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Introduction

Andres Kasekamp, Estonian Foreign Policy Institute

The Estonian Foreign Policy Institute was pleased to host the 2nd Baltic-German Dialogue in Tallinn on 31 May–2 June 2002. This was the second event which brought together representatives of the international affairs institutes of the four countries: the Estonian Foreign Policy Institute, the Latvian Institute of International Affairs, the Institute of International Relations and Political Science at Vilnius University, and the Stiftung Wissenschaft und Politik, Berlin to discuss matters of common interest and concern. The forum also included parliamentarians and senior officials from all four countries who contributed to the success of the roundtable discussions.

The 1st Baltic-German Dialogue was held in Berlin on 2–4 November 2001 and its results can be read in an earlier publication similar to this one. This unique series of meeting has been made possible thanks to the generous support and participation of the Friedrich Ebert Foundation.

The topics discussed in Tallinn were the new NATO and Russia's role in it, the impact of European Union enlargement and the Schengen border regime, and the Baltic input into the Convention on the future of the European Union. Debate was most intense in the discussion on the new NATO and particularly Russia's role in it. This was an extremely topical issue because only a few days earlier US President Bush and Russian President Putin signed the agreement creating a new NATO–Russia Council.

The discussion regarding the Schengen border regime was also extremely topical because the issue of Kaliningrad and how to regulate the movement of its people across the territory of a future EU member state, Lithuania, suddenly came to the forefront of the EU–Russia agenda just a few weeks earlier. This complex challenge was seen as a test case for the future of EU–Russian relations.

Debate on the future of the EU was less focused than that on the previous two issues because the work of the European Convention was still in its early days. Estonians, Latvians and Lithuanians as small nations expressed concern whether their voices will be heard and that the proposed reforms of the European institutions would not privilege an inner core of larger and older member states. But a few things were clear to all of the participants: the need for increased democratic legitimacy and efficient decision-making within in the EU.

The 3rd Baltic–German Dialogue will be in held in Riga, Latvia in 2003. While the first two in the series concentrated on the dual enlargement of NATO and the EU, the next one will take place in entirely new circumstances, with the Baltic countries hopefully having already received invitations to join NATO at the Prague summit in November and the EU at the Copenhagen summit in December 2002. With those historic decisions,

most of the remaining uncertainties in the Baltic sea region will have been resolved.

The next set of questions will not be about whether the three countries will join, but what they will contribute, what will be their priorities and what policies they will pursue as new members shaping the future of those two organisations. Germans will no longer be sitting opposite Estonians, Latvians and Lithuanians, but on the same side of the table and working together as members of the same team. In this the sense, the continuation of the dialogue and becoming better acquainted with the new partners and their views is highly desirable.

The New NATO and Russia's Role

Toomas Hendrik Ilves, Member of Parliament, Estonia

I'm very glad to be here and talk about recent developments and the dramatic change that we've seen in the security architecture of Europe in the past seven months. I think we should separate two different ideas. Thinking about what is going on in the security architecture and in the analytic literature, as well as in the analytic press, there is a confusion between two very different aspects: one is the change in the overall security architecture in Europe, and also NATO, and secondly what is the role of Russia. I don't think that the security architecture of Europe has changed because Russia's rhetoric has enabled us to include Russia. The consequence of change in the security regulations in Europe, not only since September 11th, but the last several years that has changed what NATO is and what NATO would be. I'm one of those who thought back in 1994 that by the time Estonia joins NATO, NATO will be a pretty different kind of organisation than in 1994, and I'm glad, but anyway, there's quite an intellectual satisfaction to see that I'm right. It doesn't mean that I'm happy. But nonetheless, I think we should look at the change of the security situation in the NATO area from a much wider perspective, than simply looking at what I think up to now still exists as rhetoric from the Russian side.

The role of NATO began to change in 1993. Its role changed because of the desire of Europe to play a greater role. With the war in the Former Yugoslavia, it became apparent that it is now Europe's turn to take care of the area of which it had failed miserably to do so. The US had to come in and NATO called Milošević's bluff. I think that was one of the first things that began to upset the understanding of the security system since the end of the Cold War. The war in the Balkans was a test for NATO. This was followed by the gradual development of the idea of EDSP, which I personally thought a brilliant idea, but which I think has not fulfilled its promise because of tensions within NATO between the US and Europe. Tensions which I think are still there and which in fact I think were the beginning of very severe tensions that we currently see between the US and Europe. The US press claims that relations have not been so bad with Europe since the Vietnam war! I don't know whether that's true, but certainly I think the beginning of this engagement of the US side began with the ESDP, certainly the defence establishment began to see the development. I think that already began to change the understanding of what the security architecture of Europe is about. Now when we move to the near future, we see with the ESDP developing that it was rightfully designed to deal with tasks that traditionally were more in the area of soft security. In fact in the position paper that we published 2 years ago, we stated that the largest threat to the security of Estonia was not any kind of potential invasion from east, which was the pattern for the last thousand

years, but rather an ecological catastrophe. About 60 km from our border we have a Chernobyl style nuclear reactor! Other soft security threats such as the internationalisation of organised crime and trafficking of human beings are serious concerns. Those kinds of threats in fact are more real and more destabilising to a small country than the possibility of a small division crossing our border.

I think a dramatic change after September 11 is of course that we saw first of all a beginning of a new momentum in including Russia in discussions with NATO. I would also place in the period of the immediate aftermath of September 11 the development that dramatically changed the position of Baltic countries in joining NATO. It undermined the rather absurd rhetoric of Russia that no NATO bases could ever be established on the territory of the former Soviet Union. This was an old imperial mindset to claim a say over an area that they no longer possessed. But that changed very quickly when at first Minister of Defence Ivanov one week after September 11 said that there could not be any NATO bases on the territory of Uzbekistan, but then a week later President Vladimir Putin agreed. The minute that NATO forces were given the green light to enter Uzbekistan, the main argument of Russia against NATO enlargement to the Baltic countries was killed. Because if you're going to allow US air bases on the territory of the former Soviet Union then it's impossible to say 'no' to the Baltic countries joining NATO with the assumption that there will be no bases. It is much more difficult to allow NATO bases in Uzbekistan than to allow enlargement of NATO to the Baltic countries. Of course, we did see last year before September 11, beginning with George Bush's Warsaw speech, perhaps even earlier with Czech President Václav Havel's speech in March, the strong commitment to enlarge NATO followed quickly by French President Jacques Chirac's voicing of approval for enlarging NATO to the Baltic countries. Until the Bush speech, we only had the strong support of the Nordic NATO members Denmark, Norway, Iceland and the support of Turkey, but then began the avalanche of support after Bush's Warsaw speech. But nonetheless it is clear that NATO is not the organisation that it was during the Cold War. We are living in a very different security environment. That's the general security picture and that's what has created the new NATO.

The New NATO and Russia's Role

Dr. Heinz Kramer, SWP, Berlin

During May, all of us were indirect witnesses to events that have been termed "historic." First, President George W. Bush and President Vladimir Putin signed a bilateral agreement about a considerable further reduction of nuclear weapons during a visit of the American President to Russia. According to Bush, this was a definite mark of the end of the Cold War and of a new era of co-operation in American-Russian relations. And only some days later, Bush and Putin were again at the center of the founding ceremony of the new NATO-Russia Council in Rome. This latter event was presented to the political public as the beginning of a new era in NATO-Russia relations.

We definitely have witnessed two events of important political symbolism with a special meaning for the main actors. President Bush could show the American public that his leadership role within the Alliance is firmly acknowledged by all partners and by the former arch-rival Russia. In addition, Bush successfully could transmit the message that it was he who took another decisive step in transforming American-Russian relations towards a kind of partnership in which, in reality, American hegemony prevails. All this is of great importance for the President's domestic endeavours to secure a friendly majority at the Hill in the coming mid-term elections in November.

Putin could score another point in his efforts to make Russia an accepted partner for the most important Western power and its alliance system. Moreover, he can pretend that Russia's position vis-à-vis NATO has been definitely upgraded to a level of (near) equality. This is a forceful argument for the justification of his foreign policy turn after the events of September 11 with which he tries to bring Russia's position more into line with the Western mainstream. All this could help to strengthen his own domestic political position in Russia.

The new NATO: An organisation in search of its role

However, besides this relevance for the personal political situation of the two main actors, these events are also of a more fundamental meaning with respect to the designing of the new security order in and around Europe. The creation of the NATO-Russia Council marks another step in the restructuring of the Alliance after the end of the Cold War. It is another element of the "new" NATO that has been and still is in the process of creation since the end of the 1990s. And, as has been the case with other significant events in that process, it raises questions about the character and quality of the new development that are difficult to answer: Where is NATO's development aiming at? What will be the main purpose

of the Alliance in future? Where is the final place for Russia in this process? What are prospective benefits and risks of the development?

It is commonplace that NATO's classic role and mission as a military alliance for collective defence came to an end with the end of the confrontational Cold War system. It is equally commonplace that since then NATO has experienced some difficulties in defining a new role and mission although it was only after the end of its "classic period" that the Alliance actually became involved in military actions in Europe. These actions were, however, not characterised by typical military defence activities but were more of a security-creating or security-restoring nature.

The enlargement process that started during the second half of the 1990s and which will be accelerated by the decisions of the upcoming Prague NATO summit this autumn, tends to support this change of the Alliance from a defence-oriented organisation to a security provider. Enlargement is not justified by an enhancement of NATO's defensive capability but as a means to promote general security in Europe.

This change in emphasis from collective defence to collective security as the main characteristic of the Alliance was accompanied by a gradual improvement of the political character and a certain downgrading of NATO's military meaning. This evaluation is not in contradiction with the maintenance of the military integration and the emphasis put on military aspects of enlargement, especially during the preparation of the actual second round. This new round of enlargement will further accelerate this development because none of the prospective new member states has the necessary resources, populations and capabilities for a substantial improvement of NATO's military abilities, especially with regard to the new threats of the 21st century.

Thus, what NATO will experience over the coming years is a growth in political willingness to meet the new challenges, a growth in the general political support for its lead nation, a growth of the area where people feel more secure than before – but all this will happen without a meaningful growth of its military capabilities. As a consequence, it will become more obvious than ever that NATO is losing its character as a military alliance in favour of a security policy organisation. This may, however, contribute to the already growing scepticism in the U.S.A. about the purpose and usefulness of NATO for American interests. In the end, NATO may end up considerably enlarged but also with a growing cleavage between both sides of the Atlantic.

Although, over the last decade, NATO has been developed into a hybrid-organisation by in part remaining a military alliance and in part developing into a security-oriented international organisation, it is still an organisation which has not finally decided on its concrete future military tasks, at least not in such a clear way as its old role had been determined. In addition, NATO has also not finally found its definite place in the network of co-operating/competing international security organisations in the Atlantic-Eurasian area. The ongoing discussion about the NATO-ESDP relation is but one proof of that open situation.

The events of September 11 have superficially brought another twist of this development. Since then, NATO has been declared an essential part of the international alliance against international terrorism. This seems to be a re-emphasis of NATO's military purpose. The application of article 5 of the North Atlantic Treaty as a reaction to September 11 seems to underline that view. However, the actually rather marginal role that NATO's military organisation has played in the fight against terrorism so far raises doubts about the ability of the Alliance to cope with such a task and about the American interest in giving the Alliance a greater operational role in that fight. What instead took place was the use of the Alliance as a political forum for the organisation of Western political support of American interests and policies.

The re-formatting of the NATO–Russia relationship by the creation of the new Council lends further plausibility to that argument. This step is a welcome means to bind Russia rather firmly into the American-led network of anti-terrorist policies of whatever kind. For the U.S., this method is by far preferable to an establishment of a comprehensive special bilateral relationship with Moscow in order to reach the same goal. In the latter case, the U.S. would have to invest much more and would encounter more restraints and complications by Russian divergent positions than would be the case with political disagreement in the new NATO–Russia Council. It is, in any case far easier for the U.S. to disentangle itself from a “non-delivering” allied institution than would be to do so from a special bilateral relationship with Moscow.

The NATO–Russia Council: A new start with old problems

It is in this context of organisational and political developments within the North Atlantic Alliance that we have to evaluate the creation of the new institution which has the task to provide a framework for a growing co-operation between NATO and Russia on the basis of equality. Despite the pompous political rhetoric that accompanied its creation, the NATO–Russia Council is hardly more than a re-start of NATO–Russia relations along the same lines as its forerunner, the NATO–Russia Permanent Joint Council. This was, as we all remember, the organisational focus of the new NATO–Russia relationship that has been established by the Founding Act on Mutual Relations, Co-operation and Security in May 1997. The main, and in the opinion of all leading actors decisive difference will be the application of the principle of consensus for the decision making process within the new Council. This will, in the opinion of the Alliance's member governments, allow NATO members and Russia to work “as equal partners in areas of common interest while preserving NATO's prerogative to act independently.”

However, at the moment, the new institution is nothing more than a sign of political good will on all sides. It remains to be seen, if the institutional change can really be transformed into a new political sub-

stance of NATO–Russian relations. A lot of questions are connected with the new development the answer of which is left to the future.

This starts with the definition of “common interests” for the realisation of which a consensus for common action can be built. The Rome Declaration has identified nine areas in which such an attempt will be made. Much will, however, depend on the willingness of all twenty partners to make the necessary compromises to reach common solutions that would enable common actions. We should not forget that it was the fundamental difference over the “correct” evaluation of the character of the Milošević regime that led to the early stand-still in the work of the PJC. Who can guarantee that the search for a common understanding about the necessary steps in the fight against international terrorism will not abruptly end over disagreements concerning Iraq? Will the new Council really be able to improve a common understanding about the necessary steps to be taken in the field of non-proliferation of WMDs? The continuing Russian-American differences over the Iranian nuclear program are only the most obvious example of the kind of differences that may emerge during the coming deliberations within the Council.

Another bundle of concerns that is related with the new development is linked to its possible repercussions on the development of the Alliance itself. Although NATO officials and representatives of member states continuously stress that the new Council does not empower Russia with a right to veto NATO's actions, the Alliance's freedom of activity may indirectly be substantially curtailed. If after a lengthy period of discussion within the Council a consensus with Russia cannot be found it could become politically difficult for the NATO member states to get their will by resorting to an Atlantic Council decision. Hence, especially in the early times of the new institution, the choice of agenda items has to be made very carefully in order to prevent early disappointments on both sides.

Another, at least theoretically possible development could be a growing American–Russian special relationship in the new institution which would tend to by-pass the European members of the Alliance. This could especially be the case with respect to eventual military actions against perceived common threats. It is no secret that in Washington and Moscow the readiness to apply force including military force in order to solve problems is much greater than in the majority of the European states. Such differences in strategic culture could, in the mid-term, lead to a “18 plus 1 plus 1”-situation in the new Council. This would inevitably tend to undermine the Atlantic cohesion within NATO.

Another eventual negative development that has to be prevented is connected with the new round of enlargement. NATO has already some difficulties to smoothly make decisions at 19. This situation will not be improved by another enlargement to about 25 members, plus some more in the waiting room. Under this auspices, together with the Europeans' growing inability to meet the necessary military requirements for a real co-operation with the Americans, deliberations in the new NATO–Russia Council could easily deteriorate into some kind of “core-OSCE.” Thus,

NATO could enter a path that has been in Russian interest since years: a further reduction of its military character in favour of a multinational political security organisation. Such a development may, finally, also bring about in the longer run the already mentioned “18 plus 1 plus 1”-situation in which the ability to act militarily rests primarily with the USA and Russia – unless ESDP proves itself able to meet its ambitious goals, and, perhaps, a bit more.

All these concerns need not necessarily materialise. One can think of at least two reasons which would render all these speculations meaningless. The first one would be a continuation of the past experience of NATO–Russia relations also within the new institutional framework. For it to function properly, a fundamental change in Russia’s attitude regarding cooperation with the Alliance has to come about. The old culture of mistrust has to give way to a new approach. This will not be easily achieved given the professional conservatism of military people on both sides. It is not at all guaranteed that Russian and/or NATO militaries will be able to develop a new culture of co-operation in their day-to-day working together. Nor can it be taken for granted that the hardliner faction in Moscow will not continue to try to undermine Putin’s success of the Rome Declaration.

The second reason, and this is the optimistic note in my remarks, would be a success of what has been started a week ago. If the new Council would really become the focus of a new partnership between Russia and the Alliance, it would be to the longer-term benefit of all participants. This could be an important step in the creation of a new European security architecture including Russia. Such a development, without any doubts, is in the interest of all other European states. Actually, there is hardly any alternative political choice if we do not want to fall back into the old days of confrontation with Russia. Hence, it is worth any political effort of the actors involved to direct the process in such a way that it can avoid the all-too-obvious stumbling stones during its crucial early phase. Then, the necessary momentum for long-term success may be generated that would, in a decade’s time, allow us to speak of the Rome Declaration as a real turning point in the post-Cold War development.

The Impact of EU Enlargement and the Schengen Border Regime

Edita Dranseikaite, IIRPS, Vilnius University

My introductory presentation is about the potential consequences of extending EU border policies to Central and Eastern Europe (CEE), a process currently taking place as the EU is enlarging to the East. First, I will briefly review some possible consequences of the extension of the Schengen regime eastwards and then look upon the issue of Kaliningrad, which is a particular Lithuanian concern in the context of extending the Schengen area. And of course, it is a very important issue in the EU-Russian relationship.

Schengen is a very interesting exercise in the EU's development. Initially established as an intergovernmental extra-community agreement aiming at the gradual abolition of the internal borders, Schengen has become more a security convention at the end of the tenth decade. With increasing freedom within the Union, Schengen provided for a number of so called flanking measures designed to minimise soft security risks that arise from problems such as cross-border crime, arms smuggling, illegal migration and terrorism etc. And many of these threats are perceived to be emerging from behind of former iron curtain. Schengen, thus, as a result – soft internal borders and hard external borders.

With coming into force of the Amsterdam Treaty the former extra-Community Schengen convention became integrated into the first and third pillars of the EU. And according to the EU enlargement philosophy the applicant countries must take on the whole of the Schengen *acquis* prior to their accession to the EU, which means a range of measures to build the institutions and policies to implement it.

Behind the accession conditions on borders lies a dual motivation: to bring the applicants' border policies into line with the Schengen *acquis*, and to address immediate EU concerns about the threats perceived by its member states, mainly to ensure, that the third-country national cannot travel through these countries to the EU. Extending Schengen eastwards thus implies a bargain: freer movement westwards at a price of not allowing free movement from the East.

Difficulties, caused by complex and evolving legislation

In the course of the enlargement process, the EU exports its still emerging border control, visa, asylum, refugees and immigration policies towards the acceding countries. The implementation is not a matter of negotiation, applicants are expected to abide by the rules, although it is admitted that this is a cumbersome task. The problems of implementation are compounded given the difficulties in discovering the content of the Schengen *acquis*: the Schengen Executive Committee decisions and rules were formally published in April 1999. The allocation of various parts of the

Schengen rules across the first (visa policies, immigration and asylum) and the third (police and judicial co-operation) pillars has also been quite challenging. The legal complexity of the system has been further strengthened by the British and Irish opt-outs from Schengen, the inclusion of non-members, and the Danish position as a member of Schengen in opposition to the communitarisation of the competences.

The accession countries are particular affected since the body of legislation has been dynamically developing and the applicants lack resources, established routines and expertise in implementation. Transfer of the Justice and Home Affairs (JHA) from the viewpoint of the accession countries entails serious problems. And member states are also very suspicious of the ability of future members to ensure that the new border of the EU will be no more vulnerable than the previous borders of the EU (difficult negotiations trying to get confidence of the members states).

Timing: phased removal of borders

Applicants will not have full benefits of Schengen until after accession. They have to join the Schengen border control regime in two stages. Due to technical, legal and political reasons they can fully join the Schengen Information System only as EU members. And the Council will consider the full removal of border controls only after they have joined and manage to apply the Schengen rules effectively. The September 11th events in the United States have provided the EU with even more reasons to insist on reliable and secure implementation of the Schengen regime. And for the applicants the contingent and phased removal of border controls implies that they have to incur the costs prior to accession, but the benefits will materialise only after accession, and possibly years afterwards.

Disruption of bilateral relationships and regional integration

"The EU is replacing the Iron curtain with a paper curtain across Europe"

Leonid Kuchma

Transferring the EU border and visa regime to the accession countries may disrupt and in certain cases already is disrupting economic, cultural and ethnic linkages existing between them and their neighbours. Visas have to be introduced with respect to neighbouring countries well before accession, as no one of them is singled out in the so called "white list" of special concern countries (like Macao, Hong Kong, Mexico), the citizens of which do not need visas when crossing EU's external borders.

For example, Poland will have to introduce visas for citizens of Ukraine, which runs contrary to its longstanding foreign policy priorities. Hungary will be forced to impose visas for the Federal Republic of Yugoslavia and Ukraine, countries with significant ethnic Hungarian minorities living across the borders. Romania will have to adopt visa restrictions in its

relation to Moldova, a country with a large share of ethnic Romanians. And Lithuania will introduce visas for the residents of Kaliningrad region and certain border areas of Belarus. Moreover, accession countries joining the EU also have to commit themselves to erecting Schengen borders with prospective late-entrants, most notably Bulgaria and Romania.

Thus the implementation of the Schengen *acquis* jeopardises one of the achievements of the democratic transition in CEE, namely the free movement of people. It also may negatively influence cross-border co-operation, one of the most visible dimension of European integration. And for the EU itself, transferring the Schengen regime eastward entails increasing conflict between its internal and external security interests. As since the early 1990s concerns to stabilise CEE have led the EU to stress peaceful resolution of bilateral disputes, fostering regional economic integration and sub-regional co-operation initiatives. However, EU policies for dealing with external borders are having restrictive effects on the movement of both goods and people that are at odds with this emphasis on regional integration as means ensuring long-term stability and security.

Immigration problem

With moving Schengen eastwards the EU is also exporting its immigration problem to accession countries. In order to remove its borders and accept the cross border mobility of citizens there, the EU shifts the burden of migration management to the applicants. The accession countries have already experienced increasing numbers of asylum-seekers, refugees and migrants. Re-admission agreements with the current EU member states oblige the accession countries to accept immigrants who have crossed their territory in order to access the EU, whereas the eastern neighbours of the applicants are less interested and co-operative in adopting the EU migration regime. Thus CEE countries in a sense are becoming a new form of buffer zone for the EU: one of migration.

Kaliningrad region

Kaliningrad will be the decisive issue for the future relationship between the EU and Russia – said the President of Russia in May at the EU–Russian summit in Moscow. Moreover, it is detrimental for the economic recovery of the region.

The *oblast'* stand out as a region which was previously free in the sense that there were no state borders or currency obstacles to be taken into account if going to mainland Russia or the Baltic countries. Even access to Poland was relatively smooth. With the demise of the Soviet Union and the emergence of a great number of new state borders, Kaliningrad found itself in a new and far more restricted situation. Still, until recently some of the liberties remained. Special visa and transit regime exists with regard to Poland and Lithuania. Russian citizens residing in Kaliningrad do not need visas to enter Lithuania and for transit to and from mainland Russia.

Poland also applies very simplified procedures of border crossing for residents of Kaliningrad.

But last autumn Lithuania adopted a National Schengen Action Plan, where it committed itself to introducing a visa regime for residents of the Kaliningrad region and all citizens of Belarus in 2003 (Poland will introduce visas even earlier). Currently Lithuania is discussing with the EU possible practical measures within the Schengen *acquis* in order to facilitate consequences of the new border policies: like issuance of long term multi-entry visas, lower costs visas and feasibility of simplified visa issuance procedures. This seems a satisfactory solution for Belarus, but the Kaliningrad case is far more complicated.

First, there is very intensive movement across the Lithuanian–Kaliningrad border (up to 7 million trips in a year). Coping with it requires developing an additional infrastructure on the border and in the region.

The position of Russia: it could agree to multi-entrance free visas for Kaliningrad residents to enter Lithuania (and Poland). But isolation of Kaliningrad from mainland Russia is not acceptable. Therefore Moscow requires the EU to ensure free movement of persons, goods and services between Kaliningrad and mainland Russia through the territories of the neighbouring future EU member states by air, by land and by water. That means visa free transit by special trains, also by air and road corridors. Plus, solid compensation for the negative consequences caused for the Kaliningrad region by enlargement. Requirements of corridors and visa free trains are unacceptable to Lithuania, and for the EU as well.

The position of the EU: no special treatment in terms of application of the Schengen rules; not even discussions until Russia does her part of the job: new passports complying to the international standards, facilitation of consulates, re-admission and border treaties. Compromise appears difficult to achieve before enlargement.

In such a situation a new border regime threatens to disrupt the region's economy, where up to about 60 per cent of the region's GDP is created by a shadow economy, highly dependent on shuttle-trade and local tourism, mainly with and from Lithuania. The visa regime will have a very negative impact on these practices and therefore on the economy of the region, on the income of residents, posing a real danger of an immediate and severe economic crisis.

As regards Lithuania, although the Kaliningrad region has lost most of its economic weight for Lithuania after the Russian crisis in 1998, the decrease in sub-regional economic co-operation following the introduction of a strict border regime will definitely have certain negative impacts on the Lithuanian economy, especially with regard to the border areas.

Lithuania is interested in stability and at least minimal economic prosperity of the neighbouring region and avoidance of Kaliningrad becoming a “double periphery” – a militarised and economically declining region isolated both from the mainland Russia and from the EU.

The Baltic Input into the European Convention. Where Do We (i.e. the Baltic States) Want to Go?

Dzintra Bungs, Latvian Institute of International Affairs

Convinced of the inherent “Europeanness” of their countries, representatives of Estonia, Latvia and Lithuania have been actively participating in the Convention on the Future of Europe. Sessions on various aspects of Europe’s future have been held in Brussels since spring 2002. Concurrently, the governments of the three Baltic States have strived to consult with and inform their citizenry about the Convention.¹ Therefore, it is appropriate to ask about the Baltic input into the Convention and about the role that Estonia, Latvia and Lithuania, according to their populace, would like to play in the new Europe, as epitomised by the evolving European Union. The two questions are related. But since they deal with distinct aspects of the larger theme of the Baltic States and the enlarged European Union, they will be discussed separately.

Before addressing the question of Baltic input into the Convention and surveying the views prevalent in Estonia, Latvia and Lithuania in spring 2002 on Europe and the European Union of the future, a few remarks about the genesis of the Convention. The Conference of Representatives of the Governments of the Member States of the European Union met in Nice in December 2000 to complete the institutional changes necessary for the accession of new member states and adopted a treaty. The ratification of the treaty by all 15 EU member states is necessary for the Union’s enlargement to proceed as planned. Agreeing to convene again in 2004, the Nice summit also adopted a Declaration which affirmed:

The Conference of Member States shall not constitute any form of obstacle or precondition to the enlargement process. Moreover, those candidate States which have concluded accession negotiations with the Union shall be invited to participate in the Conference. Those candidate States which have not concluded their accession negotiations shall be invited as observers.²

Wishing to ensure a successful functioning of the European Union after its enlargement, the authors of the Declaration of the Nice summit also called for a broad discussion of four basic issues:

1. division of competences between the EU and the member states;
2. status of the European Charter of Fundamental Rights;

¹ For a survey of these activities in Estonia, see Internet <<http://www.eib.ee/pages.php/010901>>.

In Latvia, see Internet <<http://www.eib.lv/konvents.php>>.

In Lithuania, see Internet <http://www.urm.lt/data/3/EF71985417_eida51.htm>.

² For the full text of the treaty and the declaration, see Internet <<http://ue.eu.int/cigdocs/en/cig2000-EN.pdf>>.

3. simplification of EU treaties;
4. role of the national parliaments in the EU.

Despite the fact that the Treaty of Nice has not been ratified by all EU members states – Irish voters rejected the Treaty in their first vote on 7 June 2001 and the outcome of the second referendum, scheduled for 19 October 2002, is not yet known – and the resulting shadow of uncertainty over the timetable of EU enlargement, discussion of the four basic issues has been taking place in various forums. A mandate for further discussions was given in December 2001 by the European Council. meeting in Laeken/Brussels, the Council adopted the Laeken Declaration which called for a Convention on the Future of Europe to be inaugurated in March 2002. On the Convention's agenda are 57 questions which have been grouped in four categories:

1. Europe's new role in a globalised world;
2. a better division and definition of competences between the Union and the member states;
3. simplification of the Union's instruments and directives;
4. institutional reforms.

At its inception, it was clear that the discussions at the Convention would inevitably touch upon such fundamental issues as the organisational framework of the new Europe and the need for a defining document – possibly a constitution – for this new Europe.

The reaction in the three Baltic capitals to the Laeken Declaration and the idea of the convention was positive but cautious. There was widespread agreement with the basic notions expressed in the introduction of the Declaration. Affirming that the European Union, which over the past half a century had developed and transformed itself gradually, had reached “a defining moment in its existence,” the Declaration states:

The unification of Europe is near. The Union is about to expand to bring in more than ten new Member States, predominantly Central and Eastern European, thereby finally closing one of the darkest chapters in European history: the Second World War and the ensuing artificial division of Europe. At long last, Europe is on its way to becoming one big family [...].³

Thus, at this important juncture, the Declaration stresses, the European Union

needs to become more democratic, more transparent and more efficient. It also has to resolve three basic challenges: how to bring citizens [...] closer to the European design and the European institutions, how to organise politics and the European political area in an

³ For the full text of the declaration, see Internet <<http://ue.eu.int/newsroom/loadDoc.asp?max=1&bid=76&did=68758&grp=4056&lang=1>>.

enlarged Union and how to develop the Union into a stabilising factor and a model in the new, multi-polar world.⁴

In order to tackle these issues, the Laeken summit called for a Convention on the Future of Europe, outlined the procedures to be followed, defined the responsibilities and authority of the Convention and indicated a possible timetable. It is these aspects of the proposed Convention that elicited a reserved response from the Baltic States because indirectly they serve to both include and exclude the candidate countries for EU membership from very important decision-making processes about Europe's future. The Laeken Declaration stipulates that participating in the work of the Convention would be representatives of EU member states and institutions and observers from the candidate states. During the course of one year the Convention would consider the various issues on the agenda and produce a Final Document for the European Council. The Final Document, along with the results of national debates on the future of the Union, would serve as a starting point for the debates of the Intergovernmental Conference (IGC) which makes the ultimate decisions. In other words, the IGC may follow and act upon the recommendations of the Final Document, but it is not legally bound to do so. Thus, the effectiveness and impact of the work of the Convention are unpredictable.

Among the constraints on the input of Estonia, Latvia and Lithuania into the Convention and the drafting of the Convention's Final Document is their limited experience in dealing with the numerous EU bodies and institutions and envisaging the inter-relatedness, scope and consequences of the changes that have already been proposed. Thus, making practical suggestions about ways to enhance the Union's democratic legitimacy, improve its organisational framework, and effectively schedule changes is even more of a challenge for the candidate countries than the EU member countries. Furthermore, representatives of the candidate countries for EU membership participate in the Convention as observers: while they have an opportunity to let their views be known, they cannot vote against proposals considered by the Convention. Their tangible input, therefore, depends largely on their ability to persuade the delegations of the current EU member states to accept and disseminate their views.

That these barriers are not insurmountable has been shown by the decision made in favour of the use at the Convention of the languages of not only the EU member states but also prospective member states. Latvian representative Inese Birzniece, who championed this decision, also took full advantage of it at the first opportunity. On 15 April 2002 Birzniece addressed the Convention in Latvian thanking the Convention presidium and the European Parliament for making it possible for representatives of the candidate countries to address the Convention in their native language with simultaneous translation into the languages of the EU member states. She praised the Convention for sending a signal of inclusiveness to the

⁴ Ibid.

citizens of the candidate states.⁵ Further endorsement of this decision came from the chairman of the European Parliament Pat Cox, who presided over the 13th meeting of the parliament speakers of countries involved in the EU enlargement. The meeting took place in Riga on 27 and 28 May 2002. Cox affirmed that the EU is ready not only for enlargement but also for a large “investment in its citizens” to ensure that representatives of states can work in their native tongue, by securing both translation of documents and translation at meetings of the European Parliament and Europe's institutions.⁶

The potential for a Baltic input into the Intergovernmental Conference following the Convention appears to be even more remote. The participants of the IGC are the top government officials of bona fide EU member states; in other words, they would not necessarily have been participants of the Convention with whom the Baltic representatives would have had a chance to meet during the course of the Convention. Furthermore, the IGC, as the empowered decision-making body, can act upon, circumvent or reject some or all of the recommendations of the Final Document. Though it would seem unlikely that the IGC would disregard or merely pay lip service to the Final Document, there is, nonetheless, no assurance that the IGC would endorse the recommendations of the Final Document. What is more, if the Convention sticks to its anticipated schedule, the IGC could begin in 2003. The timing of the IGC is a sensitive point not only for the Baltic States but also for all the other countries negotiating accession into the EU. According to the most optimistic EU enlargement plans, the ten candidates for EU membership could qualify, at the earliest, for participation in the IGC in the year 2004. Thus, the Laeken Declaration does not foresee the current candidate countries for EU membership as taking part in the Intergovernmental Conference following the Convention of the Future of Europe. However, should there be a change of requirements for participation in the IGC (e.g. the candidate countries are allowed to both take part and vote in the Conference) or should the IGC begin in 2004 after the accession process is completed, then the current candidate countries could participate in the IGC and contribute actively to the shaping of the Europe of the future.

These circumstances largely explain the cautious reaction of the Estonian, Latvian and Lithuanian governments to the Laeken Declaration. Only Lithuania's Ministry of Foreign Affairs issued a position paper. Dated 14 December 2001, the document stresses that Lithuania reckons with admission into the European Union in 2004, as well as full participation (e.g. including the right to vote) in the Intergovernmental Conference following the Convention on the Future of Europe. With the benefit of hindsight, it can be said that the views expressed by the Lithuanian Ministry of Foreign Affairs have also been shared by the Estonian and Latvian counterparts.

⁵ See Internet <<http://www.eib.lv/konvents.php?dok=107>>.

⁶ BNS (Baltic News Service), May 28, 2002.

From its response to the Laeken Declaration, it is evident that Vilnius was aware of the inconsistencies and the unclear formulations of the Laeken Declaration. At the same time, it is also evident that the Lithuanian Foreign Ministry decided to accentuate the positive by stressing its expectations and its interpretation of the Declaration. This is illustrated by the following excerpts from the position paper:

- ▶ Lithuania welcomes the Conclusions of the European Council which reiterate the irreversibility of the enlargement process and name the candidate countries – including Lithuania – which could be ready for conclusion of negotiations in 2002 and for membership in 2004 provided that the present rate of progress of the negotiations and reforms is maintained. [...]
- ▶ Lithuania welcomes the European Council's endorsement of the European Commission's opinion that the enlargement including up to ten countries from 2004 is possible within the financial framework established in Berlin European Council in 1999. Lithuania also welcomes the Union's position to conduct accession negotiations on the basis of the existing *acquis* and independently of the future reforms of the EU common policies (agriculture, regional policy). [...]
- ▶ [The] Laeken Declaration opened a new phase of the European constitutional development. It is the beginning of preparation for the Intergovernmental Conference in 2004. The method – so called Convention – is one of the most democratic and therefore will contribute to the strengthening of the principles of European integration and to the growth of legitimacy of the EU itself.
- ▶ [The] Declaration reflects the present European political context and raises essential questions for the further existence of EU. Comparing with initial texts – reflecting Belgium's Presidency's “integrationist” ambitions – the final statements are thoroughly balanced.
- ▶ [The] Declaration emphasises the expectations of citizens and the need to bring them closer to the EU institutions and its various policies.
- ▶ Lithuania welcomes the decision to fully involve candidate countries in the Convention's proceedings in the same format (two members of Parliament and one representative of Government) as the current Member States. Lithuania will take part in the proceedings of the Convention seeking to achieve the consensus.
- ▶ Lithuania expects to participate in the Intergovernmental Conference in 2004, which will be making final decisions on the EU reforms, as full member. [...]⁷

Whether these expectations, not only of Lithuania, but also of Estonia and Latvia, are fulfilled remains to be seen.

Concerning the broader question of how the Baltic States see themselves in the Europe and the European Union of the future and what they want,

7 For the full text, see Internet <http://www.urm.lt/view.php?cat_id=6&msg_id=732>.

the short answer is that a systematic and comprehensive response remains to be formulated in each of the three capitals.

In general, the most informative statements have come from the Baltic foreign ministers, and, in the case of Latvia, also the president. Nonetheless, European Integration Bureau of the Riigikogu has disseminated on the Internet Estonian positions on various issues discussed at the Convention.⁸ The Lithuanian government has compiled and published *Guiding Principles of the Government of Lithuania on the Future of the European Union*. The 22-point document, dated 1 July 2002, presents through key words how Lithuania depicts the Union of which it envisions itself as a member. That Union should embody the following characteristics: prosperity, solidarity, security, influence, efficiency, and equality.⁹ No less revealing of the thinking in Vilnius is the speech "Present and Future of Europe: Lithuania's View," delivered by Lithuania's Minister of Foreign Affairs, Antanas Valionis, at the European Policy Centre in Brussels on 10 June 2002. At the outset, after having reiterated that Lithuania anticipates becoming an EU member in 2004 and participating actively in the Inter-governmental Conference following the Convention, Valionis explains that although European countries have different constitutional organisation and individual traditions of statehood, all of them want the Union to be strong, secure and prosperous. In his view,

This can be achieved through [...] the Community method which has made the EU what it is today. I believe, that this method must be preserved and, where possible – extended. It rests on strong institutions that balance national interests and guarantee a fair play for all the members regardless their size.

It would be wrong to revert Community policies back to inter-governmentalism. We should rather seek ways to make these two methods compatible. [...]¹⁰

At the same time, Valionis also values the integrating elements and the unity of the EU:

Common EU areas and policies, such as the single market or single currency have proven their value by generating an ever greater wealth. Economic integration into new areas and deeper into existing fields should continue to be the way forward. [...]

⁸ See *Eesti positsioonid Tulevikukonvendis* in Internet: <<http://www.eib.ee/pages.php/01090301,233>>.

⁹ The document was prepared by the European Integration Department of the Ministry of Foreign Affairs of the Republic of Lithuania and first presented on July 1, 2002 at the session of the Governmental European Integration Commission; see Internet <http://www.urm.lt/data/3/EF625142818_LRV-nuostatos-KonventasENG.htm>.

¹⁰ For the full text of the speech, see Internet <http://www.urm.lt/view.php?cat_id=10&msg_id=1180>.

We should avoid creating an enlarged Union with two sets of standards, two types of policies or two budgets.

The citizens of the European Union, the achievements of European integration and its values need a single European area of freedom, security and justice where they can feel safe and secure from a variety of threats. [...]¹¹

Concerning the Union's external relations, Valionis declares:

The EU must have a stronger political influence globally. Speaking with one voice is not enough. [... It] has to be regarded as a genuine Union, which promotes its common values and defends its interests.¹²

Proposing that "Europe's first priority should be a secure, stable, prosperous and friendly neighbourhood" Valionis turns to the issue of borders. Noting Lithuania's good relations with its neighbours, Valionis assures that his country will not "be a liability to other members, because we shall bring into the Union good relations with and knowledge and expertise of our neighbourhood. The best testimony to this is Kaliningrad."¹³ At the same time, when Lithuania becomes an EU member, its borders will be the outer borders of the Union. Valionis feels that the new situation and the issues that it raises are best dealt with by a dialog between all the affected parties and suggests that the responsibility of border management is an EU issue and "should be shouldered by all of the beneficiaries."¹⁴ Concerning Kaliningrad, Valionis observes

By declaring at the Moscow Summit that Kaliningrad will be a test case for the relations between the European Union and Russia, President Putin has put a powerful argument into the Union's hands simply because the chief responsibility for the future of Kaliningrad lies in Moscow's hands. A combination of patience and openness should guide the Union in this test which must eventually become a success.¹⁵

Latvia's thinking on the Europe and the European Union of the future and its place therein is best summarised in the speeches that President Vaira Vike-Freiberga delivered in Slovenia on 17 April 2002 and in Ireland on 4 June 2002.¹⁶ Addressing the Institute of European Affairs in Dublin, Vike-Freiberga affirmed that

¹¹ Ibid.

¹² Ibid.

¹³ Ibid.

¹⁴ Ibid.

¹⁵ Ibid.

¹⁶ The Latvian president's speech at the Slovenian Association for International Relations appears on Internet <<http://www.am.gov.lv/en/?id=335&page=2669>>. The full text of her speech to the Her speech to the Institute of European Affairs in Dublin, Ireland

our common future lies in strengthening Europe and its institutions, and in continuing on the path of increased political, economic and social integration. This does not entail the creation of a monolithic, European super-state, but rather the reform of European institutions so as to render them more effective, less bureaucratic, and closer to the people they have been designed to serve. To a certain extent, the EU's institutions require an image change. They must be seen as more transparent in their decision-making, and as serving first and foremost the interests of the ordinary citizen.¹⁷

She believes that most Latvians envision the Europe of the future

as a united continent of equal and sovereign partners, where relationships between member-states are based on partnership and mutual respect, and where the interests of all members are taken into account. This has been one of the European Union's main strengths to date. It will not bode well for Europe's future if this principle is changed, and if some of the EU's larger countries obtain a disproportionate say in important decision-making processes at the expense of their smaller neighbours.¹⁸

Recognising sovereignty as a central factor in any discussions of common European actions, Vike-Freiberga states that

it may sometimes be preferable to delegate certain aspects of national sovereignty to regional and even global organisations. In other cases, the delegation of functions downward to the local government level is most effective.

Latvia sees the EU as a union of sovereign states with certain federalist features, such as the European Monetary Union and the European Parliament. We do not see the need at the moment to create a unified federal European state, for which Europe's inhabitants are not yet ready. Europe's vast diversity is one of its greatest strengths, and each of its constituent members must be able to maintain those national characteristics that it deems most important, be these historical, linguistic, cultural or other. While this diversity may present challenges to consensus-building, it is a resource that must be nurtured and cherished. Every member-state of the European Union, whatever its size, has the potential to make a meaningful contribution to the organisation as a whole.¹⁹

As the speeches of the Latvian president and the Lithuanian Minister of Foreign Affairs demonstrate, Baltic leaders have given considerable

can be read in Internet <<http://www.am.gov.lv/en/?id=2768>>.

¹⁷ See Internet <<http://www.am.gov.lv/en/?id=2768>>.

¹⁸ Ibid.

¹⁹ Ibid.

thought to the future of Europe and the European Union. The lack of an elaborated policy statement from Estonia, Latvia or Lithuania cannot be ascribed to negligence or ignorance of the larger issues, but to priorities and perceptions. As Lithuania's Minister of Foreign Affairs, Antanas Valionis has pointed out,

the domestic discussion focuses more on the future in Europe rather than on the future of Europe. It is so because the future of the EU and the enlargement are interlinked. Moreover, enlargement is the most immediate question of the Union's future for the candidate countries. Without the success of enlargement there is no successful future of the Union.²⁰

Since the beginning – for Estonia in early 1998 and for Latvia and Lithuania two years later – of the accession negotiations with the EU, the focus has been necessarily on completing the myriad membership requirements, ranging from alignment of laws and strengthening of administrative capacity to negotiating special terms and/or a transition period before for assuming EU norms and practices. Addressing the Royal Institute of International Affairs on 18 June 2002, Estonia's Minister of Foreign Affairs Kristiina Ojuland said: "Once our accession treaty is signed next spring, Estonian officials will be allowed to participate as observers in EU committees and working groups. It is crucial that we be well prepared."²¹ She then added: "We have also started to give thought to what our profile will be as a Member State, and are considering what issues we will want to pay particular attention to once we are an EU member."²²

Somewhat paradoxically, perhaps, this period of rapprochement to the European Union has also seen a rise in Euro-scepticism. If in 1995, when the Baltic States submitted applications for EU membership, public sentiment among Estonians, Latvians and Lithuanians toward their countries joining the EU was overwhelmingly positive, then in the ensuing years Baltic attitude toward the EU has become more volatile, critical and differentiated. In 2002 the skeptical feelings have, no doubt, been enhanced by the unresolved questions concerning the Union's policies toward agriculture, especially subsidies and production quotas, in the countries aspiring to EU membership. Nonetheless, this phenomenon is not peculiarly Baltic, since comparable shifts in public opinion were observed in other countries that were about to join the EU.

In Estonia, according to EMOR polls, support for EU accession stood at or below 40 per cent of the citizens questioned in the fall and winter of 2000 and the spring of 2001 and bottomed out at 35 per cent in early May 2001. For the sake of comparison, the respective figures for Estonia, Latvia and Lithuania in March 2001 were 37 per cent, 51 per cent and 50 per cent. By December 2001, however, support among citizens of the Baltic States for

²⁰ See Internet <http://www.urm.lt/view.php?cat_id=10&msg_id=1180>.

²¹ See Internet <http://www.vm.ee/eng/kat_140/2378.html>.

²² See Internet <http://www.vm.ee/eng/kat_140/2378.html>.

their country joining the EU had risen to 57 per cent in Estonia, 55 per cent in Latvia and 53 per cent in Lithuania.²³

A low point in public support for EU membership was registered in Lithuania in November 1999 when only 30 per cent of the respondents in an opinion poll would have voted for their country's immediate membership of the EU, while 31 per cent would have voted against it. In November 1998, the respective figures were: 42 per cent in favour and 20 per cent against. It should be recalled that in September 1999 Vilnius endorsed a national energy strategy to rejuvenate the problem-ridden energy sector. The strategy stipulated the decommissioning of the first reactor of the Ignalina nuclear power plant to start in 2005. The EU welcomed both the strategy and the decision on Ignalina and offered financial support and expertise to begin the shutdown process. But in Lithuania the plans to close Ignalina were strongly criticised then and remain a sore point among many Lithuanians. Nonetheless, these figures did not signify a total rejection of EU membership. Asked in November 1999 about the best time for Lithuania to join the EU, 15.1 per cent of the respondents said: as soon as possible; 11.9 per cent – in the period 2002–2005; 11.7 per cent – in the period 2006–2010; 7.1 per cent – in the period 2011–2020; 11 per cent – after 2020. Only 17.1 per cent said never and 26.1 per cent had no opinion.²⁴ This shows that even at an unpropitious time, Lithuanians did not turn down the idea of their country's membership of the EU, but preferred to postpone it to the foreseeable future.

In Latvia in November 1999, according to a public opinion poll, 53 per cent of Latvia's citizens and 38 per cent of its non-citizens said they would vote for Latvia's membership of the Union. These figures provide a good idea of public sentiment throughout that year. In the years 2000 and 2001, public approval of Latvia's membership of the EU rose slightly, but fell considerably in early 2002. According to an EMOR poll taken in April 2002, the percentage of citizens in Estonia, Latvia, and Lithuania positively inclined toward their country's membership of the EU comprised, respectively, 55 per cent, 45 per cent and 47 per cent of those questioned. Furthermore, polls taken in Latvia showed an even greater decline. In February 2002, only 36.3 per cent supported Latvia's accession of the EU and 43 per cent opposed the idea. The sharp decline cannot be attributed to any dramatic event but rather to feelings of disenchantment and doubt. Subsequently, public support for Latvia joining the EU has been gently rising.²⁵

²³ See EMOR studies in the Internet: <<http://www.emor.ee/eng/arhiiv.html?id=886>> and <<http://www.emor.ee/eng/arhiiv.html?id=918>> for Estonia; <<http://www.emor.ee/eng/arhiiv.html?id=902>> for all three Baltic States.

²⁴ Public opinion poll results from Lithuania are available from 1997 to 2002 in Internet: see <http://www.euro.lt/showitems.php?TopMenuID=42&MenuItemID=63&ItemID=9&LangID=2>.

²⁵ BNS, 30 November 1999, 1 and 15 December 1999; *Diena*, 2 and 7 December 1999, and for systematic public opinion surveys in Latvia from 1998 to 2002 <<http://www.eib.lv/publ.php?doctype=3>>. See also <<http://www.emor.ee/eng/arhiiv.html?id=902>>.

In recent years, the Baltic populace has tended to view the EU with mixed feelings. On the one hand, there has been a genuine eagerness to join the Union, because

- ▶ the Union is perceived as providing a secure haven for their countries' independence and democratic values;
- ▶ EU expertise and funds are available for carrying out necessary reforms;
- ▶ membership of the EU is a confirmation that Estonia, Latvia and Lithuania have indeed "returned to Europe" after a half century behind the Iron Curtain.

On the other hand, there have been feelings of apprehension and frustration deriving more often from vague perceptions and misconceptions rather than specific causes, such as the EU policies on energy and standards for nuclear power plants. The Union has been seen as something foreign and as a threat to one's national identity, recently regained sovereignty and accustomed way of doing things. Estonians, for example,

often relate themselves to the Union as a periphery to a metropolis: seeking for its approval on the one hand, and perceiving it as a subordinating and "non-us" institution on the other. Although even the EU-opponents understand the pragmatic benefits the country would obtain from the EU-membership, they still feel certain emotional remoteness towards the very issue.²⁶

The prevalence of these attitudes explains to a considerable extent the comparison of the European Union with the Soviet Union among some of the so-called Euro-skeptics in the Baltic States.²⁷ Though likening the European Union with the Soviet Union does not hold up to any serious scrutiny, the drawing of parallels between the two reveals the fears of those who make them. Conversely, such comparisons also shed light on what is wanted.

Aware of such fears, European Parliament President Pat Cox tackled the issues during the course of his stay in Riga in connection with the 13th meeting of speakers of national parliaments. In the speech delivered at the Latvian parliament, Cox compared Ireland with the Baltic States and said: "We are small countries located in the periphery of Europe that have felt the neighbours' whims in various ways"; consequently, he understands very well the feeling of "strong identity" that has developed historically and "has allowed nations to survive even when there was no state."²⁸ Cox

²⁶ Fact Sheet on "Opinions towards the European Union," Estonian Foreign Ministry, Press and Information Department, January 18, 2002.

²⁷ Rimantas Smetona, leader of the small National Democratic Party, claimed that Lithuania would be renouncing its sovereignty if it joined the EU and compared the Union to a "Soviet-style kolkhoz." (BNS, December 14, 1999). See "Is Euroskepticism really growing?" by Rokas Tracevskis in *The Baltic Times*, December 9, 1999. It should be noted that Euro-skeptic organisations, based in Brussels and elsewhere, have also been trying to enlist supporters in the Baltic States.

²⁸ BNS (Baltic News Service), May 28, 2002.

assured that national identity and diversity of cultures would not disappear on accession to the EU. Concerning the stereotype comparisons of the EU with the former Soviet Union, Cox pointed out the differences are very significant, because accession to the EU is the free and sovereign choice of people; furthermore, the EU is based on the “power of conviction and not the strength of military power,” and order within the EU is ensured through negotiations rather than political dictate.²⁹

Cox added that if Latvia chooses to join the EU, the EU would be able to guarantee to Latvia not only military security but, what is the main thing, security guaranteed by economic stability and progress. Cox also voiced conviction that when Latvia joins the Union, Latvia's relations with Russia would also change because Latvia would be in a different geo-political dimension.³⁰

Thus, while trying to dispel some misconceptions, Cox also showed his awareness of the characteristics and qualities that his audience would welcome in the EU. Among the people of Estonia, Latvia and Lithuania there seems to be a fairly widespread consensus on a number of fundamental concepts including the following:

- ▶ the European Union is a union of sovereign states rather than a federation or some “super-state;” at the same time, some federal elements would be acceptable and welcome;
- ▶ the EU enjoys authority and speaks with one voice in the international arena;
- ▶ old and new EU members are treated equally;
- ▶ power, responsibilities and opportunities are divided fairly between the large and small member states of the EU;
- ▶ emphasis is placed on national identity, including the national language; by the same token, the EU does not have a single lingua franca.
- ▶ citizenship is accorded by the state rather than the EU;
- ▶ a region does not become a replacement for a state or a nation.

Conclusion

Though this is an informal and unofficial lists of preferences, it does provide a sense of direction that the Baltic States wish to pursue vis-à-vis reforming the EU as they prepare for membership of the Union. In order to ensure that the EU that Estonia, Latvia and Lithuania join resembles closely the EU that they envisage, additional preparatory work could be done in each of the capitals: all three Baltic governments could formulate their views systematically, test these views in debates on the home turf and among their Baltic neighbours (the Baltic Assembly might be an appropriate venue), and be ready to present and defend the resultant proposals when a propitious moment arises. Though, all this has been

²⁹ Ibid.

³⁰ Ibid.

going on in various degrees in connection with participation in the Convention on the Future of Europe, the resonance of all the activities among the populace and beyond each country's borders has been limited. Clearly more could be done along these lines; this, in turn, could serve as a counterweight against the arguments disseminated by the Euro-skeptics and help ensure a genuinely positive vote in the referendum in Estonia, Latvia and Lithuania on the idea of joining the Union.

At the same time, a major incentive for additional pro-EU activism could come from the Union in the form of a statement affirming that the candidate countries can participate in the decision-making processes both at the Convention on the Future of Europe and the subsequent inter-governmental conference. Such a message would go a long way toward cementing the perception of democratic legitimacy of the European institutions and the notion that all Europeans can and should contribute to the shaping of the Europe of the future.

General Report

Detlev Kraa, Berlin

The meeting in Tallinn was the second meeting of about 30 participants from the Baltic states and Germany who came from the fields of academia, think tanks and political life. Three topics were discussed: (a) the changed role of Nato after 11th of September and Russia's position and interest in that regard; (b) the Schengen Border Regime in an enlarged EU and (c) the Baltic conception of the EU as discussed in the Convention on the Future of Europe.

The new NATO and Russia's role

The discussion of the first topic centered on the dramatic change of the European security architecture. Already in the first dialogue – 7 months ago – the participants predicted the transformation of NATO's traditional role as a military and defensive alliance into an international organisation of security-policy. This trend was most recently confirmed by two events of great political symbolism which brought Russia nearer to the alliance: the disarmament agreement between Russia and the USA and the creation of a new NATO–Russia Council.

Both events, like the upcoming second round of NATO enlargement, mark a historical turning point: the definite termination of the Cold War confrontation and the beginning of a new era of stronger co-operation among former adversaries. Bush and Putin could use the renewal of their relationship for mutual political advantage. They transformed former opposition into future potential partnership, a development, which some participants in Tallinn had hardly foreseen only a year ago.

Both, the military engagement in the Balkans and the first redemption of article 5 of the alliance treaty as a result of 11 September 2001 have not been regarded as defensive actions in the classic sense of NATO activity but were designated as moves to create and restore security. Both events clearly indicated the end of the classical period of alliance purpose and action.

The questions put forward in the discussion about the character and quality of the new developments, about the aim and the principal purpose of the alliance underlined the fact, that the outlines of a new NATO were still unclear. NATO had by no means found its final form.

Problems of enlargement

It was generally agreed, that the second round of NATO enlargement marks a growth in security without growth in military ability. There is no justification of this development in military terms, because none of the new members possess the necessary resources or abilities to improve

NATO's military capabilities. However, the alliance will improve its political meaning and carries the character of an international provider of security. This reduction of its military character can be seen to be in line with Russian security policy interests. The same cannot be said of the USA, where skepticism may grow about NATO's usability. A possible result of this could be an increasing gap in security politics between both sides of the Atlantic.

Some speakers referred to the internal, ever more complex decision making mechanisms of the alliance as another problematic result of the ongoing changes, especially the enlargement of some seven new member states. In 2004 we will have a map of Europe – without Greece and Cyprus – which largely corresponds to the European map of 1660, i.e. after the Thirty Years' War. This would be a Europe which is precisely defined by the border between eastern and western Christianity. For this Europe, a further expansion would not be desirable given that there exists already a gap between the poor and the rich in this configuration. Europe's effective functioning could be severely hindered by a collapsing social infrastructure and less security than 10 years ago would be the result. New dividing lines, new uncertain and dangerous borders could develop creating a new internal security threat for Europe.

The European contribution

Rejecting such negative evaluations of possible results of the coming enlargement, it was argued, that enlargement would stimulate the political readiness of the Europeans to cope with the emerging new challenges. Particularly important for the Europeans would be to stabilize their self-sufficiency in security terms. In this regard, the role of ESDP was a topic of discussion. Disregarding some voices which were expressing their lack of understanding of the ESDP and the future perspectives of independent European security efforts as well, ESDP was called a brilliant idea. It would become ever more important, even if in the beginning it had caused tensions between the European Union and the USA.

The ESDP has its own logic and dynamics. It addresses the area of soft security issues. Each country may co-operate or not. For Estonia, it was regarded to be important not as much as an instrument against the traditional threat of 1000 years, but as protection from new threats, such as the atomic reactor, 60 km close to the border, organised crime, etc. With enlargement, the European Union wants to turn adjacent areas of the enlarged Union into normal neighbourhood regions, which would to a large extent adapt to EU's internal norms. Nevertheless, creating immediate borders with Russia – an experience which only Finland had to the present – was seen to be much more problematic than the envisaged division of Europe by NATO's enlargement.

In the longer run, EU enlargement would be much more decisive for the development of its new members than would be NATO enlargement for them. Whereas NATO membership requires some important adaptations

in security and military affairs plus a financial contribution of 2 per cent of GDP, the EU requires constant adjustments and day-to-day operations across the whole range of governmental activities. The EU, via its legal system, implants a totally new skeleton into its new member states. This is a painful process in the beginning, but one with a long-term beneficial effects.

The contribution of the Baltic countries

High expectations were addressed to the newcomers. Since the old members had almost lost the feeling for the advantages of the alliance the new members were asked to refresh the esteem for the importance of NATO's value system with new enthusiasm. In doing so, they should also help to reveal contradictions in the Western approach like, for instance, those of OSCE missions to Latvia for controlling language laws or the Western doublespeak regarding Russia's policy in Chechnya. In military terms, it was suggested, that prior to exclusive reliance on NATO, the Baltic states should analyse and strengthen their ability for self-defence. Only on the basis of a conscious defence contribution of their own they could expect continuous assistance from the alliance. In general, the newcomers would have to co-design the role of the European military.

Such expectations were regarded as grossly exaggerated by Baltic participants. They coined them as "To save NATO as it were by Baltic co-operation," thus pointing to the impossibility of the assigned task. The Baltic interest is rather directed at the abolition of the, as they see it, absurd rule, that there should be no NATO operations in the former European Soviet area given the fact that nowadays a US airbase even operates in Usbekistan.

A self-sufficient USA

It was evident to all participants, that the USA being the only superpower left is capable of acting on its own. There would be no real need of NATO to support the Americans. Coalition-building is sovereignly done by Washington taking into account but its own national interests. Hence a growing gap in military capabilities between the USA and Europe which is substantiated by the difference in defence expenditures with the USA providing for one third of all world-wide defence efforts.

At first glance, it seemed to be a revival of its military purpose, when NATO put itself into the alliance against terror after September 11 by invoking article 5 of the Atlantic Treaty. Its marginal role in the military operations against Bin Laden's terrorist organisation, however, soon revealed to everybody that this step was mainly done in order to boost the international political support of the American administration. In this way, president Bush could show that the U.S.'s leading role is accepted by partners and former rivals alike. The latter became unequivocally clear

when Russia formalised its entry into the coalition against international terrorism with the foundation of the reshaped NATO–Russia Council.

The new partnership between Washington and Moscow as displayed with the new institution could damage old Alliance relations if it were to develop into something like a special relationship. Differences in strategic culture between most European states and the Russia–American couple could further such a development as both, America and Russia are more inclined to use military force in order to solve political problems than are the majority of European Alliance members. Thus, a 18 plus 1 plus 1 situation could emerge in the “wider Alliance” in future, undermining the former Atlantic coherence.

The inclusion of Russia

The new NATO–Russian Council is based on the principle of consensus. In the realm of common interest – for instance concerning the 9 topics of the Rome declaration – all members could act as equal partners. However, NATO’s prerogative to act independently in the realm of the Atlantic Treaty proper, remains valid. These regulations notwithstanding, several participants were of the opinion that the inclusion of Russia via the NATO–Russian Council would lead to sterilising the Alliance for the sake of embracing Russia. NATO decisions that were likely to encounter a Russian veto could no longer be taken. This process, finally, would result in the loss of Alliance coherence and in growing difficulties with intra-Alliance decision making.

Baltic participants pointed to some discouraging examples which could give rise to the impression that Russia would always be able to guard its interests against the West. One example is the OSCE missions in the Caucasus where Americans bent to Russian interests. When it became obvious that Russia was offending the rules, the rules were simply changed, by maintaining that the OSCE approach was dead. The same pattern could be seen in Russia’s application to join the World Trade Organisation. The Russian government refers to its international importance, for instance in the “G 8,” and thus simply demands membership of the WTO. If Moscow would get its way this will result in the decline of internationally accepted standards. The motto “better to embrace than to alienate them” has also failed with respect to the Council of Europe. Russia’s membership has not contributed to the improvement of its citizens’ life so far. Furthermore, demands for democratic rule, freedom of the press and non-violation of human rights on other nations simply leads them to retort: What have we done, what the Russians have not done? Thus, Russia’s incorporation into Western international organisations should not lead to a lowering of their values and standards.

Concerning the NATO–Russia Council, possible differences are already no visible. They could affect the future of the budding relationship. As in the past there were conflicts about the correct evaluation of the Milošević regime resulting in a break in mutual relations, there is presently a

discrepancy about the evaluation of Iraq and the problem of non-proliferation of weapons of mass destruction. Thus, the search for topics to be included in the agenda of future meetings of the newly created Council has to proceed very carefully, especially after NATO enlargement, in order to avoid early disappointments on both sides.

The development of Russia

The question of the final place for Russia in this process caused a lively discussion. The optimism regarding the likelihood of including Russia met with little approval from the Baltic participants. In their view, German politicians overrated the role of Russia, which they characterised as minimal. Naturally, Putin managed to score as an accepted partner of equal status for the Western allies. This has been validated his policy after 11 September. In this way, he could strengthen his political position in Russia and indirectly also the position of president Bush in the USA.

Despite of his recent successful political moves, Putin did not attack the interests of Russia's "big economy." The nature of competition after the Cold War has changed, but one cannot yet speak of a democratisation in Russia's society. This also is a result of the prevailing influence of "big money" on politics. Putin hardly set limits to the influence of the oligarchs. Another case is Belarus. Lukaschenko helped terrorists and heavily supported Iran, Iraq and Libya by way of unrestricted delivery of weapons. However, all this has never been mentioned, not to speak of condemned, by Putin in his denouncements of international terrorism.

There were a lot of doubts among the Baltic participants about the possibility of domesticating, civilising and integrating Russia into the world community. According to foreign policy experts, a thin layer of political actors would govern Russia and only on this level political changes would take place. The lower stratum of society would not be reached by these developments. Thus a transformation of foreign policy would remain external to the process of internal development.

However, to bring about a real transformation of Russia's role in international politics and society changes have to take place on both levels. For this to happen, the thin layer of the ruling state elite would have to provide a new consciousness and changing world view for the masses. The success of such an attempt is highly dependent upon the duration in office of the ruling state elites. Such a development, it was argued, could also be accelerated by technological developments such as the Internet revolution. The free access of all layers of society to all kind of information should not to be underestimated in changing public opinion even on such "statist" issues as foreign and security policy. Thus, one should not totally foreclude that the former enemy would be able to become a real partner.

From a practical political viewpoint, it was argued, there is hardly any viable alternative to the inclusion of the present Russia into the emerging international coalition for world order. An antagonistic approach towards Russia would incur far worse results than could be the outcome of the

actual policy of inclusion. However, this policy, at the moment, addresses only a very small group of responsible persons in Russia. Therefore, it should be applied very carefully in order to really support Putin also internally.

However, doubts concerning too positive estimates of Russia continue. The new partnership with the Alliance needs special conditions to become a success. For instance, the Russian attitude towards co-operation would have to change fundamentally. The old culture of distrust has to give way to a new approach. These changes have to be proven in the daily work of the new Council's institutions and co-operation between NATO and Russian military people. For this to happen, the hardliners faction in Moscow and the professional conservatism of the Russian military has to change considerably. Nevertheless, Western actors should not stop criticising negative developments in Russia such as the increasing pressure on journalists and media nor should the West compromise on the issue of Russia's unacceptable approach to the conflict in Chechnya.

The impact of EU enlargement and the Schengen border regime

According to Baltic views, the Schengen regime has turned from an interesting exercise in intergovernmental co-operation into a genuine security convention. It is a result of a bargain: The more freedom is conceded within member states, the more compensatory measures have to be applied in order to minimise soft security risks. In this respect enlargement has two aims: first, to harmonise the border policy of new and old members and second, to exclude any threat, people in the actual members states are afraid of. In this sense, the Schengen regime does not represent a pure technical problem of enlargement. Furthermore, it creates a principal conflict for a common foreign policy, which aims at regional cross-border co-operation and at terminating too close a co-operation with the eastern neighbours at the same time. Europe as a fortress creating possibilities for transnational co-operation would be a contradiction. This leads to the immediate question of what to offer "new" neighbours such as Ukraine and Belarus that are not seen as EU member-states in the foreseeable future, in order to induce their necessary co-operation for the establishment of a functioning and effective border regime on the EU's new eastern border.

Estonian participants evaluated the Schengen regime in a rather positive manner. In Estonia, a consensus prevails for the necessity of an effective border regime. Although this attitude created some problems in 1997/98, Estonia was able to show that the country is in control of the implementation of rules and can master the problems of a free labour market and immigration problems. An uncompromising stance on border controls is necessary because transnational crime, growing illegal immigration and refugees from the eastern NIS states are matters of great concern for the Baltic states. A recent terrorist attack in Riga orchestrated

from outside the country demonstrated how important the strict application of the Schengen security system is.

Estonian experts underlined the necessity of continuous technical and financial assistance from the EU and its member states. It is an indispensable means to gain the necessary technical and legal experience for running the system as Schengen means the introduction of often new and complicated European standards in border controls.

The idea of establishing a common EU border police, however, was met with skepticism. For the Estonian government border control should remain a national affair. With the help of the European Union, confidence into one's own institutions should grow. Furthermore, it must also be demonstrated that these institutions would deserve the trust of the public and of the European partners in order to make them function properly. If necessary, national efforts at meeting the requirements should be enhanced instead of subordinating the national border police to foreign command.

Another problem mentioned was the phased introduction of the Schengen regime which would prolong the time period until the abolishment of internal border controls within the enlarged Union. These would only become possible after the full and satisfactory participation of the new member states in the common Schengen Information System (SIS). The participation in and adaptation to the SIS would, however, not start prior to enlargement. Thus, huge investments in Schengen compatible technical and personal infrastructure must be made now while the advantages of these efforts, i.e. abolishing internal border controls, can only be reaped some years after entry into the EU.

German participants explained that the issue of a common EU border police was mainly raised by the Italians due to their problems with effectively controlling its extremely long sea border. Presently, first tests of practical solutions to the problem are underway. In any case, it is actually not intended to establish a European, i.e. multinational border police as the standard Schengen instrument. However, if one Schengen member states so wishes multinational control mechanisms could become feasible. Hence, the issue of a common border police has nothing to do with EU enlargement but is a discussion raised within the Schengen circle due to problems one or the other member state may encounter in effectively organising border control on its own.

As a reaction to this explanation, some Baltic participants suggested that instead of thinking about a multinational European border police, states without external EU borders should financially support border states since they were saving expenditures for vast border controls. If a reduction of national expenditures for border controls is the obvious reason for the search for a common border police, this problem could also be alleviated by common financial means.

Kaliningrad and Russia

The future status and relation of the Kaliningrad region with the EU was another prominent topic for discussion. It was agreed, that Kaliningrad would be kind of test case for defining the future relations between the European Union and Russia. At least, Moscow wants to turn it that way. Some critical questions are connected with the Kaliningrad issue: How far can one force the European Union to soften its own rules in order to please Moscow? How can the Russian leadership be induced to take a more co-operative approach to possible solutions of the problem? How would the regional situation be influenced after enlargement and the introduction of the (modified?) Schengen system on the borders to the Kaliningrad region?

During the lively discussion, different positions were put forward. Some argued that the EU should introduce generous regulations for the access to the area as well as for transit via EU territory. There is a real danger that otherwise EU enlargement would have even more negative consequences for long-term regional developments including EU-Russia relations than were expected from NATO enlargement. Economic consequences for the directly affected border areas could be disastrous.

Others were of the opinion that there was no reason for the EU to help Moscow deal with a self-induced problem. The Kaliningrad area was a result of Soviet military occupation of former German territory which never had belonged to Russia. Thus, it was Moscow's responsibility to cope with ensuing problems. Russia should not make this issue a Lithuanian, Polish or German liability due to EU enlargement. Because of the historical context, Kaliningrad poses a special psychological problem for the Russian leadership.

The EU has presented a sensible negotiating package. It met with Russian rejection because it implied a certain degree of decentralisation and self-rule for Kaliningrad. Moscow, however, has psychological difficulties in abandoning its strictly centralised approach, because it fears a tendency of growing alienation and, finally, separation among the people of the Kaliningrad area. Already today, they are travelling rather to Klaipeda, Vilnius and Warsaw than to Moscow or Russia. The vast majority of those 7,5 million people who pass the borders every year are members of the armed forces. They, too, are primarily interested in the improvement of their standard of living, especially as they already experience the slowly growing gap between the situation in the *oblast'* and in the neighbourhood regions of the future EU member states. And they know that this gap will quickly widen in the years to come unless Moscow reaches an understanding with the EU about European aid for the improvement of the situation in Kaliningrad.

However, such an understanding will hardly be reached without a satisfying solution of the regional border problems in the Schengen context. Without such an agreement prior to enlargement, Kaliningrad would turn into a militarised and economically declining region, into a double periphery, which is separated from Russia and the European Union alike. One element of a solution could be a readmission agreement con-

cerning those people, who are illegally crossing the borders in order to get into the EU. Though Lithuania strove for it, Belarus and Russia, up to now, did not show any interest in the conclusion of a readmission agreement. The prevailing view among the Baltic participants was that the Russians are not really interested such an agreement because they would welcome the idea of people not returning. To get Russia's consent more would be required than just a regulation of the readmission issue: regulations for a comprehensive transit at sea, on air and via land through the neighbouring states without visas and additional corridors. Such a generous regulation is, however, not acceptable for Lithuania, Poland and the European Union unless Russia and Belarus would apply the strict Schengen regime measures by themselves. Actually, discussions about an agreement between EU and Russia are still put on hold until Russia has introduced a new passport system in accordance with Schengen, the Schengen Information System and international rules.

Regional effects

Baltic participants advanced some critical points regarding the EU's position on the full introduction of the Schengen regime by the new member states. It was argued, that the EU approach carries the danger of restoring the former iron curtain by means of border control, visa regulations etc. There is the danger of severely damaging long lasting economic relations and ethnic bonds in transborder regions. Such relations and bonds had to be taken into account in the EU's visa policy. A disruption of existing connections had to be avoided and the new member states had to be in a position to continue their established neighbourhood policy including transborder personal and economic relations. Too harsh a change would bear the danger of corroding the achievements of the just established democratic transition by creating too much disappointments among the population in the border regions.

Especially small scale transborder trade including some illegal trade in petroleum, vodka and amber could not be stopped all of sudden after entry into the EU. This trade is of great importance for the border regions in almost all Baltic states and Poland given the lack of income generating economic alternatives. And such type of semi-legal economic activities do also exist in other parts of the EU.

It was, however, also stated that the economic importance of transborder trade is regionally limited and normally non-existent with regard to the whole national economy of the Baltic candidates. Thus, regional compensatory economic measures could do a lot to alleviate the situation in a mid-term perspective. Furthermore, it was argued, that such semi-legal economic activities would not bear any longer-term perspective since after entry into the EU norms and standards of the internal market would become obligatory in the new members as well. Over time, EU standardised products would replace transborder products also on the regional markets in the border regions. What would be left of the present situation

would be the really criminal transborder activities which had to be prevented by the introduction of the Schengen regime in the new member states.

German participants underlined the great psychological importance of the Schengen acquis. Public approval of the enlargement process would be seriously endangered should the Schengen regime be weakened. The already meagre support of EU enlargement by the German public would deteriorate further. The issue of internal security occupies a prominent place in the German discussion about enlargement and nobody would show any understanding for compromises and a softening of the Schengen regime. Thus any special regulation in the context of neighbourhood policy would have to comply with Schengen standards. Long-term visas, cheaper visas, simpler procedures etc. would not be forecluded but could only be introduced if the level of border security would not be negatively affected.

The German side also pointed to the fact that border controls between the new member states and the Schengen area of the old EU would continue after accession. Only when the new members had proven that they were able to completely apply the Schengen regime would border controls come to an end. This would take some time because the process of technical and personal adaptation to the Schengen regime would not be concluded at the time of accession. This would not be an exceptional situation because also in the existing EU not all member states had been able to enter the Schengen area at the same time. For technical reasons the new members would be accepted to the Schengen area only after the implementation of SIS II which will be only be finished in some years time. Thus, experts from the German ministry of the interior consider the year 2010 as the earliest possible date of accession to Schengen for the new member states

The Baltic input into the Convention on the Future of Europe: Where do we want to go?

The convention must be seen as an effort to transform the European Union into a more democratic, transparent and effective organisation. It has to meet three basic challenges which are laid down in the “Laeken declaration” and its predecessor, the “Nice declaration,” of the respective European Council meetings:

1. to bring the citizens closer to the EU and its institutions
2. to discuss questions about the future of the European Union and to organise politics in favour of the extended areas and
3. to transform the European Union into a stabilising factor in a multi-polar, globalised world.

The role of the Convention

Until present, the European convention only raised little attention in the Baltic public. Baltic participants, however, fully appreciated the inclusion of the candidates on an equal basis, i.e. by two parliamentarians and one state representative. However there are no visible external effects of the convention. Thus, it is difficult to attract the interest of the public to this event. For most Estonians, for instance, the convention is a too abstract and complicated matter. For them, for instance, questions of future security matter far more. This attitude coincides with a growing Euro-skepticism: As polls showed, in May 2002, only 41.5 per cent of the population in Latvia, 55 per cent in Estonia and 49 per cent in Lithuania were in favour of the EU. For many, the European Union seems to be just another Union to which national sovereignty has to be ceded and by which the country would be governed from the outside. Thus, it is very important to explain to them the fundamental difference between the European Union and the former Soviet Union.

In the first period, the concrete work of the convention is difficult to define. There are many different statements by different representatives from different countries. No clear guidelines exist yet, nor seems the president to have already a well-defined concept about possible results but only some vague ideas about how to diminish the existing deficit of democracy and transparency in the EU. Thus, the final result is still very much open. However, the task of drafting texts on which agreement should be reached has to be left to legal experts. Thus, in the opinion of some participants, the political work and the more legal work of the convention are somewhat separated from each other.

In a comparable way, the Baltic representatives had not defined their role in the convention either. Some participants expressed a feeling of being left apart to the role of mere observers without any real possibility to influence decisions. Others were of the opinion that they did have equal rights to the representatives of the actual EU members, including the right to vote in the convention. Thus, there was a real chance to exert influence over the procedure and the results of the event.

German participants pointed to the experimental character of the convention. As a reflection of the flaws of the Intergovernmental Conferences – the past method to make changes to the set-up of the European Union – the convention method had been introduced. Thus, little can be foreseen at the present moment and the first period of the work of the convention must also be seen as a kind of training period. The results of the whole event could be surprising and success is by no means assured from the beginning.

A still open question, which was, however, of great importance for the Baltic participants, is the relation of the convention to the subsequent new Intergovernmental Conference which will finally and exclusively decide on the changes to the set-up and functioning of the European Union. What then is the role of the convention in relation to the IGC? What will be the impact of the convention's results on the IGC in which only member

states' governments will be represented? The IGC is not formally committed to the convention and not legally bound by its results. What, then, is the purpose of the convention, if there is no need to take into account its results?

These questions were linked to a severe criticism of the exclusion of the candidate states from the IGC and its decision-making process. Suspicion was uttered that the current members – above all the large ones – wanted to fix their vision of the European Union prior to enlargement. Such a procedure was named as unfair and undemocratic. The Baltic states wanted to have their say in the process of EU-reform the results of which would have to be accepted and implemented by them. The feeling of being excluded from such an important process could also negatively affect any EU-referendum in these countries and thus endanger the successful conclusion of the enlargement process.

Some German participants argued that one should not underestimate the dynamics of the convention method. In the convention, governmental representatives are in a clear minority. A result of the convention deliberations that would find almost unanimous agreement among parliamentary representatives could hardly be completely ignored by the IGC. Thus, even if equal participation in the IGC was legally not possible for the candidate countries as long as they were not EU members, they could assert considerable influence via their equal participation in the convention.

The future structure of the European Union

Discussing the various options for the future structure of the EU, Baltic participants stressed the importance of maintaining sovereignty and national identity. In the Baltic states there is a strong national feeling that definitely ranks before the affiliation to the European Union. Also, a regional identity is rather underdeveloped as there exists no lingua franca in the Baltics and all Baltic people see themselves as being of different ethnic origin which, to a large extent, is true. Thus even “the region” cannot serve as a substitute for the state or the nation. Before this background, Baltic people clearly favour a EU composed of sovereign nation states in which federal elements and common policies are the result of the conscious decision of national institutions.

In this perspective, the European Union should not turn into the United States of Europe but remain a union of sovereign nations. A fair balance of power must be given within the European Union as well as a fair distribution of burdens and equal responsibilities between larger and smaller countries. No discrimination between new and old member states should exist. A clear division of competencies among the European and the national level would have to be defined. Foreign policy cannot really be united.

German participants pointed to the difficulty of describing in detail the new structure of the EU at the moment. Discussion about important issues

has just started under some broad headings. Many details have still to be discussed. An important issue among the still open questions is the role of parliaments at different levels of the European polity. At present, national parliaments possess the actual power of legitimacy. Government still depend on them. They determine the basic societal conventions. However, EU decision-making largely by-passes national parliaments which have little means to influence and control the results of European policy-making. A way of strengthening the links between national parliaments and the European Parliament would be desirable in order to enhance the political legitimacy of the Union. Another way to solve this problem would be to further develop the influence of the European Parliament, i.e. further parliamentarising the EU system. But even then, the EU would be doomed to live with some amount of non-transparency and democratic deficit due to its growing internal complexity.

Program

Second Baltic–German Dialogue,
Tallinn, May 31–June 2, 2002

Friday, May 31, 2002

- until 17:00 h** **Arrival** of foreign participants
check-in at the
Hotel Olümpia,
Liivalaia 33,
Tallinn
- 19:30 h** **Reception**
at German Ambassador's Residence
Toompea, Lossi plats 7

Saturday, June 1

Venue
Hotel Olümpia

- 9:30 h** **First Session**
The New NATO and Russia's Role
A View from Estonia
Toomas Hendrik Ilves, MP
ex-Foreign Minister
A View from Germany
Heinz Kramer
Head of Research Unit EU enlargement, SWP
- 11:15 h** **Tea/Coffee Break**
- 11:45 h** **Second Session**
**The Impact of EU Enlargement and the
Schengen Border Regime**
Introductory statement:
Edita Dranseikaite, Lithuanian Institute of International Relations and
Political Science
- 13:00 h** **Lunch** at Hotel Olümpia
- 14:30 h** **Third Session**
**The Baltic Input into the European Convention.
Where Do We Want to Go?**
Introductory statement
Dzintra Bungs, Latvian Institute of International Affairs
Maris Sprindzuks, Parliamentary Secretary, Ministry of Agriculture
- 16:00 h** End of conference

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