

Dangerous undertows erode the stability of Central and Eastern Europe

Scandinavian option for the Baltic States?

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Political and social stability of the Central and Eastern European (CEE) region is being slowly eroded by dangerous undertows. They tend to undermine the confidence and trust of the people in their governments and in the European Union (EU). The undertows, originating mostly in Russia, are sowing seeds of political, economic, energy and ethnic discontent as a way of gaining influence in and dominance over the countries that were once controlled by the USSR.

But history doesn't have to repeat itself, say scholars, government officials, and foreign affairs analysts from a whole host of European and NATO countries. They have been meeting over several past years to not only support the high degree of momentum these former Soviet occupied countries have maintained in working together to realize a range of shared regional priorities and initiatives, but also to address concerns to potential threats before they become problems. While the region has attained considerable cohesion, significant challenges remain and new ones have emerged from disagreements and diverging perspectives on threats to security, the Euro-zone crisis, relative importance within the EU, and revival of submerged historical-political friction between some of the countries. Furthermore, resurging Russia and its aggressive political as well as military posturing is creating anxiety in the CEE region and particularly serious in the Baltic countries. This paper highlights some of these issues addressed in several important conferences during the last couple years and discusses alternatives that could possibly lead to some realignment of power structures within the region.

The conferences

The Center for European Policy Analysis (CEPA) held in Washington a Strategy Forum on September 20-21, 2012, to discuss U.S. strategic policy regarding Central Europe. Among the participants, presenters included several undersecretaries from the UNITED STATES government, presidents from several U.S. Think Tanks, officials from the U.S. Foreign Relations Council, the Minister of Foreign Affairs of the Czech Republic, heads of the departments of foreign affairs of Poland, Hungary, Slovakia, Croatia, Slovenia, Romania, a number of ambassadors and important scholars of political affairs of numerous countries throughout the world. This forum was preceded by a Conference on "Transatlantic Relations" organized by the Washington based Atlantic Council on September 11, 2011. The Conference addressed the need for creation of the Baltic-Scandinavian alliance (NB8) and its benefits to the security of the entire Baltic Sea region and particularly the Baltic States. A similar topic was discussed on October 9, 2012 at the international conference organized by the University of Vilnius in cooperation with the Swedish Atlantic Council and the Swedish Academy of Military Science.

Reflections on discussions and their findings

The ongoing economic crisis and the threat to "euro's" survival as the single currency is shaking the foundations of the European integration project, influencing relationships and shared aspirations of the EU member nations, and significantly affecting the image and future prospects of CEE countries. Surprisingly, these changes may also alter the symbolic perception of the geography of the CEE region from the Western European perspective. The economic crisis in Europe has shown that political and economic viabilities of CEE countries are no longer a drag on beneficial cooperation within EU. The economic downturn has by now significantly reduced

international ambitions of the Brussels based EU bureaucracy, and at the same time has greatly diminished illusions of grandeur of some CEE countries. All these lead to more balanced policies among all EU countries.

One of important developments in the European debt crisis and its effect on EU economy is that for the first time in more than six decades, the CEE region is not seen as a symbol of instability and inefficiency, and therefore, not a major threat "to the framework of the civilized European Community". This change in perception was brought about by the faltering economies, major social unrest, unemployment and inability of dealing with financial problems by peripheral countries of Southern Europe.

Surprisingly, some of the new northern EU member countries, such as Poland, the Czech Republic, and the Baltic States, suddenly showed up as exemplary hardworking, disciplined and stable. "At least for now, this northern region seems to be finally starting to replace a well entrenched image of the west European citizenry that east of the Elbe begins the dark side of the European continent", remarked assistant director Jan Havranek of the Czech Ministry of Defense at the CEPA conference

Such an altered image will remain in the long-term, if the CEE region will be able to continue successfully managing its economy, energy, finances, its social affairs and engage constructively in EU policies. Until 2004, the CEE region expended all efforts to distance itself from the communist past in order to join the North Atlantic Treaty Organization (NATO) and the European Union. It succeeded in this. At the same time, the economic crisis in the southern EU region helped to highlight differences between the various EU regions such as income levels, productivity of the working sectors, infrastructure and cultural gaps, and social responsibility. Noted examples might be comparisons between Poland and Spain, the Baltic countries and Greece, etc.

Seeking common positions

Now, more than since joining the EU, national and personal political ambitions of some of the leaders of several CEE countries have hindered the establishment of common positions on key issues within the EU agenda. The region's countries did well when they had to follow the guidance and directives of the EU. However, reaching agreements by themselves on common CEE regional issues were up to now rarely successful. Even most vitally important, but logically simple issues, succumb to seemingly insurmountable obstacles. For example, Lithuania chose to build a Liquid Natural Gas (LNG) terminal by itself, rather than wait for the agreement to build a EU funded common terminal serving all of the Baltic countries; Latvia and Poland are delaying the construction of Via Baltica which is vitally important for rapid surface transportation into western part of the EU; Latvia decided to expand rail links to Russia rather than giving priority to the construction of Rail Baltica (a European rail connection in south-north direction through the Baltic states and Poland); Lithuania is prolonging disputes with Poland over use of the letter "w" in Lithuania's passports, etc. The region is also widely divided regarding the European Monetary Union (EMU). Estonia upon implementing drastic economic and financial reforms rushed to join the EMU, while the Czech center-right government and its president Klaus Vaclav boasted about the wisdom of keeping the country out of "euro", said prof. Petr Suchy of the Masaryk University's International Relations and European Studies Department. While Poland is striving to become the region's leader in the EU corridors in Brussels, the Czech Republic and Hungary have at times become negative, sniping at Poland's ambitions, and often challenging proposed EU policies. The Hungarian Foreign Minister János Martonyi said in Berlin in November 9, 2012, "Hungary has a "vested interest in a strong Euro-zone but will only support its transformation if its members are allowed to take their own path and the zone as a whole remains open to applicants wishing to join it".

Because of inability by CEE countries to reach consensus on some key issues, the region is not able to receive appropriate attention and weigh-in with sufficient influence on matters of international importance in Brussels, Berlin or Paris. Due to different national political ambitions, the voice of the region at the EU is almost inaudible, even though in terms of the size of the population, it could equal at a minimum that of France or even Germany. Unlike dissent regarding closer political integration and monetary union of the EU, the CEE regional cooperation is most visible at the technical level, i.e. on security and defense issues, scientific and cultural projects.

Ed. Lucas of the Economist magazine noted that the European economic crisis has developed, particularly in the Southern region of the EU, into wholesale distrust of EU institutions. As a result, the self-inflated bubble of the EU as a political and military superpower just vanished. Consequently, the European security and defense ambitions are now much more realistic. The economic crisis has led to search for cost savings, pooling and sharing in defense projects, joint military developments of more modest capabilities with the aim to contribute to NATO's international security capabilities. To be loyal members of NATO and to participate in deeper EU integration are no longer mutually exclusive goals.

Changes in NATO and EU defense concepts

Unlike in the past, NATO and EU now accept the formation of separate regional defense subgroups which can naturally grow, strengthen and assure their own security, defense, environmental, and energy interests, particularly with more modest support of such efforts by the U.S. Poland is trying to construct such a subgroup based on Visegrad countries' participation. The Nordic countries consisting of Denmark, Finland, Iceland, Norway and headed by Sweden, aim to include in its block the three Baltic countries (Estonia, Latvia, and Lithuania).

Involvement in the Nordic block is less complicated to Latvia and Estonia, because of their affinity to the Protestant ethics and almost a thousand years contact with Germanic and Scandinavian cultures. In contrast, Lithuania's religious and cultural backgrounds are closer associated with those of Poland. Moreover, Lithuania shares a common border with Poland. Its land transport to Western Europe is through Poland. Although it can connect to Western Europe through the Baltic Sea, the seaway is not an efficient and sufficient substitute for vehicular and rail transport.

Lithuania in Poland's and Russia's shadow

Lithuania, according to its geographic proximity and cultural and religious similarities, was inclined up to now to work closely with Poland. However, in the last several years, relations with this "strategic" partner have begun to deteriorate. The tragic death of President Lech Kaczynski and many of his cabinet members in the 2010 plane crash has brought about significant changes in Poland's political orientation. The new government has assumed a role of supremacy in the region and began to look down not only on Lithuania, but also on its smaller Visegrad partners. Poland began to see itself as a decisive player in Central and Eastern Europe and of parallel importance to France and Germany with a deciding voice in shaping the future of Europe.

While Lithuania is seeking recognition from Poland by acknowledgement of partnership at equal terms, the deterioration in good neighbor relations offers at this time no bright prospects for the future. The post Kaczynski government's friendly flirtation with Russia, has apparently diminished Poland's concerns towards security of the Baltic States. They appear to be left to fend for themselves vis-a-vis Russia. This Polish attitude is not expected to change in the near future unless the current government is forced to modify its attitude either by some external events or by a policy change of a new government. Similar concerns have been voiced also at the above cited CEPA Conference by the Czech, Slovak and Hungarian speakers noting of difficulty to find in many instances a common language with Poland. As a result of deteriorating relations with Poland, and

the U.S. showing less interest in the European region, Lithuania's political attention began to drift towards improvement of relations with Russia and neighboring Belarus, and the establishment of a much closer collaboration with the Nordic-Scandinavian block.

While improvement of relations with Russia and Belarus is important, the Baltic States nevertheless cannot close their eyes as Russia is rapidly modernizing and strengthening its armed forces and continues threatening military exercises near their borders. At the same time, the Baltic States must take into account that a large part of their economic well-being depends on trade with and transit through Belarus and Russia ("Lithuania's Role in the Northern Distribution Network", Eurasia Daily Monitor

February 1, 2013). For example, Lithuania's Department of Statistics reports that 25% to 30% of Lithuania's exports are to these countries, and even a larger proportion is imported from them. Transit of cargo through territories of Belarus and Russia into Asian countries depends on the willingness, particularly Russia, to allow the Baltic countries' transport companies to use their road and rail infrastructures. Similar to Latvia's and Estonia's seaports handling substantial Russian cargo, Lithuania's port of Klaipeda (Klaipeda port authority information) transships more than 12 mln. tons per year of Belarus cargo of a total of 36 mln. tons handled yearly by this port. Lithuania earns from Belarus over 75 litas for each handled ton of cargo. Accordingly, the port of Klaipeda receives for these services from Belarus alone about 1 bln. litas. Thus Lithuania has little choice than to set its relations with Russia and Belarus based on pragmatic economic interests without compromising its sovereignty. According to parliamentarian V. Gapšys "In dealing with these countries we must be smart and weigh every word we say, remembering that the neighbors can interpret any of our expressions in their own way with long lasting consequences to follow and many years needed to mend them."

Nordic Countries: assured security or illusion?

In view of Poland's newly adopted indifference towards the future of the Baltic States and uncertainty of its future political direction as well as aggressive military posturing of Russia and Belarus at their borders, Lithuania is turning for security purposes towards closer affiliation and possible alliance with the Nordic block. While an effective alliance would be very desirable, it is fraught with distrust of Sweden's sincerity to come to the aid of the Baltic States in the event of external aggression. It arises from the fact that Sweden neither helped Finland to defend itself when attacked by Russia in 1939, nor protested the invasion and subsequent occupation of the Baltic States by the Soviet Union in 1940 and for nearly 50 years thereafter. While championing human rights issues in the United Nation's corridors during post World War II years, Sweden did not voice any concern about the terror, mass annihilation and fate of the Baltic people inflicted by the Soviet Union. Even after the Baltic people began their quest for independence in late 1980s, Sweden was a silent bystander for several years as the struggle continued against the Russian occupation. Only after the Baltic States restored their independence, Sweden's financial institutions began a massive inflow into the Baltic countries

As the U.S. begins to focus its attention away from Europe, and as EU's financial support of NATO began to diminish ("In Europe Moment of Truth on Defense, Wall Street Journal", 02/01/2013), Russia started flexing its military muscle in the region (Latvia's prime minister Dombrovski, Baltic News Service, 01/28/2013). According to the Swedish reserve Major General K. Neretnieks, Sweden began to realize that its own security was no greater than that of the entire Baltic and Nordic region. Sweden came to the conclusion three years ago that its security is inseparable from the security of their neighboring countries. As a result, Sweden began to change its position on neutrality and entertain thoughts on how, in the event of military crises, it could help their neighboring Baltic countries. Possible examples of such conflicts and potential resolutions are

found in the Swedish Academy of Military Science research collection entitled "Friends in Need: Towards a Swedish Strategy of Solidarity with her Neighbors", Oct 12, 2012). "Although chances of the Baltic countries being attacked by military force are relatively small, it is important not to be submerged in self-deception by assuming that the heads of Russia will always act rationally", noted Neretnieks. The basis of their decisions may be different than ours. They might conclude that certain form of aggression at some point in time is most convenient for them to attain their strategic goals, such as occurred most recently in the invasion of Georgia. Also, no one can say what Russia will be in five, ten, and fifteen years from now. In their study, the Swedish researchers considered three possible scenarios of confrontation and/or conflict:

First: Crisis arising in peace time. As an example, K. Neretnieks cites Russia's inspired unrest in Estonia in 2007 created by the relocation of the statue of the bronze soldier.

Second scenario: Peacetime escalation of tensions due to appearance of threatening military posturing. According to the visiting in Vilnius Swedish military reviewers, such a situation is very delicate, because it cannot be established with any assurance if this is merely a Russian military exercise or preparations for serious military action. According to K. Neretnieks, the final resolution of such apparent threats might depend on promptness of NATO with a commensurate response. For example, in an appearing threatening scenario, NATO might deploy limited contingency of troops to Sweden. Here, however, political and bureaucratic problems would be encountered, because Sweden is not a member of NATO.

The third scenario is open military aggression against the Baltic countries. K. Neretnieks notes that initial defense would fall on the Baltic States themselves. They would have to resist long enough until their NATO allies come to the rescue. The control over the entire Baltic Sea and the staging point for countering military operation would be from the Swedish island of Gotland. While use of Swedish territory by NATO forces without declaring war would still be very tricky, in real threat to the Baltic countries use of Gotland would be justified and supported by the Swedish constituency

Such Swedish defensive thinking is welcome to Lithuania and the other Baltic countries, particularly that it is planned at the level of the entire Nordic partnership. However, Lithuania's slowness to jump instantly at this opportunity is due to its dissimilar historical, geographical, cultural and ethnic backgrounds from its northern neighbors. To overcome such lack of enthusiasm, political analysts suggest raising public awareness on topics that would be of concern and benefit to constituencies of all countries. Ed. Lucas cites as examples cooperation in energy projects, protection of environment, ecology, NGO activities, educational and cultural exchanges, and health and safety issues. Substantial orientation by the Baltic States towards Scandinavia can have not only defensive but also significant other benefits. "Acting in agreement as the entire region and raising jointly our concerns at the EU, we would be heard. In contrast, by acting alone, we relinquish the final decisions to the great powers in the European Parliament and other EU institutions", says Paksas, the former president of Lithuania. Political scientist T.Janeliūnas agrees that "...the Scandinavian block could become a very close partner to Lithuania, but at the same time good relations with Scandinavia do not have to be an alternative to Poland. It is just a new power balancing factor."

Considerable attention was created by the British Prime Minister David Cameron convening a Nordic-Baltic Summit in January 2011. However, the discussions focused primarily on social and economic ideas, instead of security that is of most urgent concern to the Baltic States. Ed. Lucas notes, "that although England's interest would be a positive indicator of the NB8 growing importance, the British armed forces would be neither credible nor of substantial defense value to the Nordic and Baltic Bloc".

In Search of Ways to Strengthen Nordic and Baltic Ties

Ed. Lucas suggests imminent efforts to strengthen the Nordic and Baltic cooperation by working together on matters of lesser and shorter range significance and addressing the more complicated theoretical issues at an appropriate future time. He encourages expanding communications and beginning to address issues that are of common concern to all involved parties, such as energy, pollution of the Baltic Sea, ecology, narcotics traffic, law enforcement, public safety and terrorism, migration, common research projects, economic cooperation, tourism and other areas. Such initiatives would open the two regions to better familiarity with and trust of each other as well as increased confidence in each other's integrities. It would also demonstrate to the world that this region not only knows how to live in peace, but also how to assure each other's safety and security.

Analyzing compatibility of the Nordic-Baltic countries, Alf. Vanags observes in a study published in the 2012 AABS journal under the title "Economic Integration and Cohesion in the Baltic Sea Region", that a huge difference exists not only between the Nordic and Baltic blocks, but also between the Baltic countries themselves. His analysis showed that:

- The Baltic states, even after twenty years of independence, are considerably poorer than the Scandinavian countries, and are much more affected by the economic crisis;
- Significant cultural, political and societal maturity differences exist between the Nordic and the Baltic blocks;
- From the point of view of the Baltic countries, it is evident that the integration agenda of the Baltic states into the Nordic block is largely at the convenience of their rich neighbors;
- The Baltic countries lack cohesion and willingness to cooperate on tasks of mutual interest;
- There is neither a shared vision nor approach towards Russia;
- There are no or only very weak institutions working towards promotion of integration of the two blocks.

Overall conclusion of the study: there is considerable asymmetry and only very narrow common interests between the two blocks other than commonality of the Baltic Sea and its ecology.

Even in the face of such significant differences, Sweden and other Scandinavian countries understand that in case of a conflict in the neighborhood, they cannot remain just bystanders. They will have to be prepared to react accordingly. Of first importance is preparation of an overall plan by all of the Nordic and Baltic partners, followed by the establishment and coordination of leadership for operational and management functions, compatibility of organizational structures and weaponry, followed by joint exercises. Although some activities in this direction have already been started, they are far from sufficient. "It requires substance, rather than declarations on paper of solidarity. Good intentions do not have much credibility, if they are not backed up by joint planning, joint exercises, etc", says Colonel Bo Hugemark, member of the visiting Swedish delegation.

Of even more importance is the need to secure consent of populations of affected countries. The only way to move forward is through building public awareness of why integration of the Baltic States into the Nordic block is needed and of benefit. Public and political support is essential for success. Ed. Lucas points out the need to focus on demonstration of beneficial accomplishments such as making fragmented practical progress on least controversial elements. More complex issues should be addressed when they are less volatile to deal with.

Beneficial interactions between the smaller Baltic and the larger Scandinavian blocks can more readily occur on military issues, such as joint defense planning, procurement sharing, information exchange in cyberspace and energy management, intelligence sharing, maritime and air surveillance, planning and execution of joint emergency/rescue operations, cross-participation in

military exercises, etc. Although Sweden and Finland are not members of NATO, cooperative, limited participation in joint exercises in the Baltic Sea region, joint rescue/disaster/humanitarian projects are items that will find wide public support. In parallel, for example, the Baltic countries could be invited to play a more active role in Norway's annual "Cold Response" and other Nordic defense exercises. Cooperative activities in various projects would allow military officers from different countries the opportunity to relate to each other at personal levels, build mutual trust, and learn of reactions and interactions in emergency situations. Such steps will prepare the five Nordic and the three Baltic countries to respond with integrated and well coordinated defense.

In a cautionary note, Gen. K. Neretnieks said, the Nordic countries will not drag their Baltic neighbors kicking and screaming into joining the partnership. The Baltic countries will have to do their best to catch-up and become equals to their Nordic counterparts. The Nordic countries realize great difficulties for the Baltic countries to catch-up in the near future at the economic level. However, there is little reason for not partnering at the political level while also proportionally sharing expense burdens for common defense. Achieving equivalency is the key to full and successful integration of the Nordic and Baltic Blocks.

And what is in the future?

The euro crisis has shown that economic and financial problems within the EU are difficult to resolve and cooperation for common defense is not very well organized. In view of EU's inability to provide adequate funding for NATO's defense needs and while the U.S. is redirecting its attention and energy to Asia, there is no guarantee that Russia will not try to take the opportunity to reclaim the territories that at one time were controlled by the USSR. Its initial targets might be the more vulnerable countries or regions to defend, particularly those having little significance to major EU players.

Russia's first choice might be political, social, military and ethnic vulnerabilities of the free Caucasus countries and Ukraine. Second in line of importance are the Baltic States, followed by former satellites of the USSR. Of course, a lot will depend on how quickly can Russia modernize its armed forces and rebuild their striking potential. It also depends on Russia's success to undermine the confidence of target populations in their respective governments, their social stability, and their national consciousness, as well as the EU's resolve to support democratic processes of countries at and/or beyond its current borders.

Russia already fired the first shots towards Caucasus, by successfully annexing parts of Georgia and subsequently, influencing the voters in Georgia in October 2, 2012 to elect a parliament favorable to Russia. Some political scientists believe this to be an initial step in neutralizing Georgia to the level of Ukraine. Only a couple of weeks later, an agreement of close cooperation was signed on October 13, 2012 in Jeravan between the presidents of Russia and Armenia. Armenia agreed to extend Russia's military presence "to assure protection" of its territory". Elections in Lithuania on October 14, 2012 resulted in a sharp left turn in its political direction with the Russian born Viktor Uspackich leading Lithuania's Labor party to the second most popular rank in the number of votes received. Russian influence in the Lithuanian parliamentary election was confirmed by the news agency "RIA Novosti" in an article by V.Dubново in which he described Viktor Uspackich as "Our man in Lithuania". The article notes of the Labor Party leadership's dependence on support by the Russian gas giant Gazprom. According to Dubново, President Grybauskaitė may be forced to allow Uspackich to play a dominant role in shaping Lithuania's government. And Uspackich, like the siren in Greek mythology, lured Lithuania's voters with melodious promises to nearly doubling the minimum wage level, raising the nation's economic vitality, and eliminating unemployment. That this may lead debt plagued Lithuania to full economic and social upheaval, and drive Lithuania into Russia's arms, is not mentioned. Only the future will

tell if the elected parliament in 2012 will be able to keep Uspackich at bay and the new political leadership will firmly steer Lithuania towards safer shores of the Nordic partnership.