been preceded by meetings of the Visegrad group member countries to strengthen cooperation within the group. The heads of state and government of the countries that are in line for the presidency of the EU Council are invited to the summits of the Visegrad group. Additional measures for the harmonization of positions on specific issues are taken in an enlarged format (Visegrad group plus Austria and Slovenia).

Consequently, the regulation of cooperation has become more extensive and complex. The coexistence and interaction of various levels and elements makes it possible both to project common EU and group interests onto bilateral cooperation and, though to a lesser extent, to promote the resolution of group or bilateral problems by elevating them to the level of the EU as a whole. As an example of the former case one could indicate the “third package” of regulatory measures for the single EU energy market, which introduces certain limitations into bilateral energy cooperation with Russia that are relatively less favorable to most ECE countries. An example of the latter case could be the initiation and actual “stewardship” by the ECE countries (particularly Poland) of the EU Eastern Partnership with the European CIS countries, which is essentially directed toward neutralizing Russia’s integrative policies in that region. Another example could be the fact that Poland elevated to the EU level the bilateral and essentially sectoral issue concerning Russia’s decision to ban the import of a number of Polish farm products, blocking the negotiations aimed at concluding a new agreement on EU-Russia strategic cooperation until 2008, when that ban was rescinded. On the other hand the active position of Hungary greatly contributed to the decision taken by the EU in 2005 to extend the moratorium on the application of anti-dumping

tariffs to the import of potassium fertilizers from Russia.²⁷

The PCA established a general regime for the regulation of external economic relations between the ECE countries and Russia. However, it is closely interrelated with the bilateral regulation of those relations and may both limit bilateral initiatives for cooperation and allow for more advanced forms of cooperation approaching integration (in the scientific-technological sphere, in the nuclear materials trade).

An important regulatory element for cooperation is the convergence of laws, which produces the prerequisites for identical or similar opportunities for entrepreneurship and encourages the process of integration. Russia and the EU have made substantial steps forward in this direction, for example in the area of customs and competition legislation and judicial practice.

A very important regulator of bilateral relations is represented by the political declarations of the Russia-EU summits and the “soft” legislation that they formulate, thus adding to and developing the formal, legally binding regulations.²⁸ Political acts modify the system and the operational mode of the bodies charged with the management of partnership and cooperation. Such “soft” legislation includes road maps for the construction of the Russia-EU common economic space and bilateral initiatives for the development of sectoral cooperation. Soft law does not merely complement the treaty-based regulation of relations between Russia and the EU but also replaces and modifies it.

27 Kulikova, N.V. and Feit, N.V. (eds). *Внешнеэкономические связи стран Центральной и Юго-Восточной Европы: последствия трансформации для России* (Foreign economic relations of the countries of Central and South-Eastern Europe: consequences of the transformation for Russia). Moscow: Institut ekonomiki RAN, 2008. P. 120.

28 Entin, M.L. *Партнерство для модернизации – путь к сближению России и Европейского союза* (Partnership for modernization – a way towards a rapprochement of Russia and the European Union). In: *Vsya Evropa.ru*. No. 47. 2010. <http://www.alleuropa.ru>.

The new system of regulations asserted itself already in the very process of the ECE countries' accession to the European Union. At that time, Russia managed to use tools of both formal and soft law to secure positive consequences from EU expansion (easier access to ECE countries' markets thanks to a decrease in average import taxes on Russian industrial goods from 9% to 3.8% and removal of a number of non-tariff barriers), thus alleviating the corresponding negative impacts. The latter were caused by anti-dumping measures applied by the ECE countries, which affected some 20 important Russian export commodities such as mineral fertilizers, aluminum, and certain steel products; the introduction of restrictions impacting the import and subsidized export of several agricultural and food products; the implementation of unified EU transit regulations instead of national transit modes; the establishment of more stringent technical EU standards (for nuclear equipment and related services); and the implementation of non-official EU norms limiting the share of imports from a single source of fossil fuels (30 percent) and nuclear fuel (25 percent), and others.²⁹

Such decisions had a generally favorable effect on trade between the ECE countries and Russia (Table 1).

The trade between the ECE countries and Russia maintained a rising trend in 2004-2011. True, the relative dynamics of its components reversed places. Unlike the situation in 1993-2004, the exports of the ECE countries to Russia grew faster than their imports. ECE exports rose almost 4.5 times (to \$30 billion), exceeding 1.5 times the growth rate of imports. Nonetheless, the trade imbalance grew wider. The negative balance of the ECE countries practically doubled in 2011 to nearly \$35 billion and exceeded by 16% the value of their exports to Russia. The growth

29 For details see Butorina, O.V. and Borko, Y.A. (eds). *Расширение Европейского союза и Россия* (Enlargement of the European Union and Russia). Moscow: Delovaya literatura, 2006. P. 304-307.

of two-way trade was interrupted only in 2009 as a result of the global financial and economic crisis. Incidentally, the picture was virtually the reverse of the decline caused by the Russian crisis of 1998. Russian exports consisting mainly of fuels and raw materials to the ECE countries fell sharply in 2009 (by 45%), while the decline in its imports of mainly manufactured goods was only half as strong (23%).

The accession of the Visegrad and Baltic countries to the EU, however, had no negative impact on their trade with the Russian Federation. On the contrary, their exports and imports in relation to Russia increased 1.4 and 1.5 times, respectively, for the Visegrad states and 1.5 and 1.4 times, respectively, for the Baltic states.. Notably, the exports of Estonia, which had acquired most-favored-nation status in its trade with Russia, increased more strongly than that of the Visegrad countries and the other Baltic countries, while its imports were weaker. In the post-accession year 2008 Romania also showed an increase in trade with the Russian Federation, nearly 1.4 times for exports and 1.3 times for imports. The more active trade growth was facilitated by the development of supportive financial and insurance structures, primarily export-import banks and specialized state agencies providing insurance for export transactions and credits. For example, by the end of 2010, the Polish KUKI state corporation had earmarked some \$700 million only for the insurance of national business transactions with Russia against political risk.³⁰

During that period, unlike the preceding one, the relative importance of bilateral trade rose more visibly in the case of the ECE countries compared to Russia. In 2004-2011, the share of Russia in the trade of the ECE countries grew 1.9 times for exports and 1.4 times for imports, while the corresponding shares of the ECE countries in Russia's exports even decreased and grew only 1.2 times for imports. The re-orientation of the foreign trade

30 www.kuki.com/pl.

between the ECE countries and Russia, which had started in the early 1990s and became consolidated in the early 2000s, basically led to a stabilization of mutual exchanges at the level of about 5% for the ECE exports and about 9% for imports, and at the level of 12% and 8%, respectively, in the case of Russia. The predominant, stable factor in the trade of both the ECE countries and Russia is the EU, especially Germany.

At the same time, the share of the ECE countries in German exports (10.8 percent in 2011) was smaller and in imports (11.7 percent) significantly larger than in the case of Russia. The trade of the ECE countries with Germany continued to be more stable and well-balanced. In 2011, the negative trade balance of the ECE countries with Germany was three times lower and the ability to cover the cost of imports through exports was almost two times higher than in their trade with Russia.

The main reasons for these discrepancies only increased: the non-conformity of the structure of Russian exports – and, indeed, of the Russian economy as a whole – with the import requirements of the present-day world economy, and the fact that it had become a “reservoir” of fuels and raw materials for the EU economy. In 2000-2008, the share of energy resources in Russian exports to the ECE countries grew almost 1.1 times (to 79%), while the share of the machine building sector decreased nearly fourfold (to 2.2%). By 2007, dependence on the delivery of crude oil, gas and coal from Russia increased in the case of Hungary, Lithuania, Poland, Slovakia and Estonia, exceeding the EU 27 average by 1.4-3.4 times. And conversely, the share of machinery and equipment in Russian imports from the ECE countries increased almost 1.6 times (to 45%), exceeding similar Russian exports by approximately 7 times in value terms.³¹ A more substantial and

31 Cheklina, T.N. Торгово-экономические отношения России со странами Центральной и Восточной Европы: итоги и перспективы (Trade and economic relations of Russia with countries of Central and Eastern Europe: results

dynamic growth in bilateral trade becomes impossible on that basis. Its volatility increases to dangerous levels, which does not favor Russian interests.

TRADE IN SERVICES

Trends in the exchange of services were of a more ambiguous nature (Table 2). On the one hand, Russia's imports of transport, tourism, construction, financial, insurance and other services from ECE countries increased from 2005 to 2011 by almost 2.2 times reaching \$3.2 billion and exceeding the exports of services from Russia to these countries by almost 27%. On the other hand, the overall positive balance of this region in trade with Russia is primarily provided by the Visegrad countries and Romania, and remains insufficient to significantly compensate for the growing negative balance of the ECE countries in the trade of goods.

The share of the ECE countries in the overall trade of services between Russia and the EU is quite small. Moreover, Russia's re-orientation towards reducing its dependence on transit countries for its main commodities exports (especially oil and oil products, as well as natural gas) has led to a reduction in the Baltic countries' revenues from provision of transport services and is substantially endangering the respective earnings of the Visegrad countries. The extension of oil pipelines to Russia's Baltic harbors and the erection of related oil terminals over the period 2007 to 2010 reduced oil transit through the Baltic States and Finland by approximately 60%, thus reducing their earnings by \$350 mln. Beyond 2015, Russia may in actual fact cease oil transit via harbors of the Baltic countries completely and significantly

and prospects). In: Rossiyskiy vneshneekonomicheskii vestnik. No. 8. 2009. P.43.

reduce the volume of its pipeline transit through Poland and the Czech Republic. Early in 2012, supplies to the Czech Republic and transit through Poland via the Druzhba pipeline were already reduced.³²

Full capacity commissioning of the Nord Stream and South Stream pipelines may also cut the volume of Russian natural gas transit through Poland and Slovakia. At the same time, Russia supports the development of container transit operations in the ECE countries in addition to its Eurasian transit to Middle Asia and the Pacific region. In 2011, transit via Baltic harbors accounted for almost 70 mln tons (roughly 13% of the Russian foreign trade transport operations via maritime terminals) with 2/3 of the Russian containers being handled in Baltic harbors³³

MUTUAL INVESTMENT

The situation regarding investment cooperation remains uncertain. On the one hand, the strengthening of Russian manufacturing companies and banks, the budding transformation of the larger ones into global corporations (e.g. Gazprom, Lukoil, Sberbank), the enhanced state support they enjoy on external markets, and the similar developments that can be observed in the ECE countries (including the transnational companies from the old EU countries operating there) have contributed toward a mutual expansion of investments, taking into particular account the “de-ideologization” and “de-politicization” of economic relations with Russia in a number of ECE countries.

32 BIKI, No. 31, 22 March 2011; Gazeta Wyborcza, 27 March 2012.

33 www.logistics.ru. 23 March 2012.

The mutual activities of large and medium business have increased in intensity. Of positive impact in this respect is the growing desire of a significant number of ECE countries to develop sustainable relations with Russia. For example, by the end of 2011, 63% of the traditionally skeptically minded Czechs (1.6 times more than in 2008) and 69% of Poles – ordinarily quite cautious in this respect – considered friendly and partnership-based relations with Russia to be possible.

Generally, the amounts of mutual investment and their share in total accumulated investment are still relatively low. By 2008, estimated Russian investments amounted to \$5.5-\$7.0 billion, or 1.0%-1.2% of accumulated FDI in the ECE countries, while the latter's FDI represented \$0.9-1.0 billion, or 0.6%-0.8% of the accumulated FDI in Russia. However, in recent years, the expansion of Russian investments in the ECE countries has been facilitated by weaker resistance on the part of local companies and governments, which have been burdened by debt and deficits as a result of the world crisis of 2008. According to UN estimates, Russian investments in the ECE increased, in 2008-2010, by \$2.8 billion, i.e. more than in the preceding decade.

A significant number of those investments went towards the acquisition of enterprises including those had had been bought by Western investors during the privatizations of the late 1990s-early 2000s but had lost their profitability under post-crisis conditions. The Evraz Group owns the steel company Vitkovice, the third largest enterprise in terms of its relevance in the Czech Republic. Lukoil controls the leading refinery in Romania and a significant share of oil products distribution in the Visegrad and the Baltic States. In the field of the nuclear mechanical engineering, the Russian OMZ Holding controls Skoda JS, the leading Czech company in this sector. Gazprom, in addition to the assets it already owned in several ECE countries, gained control over the Czech RSP Energy company, which supplies natural gas and

electric power to the population and to small businesses. Russia's second-largest gas producer, Novatec, repurchased a major Polish gas trading company from a German investor to capture 15% of the household LNG market in Poland. The Russian Polair Corporation acquired the Lithuanian Snaige – the only manufacturer of refrigerators in the Baltic countries.

The practice of establishing new enterprises in ECE countries is gradually expanding. Kusbass-Ugol (coal mining), UralKhim (production of mineral fertilizers), and Natsionalnay konteynernaya kompaniya (logistics) are erecting transshipment terminals in Latvian harbors. Kamaz is building a factory for the assembly of two thousand heavy trucks annually in Lithuania (aimed at deliveries to EU countries).

The acquisition of the Austrian Volksbank International by Sberbank in 2011 proved to be one of the most significant events in the ECE banking sector. For EUR 505 mln, Sberbank obtained 295 branches and over 600,000 clients of the VBI subsidiary banks in eight ECE countries or EU candidates. Sberbank intends to increase its share in the banking assets of the respective countries to 4% or 5% and the number of clients to roughly 20 mln by 2016 and to become a strategic player in the ECE region.³⁴

Capital originating from ECE countries has expanded its activities in Russia as well. Early in 2012, Home credit bank controlled by a Czech investment group PPF was ranked number 31 among the 700 main Russian banks. Apart from this, the PPF Group owns Russia's second-largest chain Eldorado, offering electronics and home appliances, and 25% of the shares of the silver producer Polimetall, ranked number one in Russia and number five in the world. A subsidiary of the Hungarian OTP-Bank is ranked number 37, surpassing the subsidiaries of all banks from the "old" EU countries with the exception of Raiffeisenbank. PPF also controlled the huge agricultural holding RAV Agro-Pro, with 165 000

34 Kommersant, 24 May 2012; www.ptel.cz, accessed 26 June 2012.

hectares agricultural land in five regions of Russia. Following in its footsteps, the Czecho-Slovak Direct Investment Fund Penta Investments, in 2012, gained control over a chain of more than 100 shops selling clothing and baby goods in Russia with a turnover of more than 3 bln rubles.³⁵ The leading Hungarian oil & gas company MOL is extending its involvement in the exploration of two major Russian oil fields. The Polish Polpharna acquired in 2011 the Acrikhin company belonging to the five leading Russian pharmaceutical enterprises. Polish companies are active also in wood-processing, furniture and food industries, while companies from Latvia and Lithuania operate in the wood industry and in providing transport and logistics-related services (especially in Russian border regions).

Joint implementation of major investment projects, above all in the energy sector, is re-emerging on a new basis. In January 2013, the Gazela gas pipeline, a Czech-Russian cooperation project, was launched to connect two parts of Germany over the territory of the Czech Republic and provide for the transit of Russian natural gas delivered through the Nord Stream pipeline (see chapter on Czech-Russian relations). In December 2011, joint construction by Czech and Russian companies of a section of the Northern latitude railway link for the exploration of natural gas deposits on the Yamal Peninsula was agreed upon. Early in 2012, Skoda JS took over the leadership in a Czech-Russian consortium for participation in the bid for completion of the nuclear power plant Temelin in the Czech Republic and, potentially also of the Czech plant Dukovany, as well as one in Slovakia.³⁶

At the same time, a backlash against the politically influenced approach to economic partnership with Russia can be observed in public opinion and, particularly, within the political elites in the

35 Vedomosti, 21 May 2012; 07 June 2012.

36 <http://www.arctic-info.ru/>. 09 December 2011; www.ptel.cz. 12 March 2012; 26 June 2012; <http://blogstroyka.rosatom.ru>. 16 July 2012.

ECE. The governments, in principle, seek to retain control over key companies in core branches, particularly in the energy and banking sectors. The EU commission has also observed Russian expansion in the leading production, infrastructure and financial branches of the ECE region with reservation. For example, the Hungarian MOL, with support from the government and under violation of EU norms, prevented the Russian SurgutNefteGas from participation in management (see chapter on Hungarian-Russian relations). In 2012, Polish authorities refused to sell the state share of the country's second-largest producer of mineral fertilizers, Azoty Tarnow, to the Russian agrochemical company Acron. After the closure during the 2008 crisis of mutually linked banks in Lithuania and Latvia controlled by Russian capital, the Central Bank of Lithuania, in 2012, refused to approve the opening of a representation of a Russian bank and tightened restrictions on the local branch of another bank.

The authorities of Lithuania and Estonia plan in 2014-2015 to divide their national gas companies into independent production and import, transport, and distribution organizations. This would be the most rapid and difficult and at the same time, as far as Russia is concerned, the most hostile option of implementing the EU Third Energy Package. If implemented, Gazprom, as a major shareholder of the existing companies, would lose its decision-making power in the new companies as well as a significant portion of its previous investments. Latvia, Lithuania and Estonia also rejected Russia's offer of 46% of shares in the construction of the Kaliningrad nuclear power plant, although the erection of an alternative power plant in Lithuania promises to be more expensive and insufficient to meet the power demand.³⁷

37 For example, the Lithuanian authorities assess Russian investments in gas transport grids of the country subject to compensation at a level of only about 30 percent of Gazprom's evaluation. <http://novosti.main.ru/2012/03/02/>; www.gazeta.ru/business/2012/06/06/4615981.shtml.

NEW DEVELOPMENTS AND PROSPECTS

New developments, such as changes in EU common policies, regulations and institutions in response to the current crisis, Russia's accession to the WTO as well as the consolidation of the Eurasian Economic Community and particularly of the trilateral (Russia, Belarus and Kazakhstan) Customs Union and the Single Economic Space, will have further impact on cooperation between Russia and the ECE countries.

The European Union is primarily concerned with overcoming the Eurozone crisis and with increasing international competitiveness based on the “re-industrialization” of the European economy, where the share of industry in the aggregated GDP has dropped to 18%. This is especially true for the ECE countries, which strongly depend on injections from the EU budget and the trade and financial links to the “old” members. The functioning of the economies of several ECE countries is largely ensured by financing from the EU. In 2010, the revenues from that source accounted from 1.17%-1.72% of GDP for the Czech Republic and Slovakia up to 4.55%-4.56% for Estonia and Lithuania. Only Romania relied on EU Support to a lesser extent (0.83% of GDP). The dependence of all ECE countries (except for Romania and the Czech Republic) upon EU funding is higher than that of “classic debtors” such as Greece and Portugal. This continuous support from the European Union, however, should not be taken for granted against the background of the financial crisis, at least in 2014-2020, when the EU budget would be 3,5% less than in 2007 – 2013.

With respect to the EU, this is primarily the shift towards deepening budget and financial as well as social federalism, agreed upon at the Summit of July 2012, to promote post-crisis rehabilitation and the transformation to sustainable economic growth. The measures towards strengthening economic management – as well as establishing the envisioned budget, tax, and bank community – will

to an even greater extent integrate the ECE countries into the economic and political alliance within the EU, increasingly converting their economic connections with Russia to part of the “common” EU partnership strategy. On the other hand, the role of the ECE countries in forming and implementing that strategy is growing objectively, the more so as the political influence of the ECE countries on EU development already exceeds their economic weight, and the state of real convergence with the more developed economies of the “old” EU countries is increasing.³⁸

With respect to Russia, this is primarily Russia’s accession to the WTO and the establishment, in January 2012, of a Single Economic Space in addition to the Customs Union of Russia, Belarus, and Kazakhstan.

Russia’s WTO accession can ensure significant economic benefits for the ECE countries by partially compensating for the negative consequences of recession in the EU economy. This is likely to result from improvements in access to the Russian market as well as from Russia’s system-related obligations within the WTO. Concerning the first component, Russia will reduce the average level of tariff protection of its market by around 40 percent (down to less than 7.2%), including industrial goods with a reduction of almost 45 percent (to 6.4%) and agricultural goods of around 30 percent (to 11.3%). In approximately one third of tariff items, the import

38 In 2011, the share of the ECE countries in this analysis accounted for little more than 18% of the population and roughly 10% of the total GDP of the EU. At the same time, they held 23% of seats in the European Parliament, 29% in the European Commission and 25% in the Council. In the EU parliament, representatives of the Visegrad countries held the posts of President (Poland), chairperson in one (Regional Development) and vice-chairpersons in 12 of 23 committees. In the European commission, they were responsible for such areas as financial planning and budget (Poland), enlargement and European neighborhood policy (Czech Republic), institutional relations and administration (Slovakia), employment, social issues and inclusivity (Hungary), transport (Estonia), tax and customs issues (Lithuania), development (Latvia), and agriculture (Romania).

fees shall be lowered immediately after accession, with a further one fourth of the items to follow by the end of 2015, precisely when it will be of particular importance for the weakening economies of the ECE countries.

Apart from that, customs duties for a number of export goods from the ECE countries shall be reduced more significantly and rapidly than usual. The import fees for pork, within the limits in force, shall be slashed to zero, with the import quotas to be repealed by 2020.³⁹ Russia's obligations as a WTO member can also be of significant benefit for the ECE countries, for example, through full adoption, according to WTO norms, of the regulations in force with respect to enterprises with foreign participation, subsidies to industry, public support of the agricultural sector, technical regulations, etc. Application of veterinary and phytosanitary control guidelines in strict compliance with the WTO rules will help to prevent accusations with regard to the politicization of respective measures previously made against Russia by ECE countries (primarily by Poland and the Baltic countries) and their negative reaction.

Extension of the WTO rules and norms to Russia will, in principle, facilitate renewal of the legal treaty framework for the strategic partnership of Russia and the EU through the elaboration of a long-term New Basic Agreement considering the radically changed internal and external conditions of their economic development. This removes significant institutional and legal obstacles for agreeing on the economic terms of a new treaty aimed at reducing the dependence of trade and economic links upon political will. The new Agreement can provide not only for a legal framework of economic cooperation between Russia and ECE countries (as an element of the EU common economic space) but also ensure harmonization and mutual adaptation of their legislation and law enforcement practice.

39 Obolensky, V.P. Russia's obligations in the WTO: Pluses and minuses. P. 20-21.

Russia's acceptance of WTO obligations did not automatically imply the resolution of differences related to the economic aspects of the new treaty with the EU. The government in Moscow proceeded from the initial mutual understanding that the treaty should be a brief framework document, while at the same time covering all areas of cooperation. For this reason, it suggested that only those stipulations that had been agreed upon within the WTO be included in the economic section. Only general principles and rules of cooperation would be defined, with the option of their subsequent specification in additional agreements. Brussels, for its part, insisted on detailed provisions governing trade and investment cooperation (energy, competition, public procurement modes, etc.). This solution (the so-called "WTO plus") would mean a de facto acceptance by Russia of additional obligations not agreed as part of its WTO accession documents and would place the EU in a privileged position compared with Russia's other partners within this organization.⁴⁰

Russia's approach builds somewhat upon progress within the sectoral dialogues established in 2005-2011 for the development of a common economic and humanitarian space between Russia and the EU. The 16 sectoral dialogues covering various areas of cooperation have become the main tool for agreeing on new steps in developing cooperation. They have produced visible positive effects. For example, within the framework of the energy dialogue, an early-warning mechanism was established to secure a stable energy supply as well as to prevent and reduce the consequences of possible emergencies. This is supposed to prevent such situations as that of January 2009 when, due to a gas-related conflict between Russia and the Ukraine, the gas supply to the Visegrad countries was seriously disrupted. A Consultation Council for gas was estab-

40 The EU's high interest in accessing the Russian public procurements market is quite understandable since its volume is currently 1.3 times as large as Russia's current imports. *Kommersant*, 02 April 2012.

lished to evaluate the long-term prospects of the relations between Russia and the EU in the field, aiming to reduce uncertainty with regard to the global development of the gas market. A Road Map for energy cooperation until 2050 is under preparation to promote cooperation in electric power, gas and oil sectors, and the utilization of renewable energy sources, etc.⁴¹

Within the sectoral dialogues, other programs and initiatives are being executed, of which the “Russia-EU Partnership for Modernization” is the most important. It aims at ensuring technological breakthroughs to support the current re-industrialization of the Russian and the EU economies, the changeover to a new model of social and economic growth and the increase in their competitiveness in the global economy. Five priority areas (nuclear energy, outer space, communications, information technologies and software, and the pharmaceutical industry) have been identified, where the emphasis shall be on result-oriented cooperation. By 2012, Russia had signed bilateral declarations on partnership for modernization with 25 EU member countries, including all ECE countries. Estonia is the only exception.⁴²

Over the longer term, the development of cooperation between Russia and the EU (particularly with the ECE countries) will be increasingly influenced by the regional integration within the Customs Union (CU) and the Single Economic Space (SES) of Russia, Belarus, and Kazakhstan, which from 2015 should become the Eurasian Economic Union (EEU). This is the first truly effective integration initiative within the CIS to be supported from the “bottom up” including businesses and a significant part of society. Its strategy, as well as institutional and legal mechanisms, were designed taking the EU experience into account, while adapting to

41 See <http://formodernisation.com/dialogues/power/dinamika.php>.

42 Danilova, E.V. Россия-Евросоюз: партнерство для модернизации (Russia-European Union” Partnership for modernization). <http://formodernisation.com/news/290/>. 02 July 2012.

the particular characteristics of cooperation among the “Eurasian Three” and the new challenges of globalization. Within the framework of the Customs Union, there is already in operation a common market for goods with a unified customs codex and unified tariffs applied toward third countries, as well as a unified system of foreign trade regulation and common legal norms of technological regulation. Within the Single Economic Space, joint markets for services, capital and labor, with unified legislation, are developing. The integration process is led by the Eurasian Economic Commission as a supranational body with broad competencies which, in most important issues and communications with businesses, is supported by advisory bodies.

This redistribution of competencies should be taken into account upon the WTO accession negotiations (Belarus and Kazakhstan agreed in the event of WTO access to accept the respective rules and conditions specified for Russia) as well as upon conclusion of a New Basic Agreement between Russia and the EU (and a similar Agreement between Kazakhstan and the EU) and then, which is quite likely, also upon conclusion of “inter-bloc” agreements between the Eurasian Economic Commission and the EU.

Early in 2012, the Customs Union was addressed with proposals for the establishment of free trade zones by 35 countries or groups of countries. The most promising option is the creation of such zones with the countries in the Asia-Pacific region and with the EU. The EU is the main trade partner of the Customs Union countries. In 2011, its share accounted for over 55% of exports and 44% of imports. In turn, EU exports to the Custom Union reached 8% of the overall EU export volume (in third position behind the US and China) and almost 14% of imports (second after China).⁴³

Nonetheless, in view of increasing global competition, the European Union will be forced to fight to preserve its role as a leading

43 <http://www.tsouz.ru/eeek/VII//Pages>. 28 April 2012; 02 May 2012; 22 June 2012.

partner of the Customs Union, with its common market of 165 million consumers, a GDP of more than \$2.7 trillion, a foreign trade volume of more than \$1.0 trillion, a credit potential of more than \$0.8 trillion and annual expenditures for research and engineering of more than \$15 billion.

Table 1 Trade in goods between the ECE countries and Russia, 1993-2011

	1993	1995	1998	2000	2004	2005	2008	2010	2011
Visegrad countries: Hungary (earliest data for 1994), Poland, Slovakia, Czech Republic									
Exports to Russia, \$ million	2201	3025	3109	1809	5065	7022	19,784	16,180	20,496
% of all exports	5.3	4.9	3.5	1.8	2.3	2.7	4.0	3.7	3.9
Imports from Russia, \$ million	5598	7088	6984	11,275	15,000	22,023	46,523	37,613	49,928
% of all imports	10.7	9.6	6.1	9.2	6.2	7.9	8.8	8.5	9.5
Balance, \$ million	-3397	-4063	-3875	-9466	-9935	-15,001	-26,739	-21,433	-29,432
Coverage of imports by exports, %	39	43	44	16	34	32	43	43	41
Baltic States: Latvia, Lithuania, Estonia									
Exports to Russia, \$ million	528	1197	1262	609	1454	2130	6570	5819	8555
% of all exports	17.6	20.5	14.4	6.4	7.6	8.7	14.2	14.0	16.3
Imports from Russia, \$ million	753	1905	2132	2574	4238	5992	12,318	9784	13,122
% of all imports	23.3	24.3	15.5	18.8	15.3	17.3	19.5	21.8	22.4
Balance, \$ million	-225	-708	-870	-1965	-2784	-3862	-5748	-3965	-4567
Coverage of imports by exports, %	70	63	59	24	34	36	53	59	65

	1993	1995	1998	2000	2004	2005	2008	2010	2011
ECE countries: Visegrad countries, Baltic States, and Romania									
Exports to Russia, \$ million	2949	4380	4452	2507	6640	9383	27,251	23,100	30,467
% of all exports	5.9	5.8	4.2	2.1	2.5	3.0	4.6	4.4	4.8
Imports from Russia, \$ million	7046	10,110	10,082	14,868	21,265	31,050	63,360	50,099	65,961
% of all imports	11.5	11.1	7.3	10.0	7.1	8.8	9.5	8.9	10.0
Balance, \$ million	-4097	-5730	-5630	-12,361	-14,625	-21,667	-36,109	-26,999	-35,494
Coverage of imports by exports, %	42	43	44	17	31	30	43	46	46
Share of ECE countries in Russia's foreign trade									
% of all exports	15.3	12.0	12.9	16.1	12.6	12.9	12.9	13.2	11.9
% of all imports	7.7	8.8	7.3	5.9	7.6	6.9	7.9	8.2	8.9
For reference: ECE trade with Germany									
Exports, \$ million	13,986	25,618	33,983	38,814	72,888	74,437	132,018	123,108	146,922
% of all exports	28.2	33.9	32.2	32.2	27.7	23.7	22.4	24.0	23.1
Imports, \$ million	16,163	27,214	40,738	41,728	77,299	85,548	159,985	131,344	158,761
% of all imports	26.3	29.7	29.3	24.3	24.3	28.1	24.0	23.6	24.2
Balance, \$ million	-2177	-1596	-6755	-2884	-4411	-11,111	-27,967	-8236	-11,839
Coverage of imports by exports, %	86	94	83	93	94	87	81	94	93

Source: Calculated from *IMF Direction of Trade Statistics Yearbook* for 2004-2008; Eurostat, *CIA The World Factbook* for 2010-2011.

Table 2. Trade in services* between Russia and ECE countries 2005-2011

	2005	2008	2009	2010	2011
Visegrad countries: Hungary, Poland, Slovakia, Czech Republic					
Russian exports to Visegrad, \$ mln % of all exports	445.2 1.7	1263.0 2.6	1006.6 2.4	1152.2 2.6	1524.7 2.8
Russian imports fr. Visegrad, \$ mln % of all imports	1050.4 2.7	1715.0 2.4	1265.5 2.1	1550.5 2.1	2182.5 2.4
Balance, \$ mln Coverage of imports by exports, %	- 605.2 42	- 452.0 73	- 258.9 79	- 398.3 74	- 657.8 70
Baltic States: Latvia, Lithuania, Estonia					
Russian exports to Baltics, \$ mln % of all exports	610.0 2.4	854.0 1.7	684.4 1.6	721.4 1.5	943.5 1.7
Russian imports fr. Baltics, \$ mln % of all imports	392.6 1.0	730.9 1.0	550.7 0.9	755.4 1.0	915.0 1.1
Balance, \$ mln Coverage of imports by exports, %	217.4 155	123.1 117	133.7 124	- 34.0 95	28.5 103
ECE countries: Visegrad countries, Baltic States, and Romania					
Russian exports to ECE, \$ mln % of all exports	1067.0 4.15	2153.1 4.37	1736.1 4.10	1976.2 4.30	2531.4 4.60
Russian imports fr. ECE, \$ mln % of all imports	1475.8 3.78	2470.9 3.43	1943.7 3.20	2620.4 3.30	3212.8 3.60
Balance, \$ mln Coverage of imports by exports, %	- 408.8 72	- 317.8 87	- 207.6 89	- 644.2 75	- 681.4 81

For reference: EU 27						
Russian exports to EU 27, \$ mln % of all exports	10,031 40.2	20,650 40.3	16,005 38.5	17,212 38.3	20,886 38.7	
Russian imports fr. EU 27, \$ mln % of all imports	16,768 43.3	31,683 42.0	26,547 43.2	31,412 42.6	40,544 45.1	
Balance, \$ mln	- 6737	- 11,033	- 10,542	- 14,200	- 19,658	
Coverage of imports by exports, %	60	65	60	55	52	

*Transport services, trips, communication, construction, insurance, financial, computer and IT services, royalty and license payments, other business services, culture- and leisure-related services, public services

Source: Central Bank of the Russian Federation

Table 3. Exports of ECE countries to Russia, 1993-2011

	1993*	1995	1998	2000	2004	2005	2008	2010	2011
Czech Republic \$ million, %	493 4.3	597 3.5	648 2.5	386 1.3	946 1.4	1400 1.8	4256 2.9	3540 3.0	5527 3.8
Hungary \$ million, %	807 7.6	823 6.4	661 2.9	455 1.6	908 1.7	1167 1.9	3923 3.6	3403 3.6	3599 3.5
Poland \$ million, %	645 4.5	1274 5.6	1597 5.7	862 2.7	2843 3.9	3958 4.4	8941 5.3	6678 4.1	8463 4.3
Slovakia \$ million, %	256 4.7	331 3.7	203 1.9	106 1.4	368 1.5	497 1.6	2664 3.7	2559 3.8	2907 3.9
Visegrad countries, total \$ million, %	2201 5.3	3025 4.9	3109 3.5	1809 1.8	5065 2.3	7022 2.7	19,784 4.0	16,180 3.7	29,496 3.9
Estonia \$ million, %	182 22.6	325 17.7	431 13.3	260 6.8	335 5.7	497 6.5	1288 10.3	1118 9.7	1841 11.0
Latvia \$ million, %	287 28.6	320 24.9	218 12.0	78 4.2	255 6.4	406 7.9	1486 14.8	1456 15.3	2289 20.0
	1993*	1995	1998	2000	2004	2005	2008	2010	2011
Lithuania \$ million, %	49 4.2	552 21.1	613 16.5	271 7.1	864 9.3	1227 10.4	3796 16.0	3245 15.6	4426 16.6
Baltic States, total \$ million, %	528 17.6	1197 20.5	1262 14.4	609 6.4	1454 7.6	2130 8.7	6570 14.2	5819 14.0	8555 16.0
Romania \$ million, %	220 4.5	158 2.0	81 0.97	89 0.86	121 0.5	231 0.83	897 1.8	1101 2.3	1416 2.3
ECE countries, total \$ million, %	2949 5.9	4380 5.8	4452 4.2	2507 2.1	6640 2.5	9383 3.0	27,251 4.6	23,100 4.4	30,467 4.8

*Hungary 1994.

Source: *IMF Direction of Trade Statistics Yearbook* for 1993-2008; Eurostat, *CIA The World Factbook* for 2010-2011.

Table 4. Imports of ECE countries from Russia, 1993-2011

	1993*	1995	1998	2000	2004	2005	2008	2010	2011
Czech Republic \$ million, %	1344 10.7	1832 8.8	1583 5.5	1890 6.6	2796 4.1	4353 5.6	8726 6.2	6481 5.6	7280 5.1
Hungary \$ million, %	1746 12.1	1840 11.9	1666 6.5	2589 8.0	3387 5.7	4931 7.4	9792 9.0	6889 7.9	8866 9.4
Poland \$ million, %	1271 6.7	1960 6.7	2372 5.1	4619 9.4	6391 7.3	8775 8.7	20,235 9.9	18,046 10.4	25,142 11.5
Slovakia \$ million, %	1237 19.5	1456 16.6	1363 10.4	2177 17.0	2426 9.1	3964 11.2	7770 10.6	6197 9.2	8640 11.9
Visegrad countries, total \$ million, %	5598 10.7	7088 9.6	6984 6.1	11,275 9.2	15,000 6.2	22,023 7.9	46,523 8.8	37,613 8.5	49,928 9.5
Estonia \$ million, %	154 17.2	410 16.1	531 11.1	712 13.4	769 9.2	937 9.0	1185 7.4	996 8.3	1434 8.8
Latvia \$ million, %	270 28.1	356 21.6	376 11.8	369 11.6	615 8.7	740 8.5	1735 10.8	1162 11.1	1356 10.8
	1993*	1995	1998	2000	2004	2005	2008	2010	2011
Lithuania \$ million, %	329 23.9	1139 31.2	1225 21.1	1493 28.8	2854 23.1	4315 27.8	9398 30.2	7626 34.0	10,322 34.5
Baltic States, total \$ million, %	753 23.3	1905 24.3	2,132 15.5	2574 18.8	4238 15.3	5992 17.3	12,318 19.5	9784 21.8	13,122 22.4
Romania \$ million, %	695 11.7	1117 11.8	966 8.9	1019 8.6	2027 6.8	3035 8.3	4519 6.0	2702 4.4	2911 4.1
ECE countries, total \$ million, %	7046 11.5	10,110 11.1	10,082 7.3	14,868 10.0	21,265 7.1	31,050 8.8	63,360 9.5	50,999 9.1	65,961 10.0

*Hungary 1994.

Source: IMF *Direction of Trade Statistics Yearbook* for 1993-2008; Eurostat, *CIA The World Factbook* for 2010-2011.

Table 5. Russian trade in services with ECE countries, 2005-2011

	2005	Russian exports			2011	2005	Russian imports			2011
		2008	2009	2010			2008	2009	2010	
Czech Republic \$ million, %	133.1 0.5	286.8 0.6	241.8 0.6	497.4 1.1	638.3 1.2	472.2 1.2	873.4 1.2	693.7 1.1	970.1 1.3	1,379.7 1.5
Hungary \$ million, %	64.3 0.3	299.2 0.6	261.4 0.6	180.9 0.4	200.6 0.4	126.6 0.3	179.3 0.3	168.0 0.3	171.1 0.2	203.7 0.2
Poland \$ million, %	229.4 0.9	493.8 1.0	369.8 0.9	337.9 0.8	499.1 0.9	427.4 1.1	616.7 0.8	367.8 0.6	346.2 0.5	537.6 0.6
Slovakia \$ million, %	18.4 0.0	183.2 0.4	133.6 0.3	136.0 0.3	186.7 0.3	24.1 0.1	45.6 0.1	36.0 0.1	63.1 0.1	61.5 0.1
Visegrad countries, total \$ million, %	445.2 1.7	1263.0 2.6	1006.6 2.4	1152.2 2.6	1524.7 2.8	1050.4 2.7	1715.0 2.4	1265.5 2.1	1550.5 2.1	2182.5 2.4
Estonia \$ million, %	154.3 0.6	260.1 0.5	260.0 0.6	265.1 0.6	324.9 0.6	130.8 0.3	327.8 0.4	230.8 0.4	301.7 0.4	325.8 0.4
Latvia \$ million, %	224.9 0.9	286.5 0.6	237.7 0.6	229.6 0.4	343.5 0.6	142.9 0.4	189.2 0.3	177.4 0.3	240.0 0.3	342.6 0.4
	2005	Russian exports			2011	2005	Russian imports			2011
		2008	2009	2010			2008	2009	2010	
Lithuania \$ million, %	230.8 0.9	307.4 0.6	186.7 0.4	226.7 0.5	275.1 0.5	118.9 0.3	213.9 0.3	142.5 0.2	213.8 0.3	246.6 0.3
Baltic States, total \$ million, %	610 2.4	854.0 1.7	684.4 1.6	721.4 1.5	943.5 1.7	392.6 1.0	730.9 1.0	550.7 0.9	755.4 1.0	915.0 1.1
Romania \$ million, %	11.8 0.05	36.1 0.07	45.1 0.1	102.6 0.2	63.2 0.1	32.8 0.08	25.0 0.03	98.5 0.2	314.5 0.4	115.3 0.1
ECE countries, total \$ million, %	1067.0 4.15	2153.1 4.37	1736.1 4.10	1976.2 4.30	2531.4 4.60	1475.8 3.78	2470.9 3.43	1943.7 3.20	2620.4 3.30	3212.8 3.60
EU 27, total \$ million, %	10,031 40.2	20,650 40.3	16,005 38.5	17,212 38.3	20,886 38.7	16,768 43.3	31,683 42.0	26,547 43.2	31,412 42.6	40,544 45.1

Source: Central Bank of the Russian Federation

Conclusions

Uneasy New Beginning

Andrei Zagorski

After the end of the Cold War, Russia–ECE relations went through a profound transformation. It was driven primarily by a dynamic of its own. At the same time, it was imbedded in wider European developments, which resulted in fundamental changes in the European landscape as a whole.

The developments that shaped the new European landscape included the collapse of communism and the transition of the ECE countries to political pluralism, the rule of law and market-based economies, the unification of Germany, the dissolution of the Eastern Bloc and of the former Soviet Union, the falling apart of the former Yugoslavia, the emergence of the European Union, the policy of “returning” or re-integrating with Europe” pursued by ECE nations, and the transformation of the North Atlantic Alliance. Meanwhile, all ECE countries have become members of NATO and the EU.

The European landscape was also shaped by the ambiguous outcome of the post-communist transformation of the Soviet successor states, including Russia, as well as by the policy of Moscow aimed at consolidating the post-Soviet space and developing a Eurasian community. The latter is often conceptualized as a pendent to the Euro-Atlantic community. The Eurasian community is still limited

to a few Soviet successor states, with Russia at the core, but manifests the ambition to grow and to extend to as many countries of the former Soviet Union as possible.

Over the past twenty years, Europe as a whole has experienced an unprecedented build-down in armed forces. Nothing in contemporary Europe any longer justifies fears of a return to the arms race or military confrontation reminiscent of the Cold War times.

Residual instability remains in some areas of Europe, particularly in South Eastern Europe or in the former Soviet Union, where protracted conflicts continuously fuel concerns of an eventual re-escalation. However, a large-scale war in Europe, or wars among most of the European nations have become impossible. The security agenda is increasingly dominated by transnational security threats and challenges, and expanding cooperation among states regardless of their membership of security alliances.

Russia and ECE countries have multiple platforms for maintaining dialogue and developing cooperation. Apart from improving bilateral relations, they can benefit from working together within various multilateral frameworks. They are participating states of the OSCE, which is a platform for the maintenance of permanent political dialogue and for developing cooperation on a wide range of issues. The ECE countries have an important role to play in developing cooperation within the NATO–Russia Council, as well as through a highly institutionalized dialogue between the EU and Russia. Last but not least, Russia and the ECE countries are part of sub-regional frameworks, such as the Council of the Baltic Sea States or the Black Sea Economic Cooperation. Those institutions can also play an important role in increasing mutual confidence and developing practical cooperation.

Nevertheless, Russia and the ECE countries have a long way to go to return to normalcy in their uneasy mutual relations.

Transition Accomplished

The transformation of the European landscape and of the relationship between Russia and East Central Europe has resulted in a state

of affairs that is not contested and has become an integral part of the European peace order.

The Eastern Bloc disassembled in a cooperative way

In 1991, the Warsaw Pact and the COMECON, the two multilateral pillars of the Eastern Bloc were disbanded. Russian troops had left East Central Europe by the mid-1990s. The ECE countries have successfully negotiated new basic treaties with the Russian Federation to replace previous bilateral instruments of mutual assistance which institutionalized their limited sovereignty within the Eastern Bloc.

There were disputes but they were resolved in a cooperative manner. Russia did not break any of its commitments negotiated in the process of troop withdrawal from ECE countries or other issues.

The Baltic States have settled their borders with the Russian Federation.

Except for a few cases, the legacy of disputed history no longer represents a political liability in mutual relations. Virtually in all cases in which Russia and ECE countries have not shied away from addressing difficult issues of their common recent history in an open way, those issues are off the political agenda, although they may still be important elements of national memory and historical narratives.

However, whenever either side did not exhibit openness and cooperativeness in addressing contested history, those issues remain on the political agenda and often prevent the countries from moving ahead towards a more pragmatic approach to resolving pending bilateral issues and boosting cooperation.

Contested history and minority rights still represent residual issues that need to be addressed, particularly in relations between Russia and the Baltic States and Romania. Here, efforts aimed at achieving mutual reconciliation are still badly needed.

The ECE countries have achieved the goal of “returning to Europe”

This vision was largely shaped by former President of Czechoslo-

vakia Václav Havel. They have all acceded, not only to the Council of Europe, but also to NATO and the EU. This has firmly anchored them in the Euro-Atlantic community, which provides them with a reassurance and certainty they sought after the end of the Cold War.

Once firmly anchored in the Euro-Atlantic community, the challenge of defining and shaping new relations with the Russian Federation increasingly loomed on the agenda of most ECE countries. The ultimate shape of a new relationship, however, remains ambiguous.

Russia has accepted and respects the choice of the ECE countries
NATO enlargement into the ECE was one of the most controversial issues in the mid-1990s. The enlargement of the EU, as it approached in the early 2000s, also produced several disputes with the Russian Federation.

However, most, if not all practical or political issues that emanated from the eastward extension of the Euro-Atlantic community, have been resolved by negotiation. Moscow has accepted and no longer contests or seeks to reverse the changes in the status quo that have occurred due to the integration of the ECE countries into the Euro-Atlantic community.

Particularly since the early 2000s, Moscow sought to re-engage ECE countries by repairing and developing political dialogue, which had suffered under the NATO enlargement controversy, and by offering ECE countries increased economic cooperation. However, it has done so rather selectively and has pursued this policy only when its cooperative moves were reciprocated.

Ultimately, the outcome of the more recent attempts at repairing Russia-ECE relations remains extremely uneven, ambiguous and fragile. More recent improvement of relations between Russia and individual ECE states is balanced by either failures or stagnation and even reversal.

Russia has obviously failed to formulate a clear and sustainable vision for the future of its relations with ECE countries, except for building upon the eventual benefits of expanded trade and economic cooperation.

Nevertheless, the completion of the transition of ECE countries after the end of the Cold War, which included their domestic post-communist transformation, the overhauling of the fundamentals of their relations with Russia, and firm integration with the Euro-Atlantic Community, as well as the acceptance of those changes by the Russian Federation, provide for a basis for a new beginning in their mutual relations.

However, the new beginning shall not be taken for granted unless both Russia and the ECE countries show political will and dedication in cooperatively addressing the issues on their agendas.

Economization of Relations

From the late 1990s and early 2000s, the prospects of improving mutual relations were associated in most ECE countries and in Russia with boosting economic cooperation. Indeed, it was seen by many to be the “lowest hanging fruit”, an area in which significant progress was expected in a relatively short period of time.

Promoting trade, developing large-scale cooperation projects, promoting mutual investment and cooperation in the energy sector were the main areas under consideration during the past decade. Bilateral inter-governmental commissions for economic cooperation were re-established with Russia by almost all ECE countries after their accession to the EU in order to promote cooperation without interfering with the mandate of the European Commission.

Trade growth

The anchoring of ECE countries in the European Union and their economic reorientation towards European markets during the 1990s made many of them champions in intra-EU trade. In some cases, the European Union absorbs up to 80 per cent of the external trade of individual ECE countries. Seeing this objective accomplished, many ECE countries started exploring further opportunities to expand exports beyond European markets. Russia is seen as one among the growing markets worth re-entering. Many ECE countries sought to benefit from the large-scale economic modernization

programs of the Russian government and from the modernization partnership concluded between Russia and the European Union in 2010.

There has been a remarkable increase in economic exchange between Russia and ECE countries over the past decade. This helped to stabilize the share of Russia in ECE exports at the level of almost 5 per cent (6 per cent in 1993 and 2.5 per cent in 2004), although the importance of Russia as an export partner is significantly higher for the Baltic states (16 per cent) as compared to the Visegrad countries (4 per cent) or Romania (2 per cent). The share of the ECE countries in Russia's trade has also stabilized at the level of 12 per cent in exports and 9 per cent of imports.

Limits of economization

Representing a generally positive trend, the increased trade and economic cooperation is not unproblematic. Energy supplies continue to dominate Russian exports to East Central Europe. This sets a limit to further growth unless Russian exports are diversified substantially. This requires a profound modernization of the Russian economy in general. Due to the predominance of energy in economic exchange, trade between ECE and Russia remains highly unbalanced. Although exports from ECE countries to Russia grew faster than imports, in absolute terms their trade deficit grew from 14.6 billion USD in 2004 to 35.5 billion in 2011. Estonia and Latvia are the only countries that have achieved a trade surplus with Russia in the past few years.

At the same time, apart from the generally growing trade, no ambitious common economic project has been launched in recent years that could eventually become a symbol of a new relationship between Russia and ECE countries. All projects that have been under discussion have been dropped for either political or economic reasons. At the same time, several issues of economic cooperation with Russia remain politically highly controversial within East Central Europe, or figure prominently on the agenda of their bilateral relations with Russia.

This is particularly true with regard to energy security, which is

widely associated in East Central Europe with the goal of obtaining independence or at least lowering the dependence on energy supply from Russia, particularly since this dependence is higher in East Central Europe than in most other EU countries.

The discussion of the issue largely concentrates on security of supply and the diversification of sources of energy and their delivery routes. Although individual countries have followed different paths in addressing this challenge, in many ECE states energy dependence is closely associated with the fear of an eventual abuse of the existing dependence by Russia which, pursuing political objectives, could seek to intimidate or punish individual countries. Those fears not only boldly manifest themselves in some ECE countries but also have a role in domestic politics and significantly affect policy choices made by individual governments.

More recently, the debate has started to shift to the implementation of the third energy policy package of the European Union which, severely hurting the interests of the Russian gas export monopoly Gazprom, has become one of the most contentious issues in relations between Russia and the European Union, as well as – in particular – between Russia and Lithuania.

The discussion of energy security represents one of the most powerful irritants in relations between Russia and several ECE states, although not with all of them. It would take serious efforts and political will on either side to rationalize this debate and to restore mutual confidence in order to turn cooperation in the energy field from an issue poisoning relations into a positive component of mutual relations.

Mutual relations are further poisoned by the fears that Russian investment in the ECE countries, not least purchases of assets in the energy or a few other sectors considered sensitive, could challenge the sovereignty of those countries or jeopardize internal security.

At the same time, investment from ECE countries in Russia remains limited. The main reason is the lack of confidence in the stability and predictability of the Russian market and the fear of eventual political interference. However, Russia's accession to the WTO is expected to remedy those fears.

Limited Effect of Economization

Efforts at developing more solid and pragmatic economic relations with Russia have been taken by several ECE countries over the past decade, and have been at the center of the political dialogue between Moscow and those countries. The outcome of these efforts and particularly their effect on the bilateral relationship in general, however, have remained limited. As the dynamic of economic cooperation has not translated into improved and results-oriented political dialogue it has not yet set an example that would be seen as worth following by other countries.

Economic cooperation has not (yet) helped the conversion of the policies of Russia and the ECE countries on the most contentious international issues.

Economic cooperation has encouraged both Russia and a number of ECE countries to re-engage each other in a more intensive high-level political dialogue. However, while agreeing on the importance of addressing economic cooperation in a pragmatic manner, both sides usually agreed to disagree on many political or security issues. With a number of ECE countries, the controversy over new security issues – such as consent to the deployment of U.S. ballistic defense or other military assets in the Czech Republic, Poland or Romania – has even escalated in recent years, significantly poisoning mutual relations.

Russia and ECE countries continuously diverge on a number of issues, such as the European security architecture or, more particularly, policies with regard to the common neighborhood, beginning with the policies towards the resolution of protracted conflicts, particularly in Transdniestria, the open-door policy of NATO and the prospect of integration of some post-Soviet states into Euro-Atlantic institutions, the objectives of the Eastern Partnership policy of the European Union, or the rationale of developing of a Eurasian Community, centered around Russia. The controversy over the Russia–Georgia war of 2008 and particularly the 2014 Ukraine crisis became high points revealing the existing divergences.

ECE countries differ very much in the extent to which they show their attachment to the eastern neighbors of the European Union, or

to which they are ready to promote their integration into the Euro-Atlantic institutions. A few ECE political leaders have even gone as far as to publicly express their understanding of, if not sympathy with Russian policies, which are otherwise the subject of strong criticism in the ECE countries. However, they were not strongly backed by domestic political circles or public opinion, or even by their governments.

In other words, the divergence of political discourse in Russia and ECE has continuously prevailed over its eventual convergence. More importantly, the economization of relations between Russia and ECE countries has not yet helped to reverse the unfortunate state of their political dialogue in the 1990s, when the political leaders of Russia and ECE countries, with very rare exceptions, did not talk to each other on difficult issues.

Domestic political groups and public opinion in ECE countries remain split on the rationale for improved relations with Russia.

A review of fairly unsystematic surveys before the Ukraine crisis reveals that, in most cases, the general public opinion in ECE countries has been developing moderately in favor of Russia. Fewer people in ECE would see Russia as a threat, more would emphasize the need for economic cooperation. However, public opinion in ECE countries remains very sensitive to any signs of controversy in relations with Russia. Such fears rise substantially particularly when specific controversies are mounting with Russia, for example, concerning the US deployments in individual countries followed by threatening statements by Moscow stipulating the possibility of targeting those countries by Russian missiles. They also rose as a result of the Russia–Georgian war and particularly with the 2014 Ukraine crisis.

The growth of economic cooperation has helped emerging interest groups ready to lobby for better relations with Russia. However, in most ECE countries, these interest groups have little influence on government decisions related to relations with Russia.

This split is even more visible in the political realm. Political parties in most of the ECE countries strongly differ on the issue of

relations with Russia. While some political parties – most often, although not always representing the political left – tend to emphasize the importance of improving economic relations with Russia, other caution not to re-engage and to retain a safe distance from Moscow.

As a result, changes in governments of ECE countries lead to changes in policy towards Russia, which does not make it possible to sustain the momentum of even moderate improvements. Apparently, this tendency has been changing slightly over the past few years, revealing a modest trend towards a gradually developing consensus in some ECE countries on their Russia policy. But this trend is still neither firmly rooted nor universal in the ECE.

New security issues are looming on the agenda.

Apart from the recent controversies with the Czech Republic and Poland, or the contemporary one with Romania concerning U.S. deployments, which go far beyond the purely bilateral agenda of their relations with Russia, there are other developments which become challenging in the context of Russia's bilateral relations with neighbor states in the ECE, particularly with the Baltic States, Poland and Romania.

The new issues have gradually arisen from the ongoing modernization and restructuring of armed forces of Russia and the ECE countries, as well as from their military exercises in the proximity of each other borders, including the more recent NATO exercises, which are part of the contingency planning to defend Poland and the Baltic States. The relevant security issues are growing in importance, particularly against the background of the erosion of European arms control, which results in reduced cooperation and mutual transparency.

This trend further consolidated in 2014 with the Ukraine crisis.

External Factors

The accession of ECE countries to NATO and the European Union has had different effects on their relations with Russia.

In some countries, it has been seen as a new solid foundation from which they could seek to develop a new relationship with Russia without fearing becoming subject to Russian domination. In others, it has been seen as a safety net, not only providing the necessary sense of security but also making any re-engagement with Russia unnecessary until Russia and its policy change profoundly. Others have sought to instrumentalize their membership particularly of the EU as a means of increasing their leverage in otherwise asymmetric relations with Russia.

The two latter strategies have hitherto failed to produce significant effects in terms of improving bilateral relations with Russia. On the contrary, their relations with Russia remain either estranged or have even aggravated recently.

Otherwise, two contradictory developments could be observed over recent years revealing the still strong dependence of bilateral relations between Russia and ECE on overall relations between Russia and the US, NATO or the European Union.

On one hand, Russia–ECE relations have repeatedly benefited from any significant improvement in US or NATO–Russian relations and, on the contrary, have suffered from their decline. The same seems to be true with regard to the effects of EU–Russia relations, although those effects have not been similarly straightforward.

The attempts at re-setting in US–Russian relations during the first administration of Barack Obama obviously increased the incentives for ECE countries to seek to re-establish their relations with Russia. The controversies accompanying US–Russian relations, at the same time, have repeatedly afflicted the Russia–ECE agenda although, ultimately, these controversies were waged primarily between Moscow and Washington, and their outcome could hardly be affected by bilateral ECE–Russian relations.

The controversy over the US deployment of ballistic defense systems in the ECE – five years ago concerning the anticipated de-

ploysments in the Czech Republic and Poland, more recently in Romania – serves as a good example to highlight this point. It remains primarily a bilateral dispute between Russia and the US which has overshadowed Moscow's relations with the respective countries. Any solution to this dispute would hardly depend on the individual ECE countries, however.

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