

## *Lithuania and the Kaliningrad Oblast: a Clearer Frame for Cooperation*

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### **Introduction**

The collapse of the Soviet Union and the disintegration of the Soviet-dominated system of alliances have encouraged debate about the future of the Kaliningrad Oblast (KO)\*. This exclave of the Russian Federation, the country's westernmost outpost, is cut off from Russia by Lithuania and Belarus and is surrounded by countries that are orienting themselves toward Europe and the Trans-Atlantic sphere.

Kaliningrad's complicated geopolitical situation is exacerbated by additional problems. Nevertheless, these central questions remain: What are Russia's plans for developing the exclave? How could Kaliningrad influence the stability and security of the Baltic states and Lithuania from political, economical, military, social, and environmental points of view?

### **Future of the Kaliningrad Oblast**

Debates and discussions on the future of the KO became especially popular right after the spring of 1991 when the region was opened to the world. During several years some theoretical and practical speculations have been proposed.

1. *Internationalization*. Desires for internationalization of the region – either through partition or the creation of a condominium. The nature of partition plans is demonstrated by one bizarre “unofficial Polish plan” which would subdivide the region, without apparent justification, into small, gerrymandered Polish, Ukrainian, Belarusian, and Lithuanian sections.<sup>1</sup>

2. *Extraterritoriality and autonomy*. The approach suggests the transformation of the region into the “Baltic Hong Kong” – an extraterritorial free trade zone drawing on the history of Königsberg as a member city of the Hanseatic League with far-reaching autonomy. The Russian government made the first steps by passing laws creating the “Yantar (Amber) Free Economic Zone in Kaliningrad. The project was based primarily on the premise that, because of its geographically advantageous location, Kaliningrad could become a center for economic cooperation in the Baltic.<sup>2</sup> Nevertheless, it is clear that the extraterritorial status would require that the region would be prosperous enough to be self-sustaining, and have legal security, protection of investments, clear tax provisions, an efficient administration, and, finally, the setting of clear objectives by the political authorities.

3. *Independence or full independence as a “fourth Baltic state” of Russians*. This has been discussed by some Russian intellectuals in the region as well as by some Lithuanian

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\* At present Kaliningradskaya Oblast' is one of Russia's thirty-nine autonomous provinces. With an area of 15,100 km<sup>2</sup> (approximately half the size of Belgium), it has about 926,000 inhabitants, 415,000 of whom live in Kaliningrad. The population comprises 78 percent Russians, 10 percent White Russians, 6 percent Ukrainians, 4 percent Lithuanians, as well as about 12,000 Germans and 8,000 Poles. Administrative structure: 13 districts, 9 cities; urbanization – 78.2 percent. For more statistics, see Pertti Joenniemi, Jan Prawitz (eds.), *Kaliningrad: The European Amber Region* (Aldereshot: Ashgate, 1998), p. 32-56.

<sup>1</sup> A map of this “unofficial plan” published in the German newspaper *Das Ostpreussenblatt* was reprinted in Lithuanian newspaper *Tėviškės žiburiai*, June 23, 1992.

<sup>2</sup> P. Kirkow, “The Concept of ‘Free Economic Zones’ in Russia,” *Osteuropa*, 3 (1993), 229-243.

politicians.<sup>3</sup> But such suggestions are almost certainly overblown. Few people in the KO appear to be interested in independence.

4. *Resettlement.* This would involve the resettlement of displaced ethnic Germans and the creation of a German autonomous unit under Russia's jurisdiction. On purely logistical grounds (for instance, looking at the standard of living), this solution does not seem especially likely.<sup>4</sup>

5. *Military outpost of Russia.* The concept was very popular among Russian national patriots who backed the plans for even stronger links with the "mainland", with the goal of expanding Kaliningrad's role as a Russian garrison (the Kaliningrad Garrison State) against the supposedly hostile West. Nevertheless, the militarization of the region changed dramatically after the collapse of the Soviet Union. In the early 1990s an estimated 120,000 to 200,000 troops remained in the oblast. Over the past three years the number of Russian troops in Kaliningrad have declined substantially with estimates of their numbers ranging from a low of 24,000 to a high of 40,000.<sup>5</sup>

Without doubt, none of the scenarios mentioned above were fulfilled or implemented despite the fact that the speculations were very popular at the beginning of 1990s. It is necessary to emphasize that some of the tendencies of the possible scenarios were stressed by the Russians themselves.

At the beginning of May 1997 the Russian embassy in Vilnius issued a statement denouncing "certain forces" in Lithuania that were seeking to question Russia's right to the Kaliningrad region.<sup>6</sup> The statement added that these same "forces" were "encouraging Chechen separatists" and thus seeking to undermine good relations between Russia and Lithuania. But it suggested that these "forces" would not succeed in doing so because both sides would live up to the principles of the July 1991 treaty between Russia and Lithuania that called for each country to respect the territorial integrity of the other. In an opinion poll of 1991, almost half the respondents agreed that certain neighboring territories should belong to Lithuania. Extreme nationalists in Lithuania and exile groups in the USA openly laid claim to "Lithuania Minor", as the northern and eastern part of today's Kaliningrad Oblast is called, or the whole region.<sup>7</sup> One of the candidates in the presidential campaign in 1993, Stasys Lozoraitis, talked about incorporating "Lithuania Minor" into Lithuania,

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<sup>3</sup>The idea of making Kaliningrad a fourth Baltic republic was pleaded by Romualdas Ozolas, the leader of influential Center party, and Vytautas Landsbergis when he was a leader of the conservative opposition. See *Baltic Observer*, March 3, 1994.

<sup>4</sup> For more details, see R. A. Smith, "The Kaliningrad Region: Applications of the Civic and Ethnic Models of Nationhood," *Journal of Baltic Studies*, XXIV, 3 (Fall 1993), 236-237.

<sup>5</sup> M.Hoff., H.Timmermann, "Kaliningrad: Russia's Future Gateway to Europe?," *International Relations*, 2, 36 (1993), 38-39; P.A.Petersen, S.C.Petersen, "The Kaliningrad Garrison State," *Jane's Intelligence Review* (February 1993), 59-61; Richard J. Krickus, *U.S. Foreign Policy and the Kaliningrad Question*, (Kopenhagen: DUPI, 1998, working papers No. 18). According to the last information – 18,000. The figure was cited during the informal Round Table "Perspectives Regarding Co-operation with the Kaliningrad Oblast", organized by the Institute of International Relations and Political Science, Vilnius University on September 24-25, 1998. It is worth mentioning that the remaining military in the KO does not constitute any classic threat or danger to neighboring states, since due to the current financial crisis it does not play a serious political role in the region. However, the military, which is not being adequately supplied with food, is widely engaged in commercial activities, including the unauthorized sale of arms. There is also the danger of an environmental threat from the decaying military structures, which may include nuclear material.

<sup>6</sup> Paul Goble, "Reopening the Kaliningrad Question", *Radio Free Europe/Radio Liberty Newswire*, May 8, 1997.

<sup>7</sup> In October 1997 a border agreement was reached between the Lithuanian and Russian governments. There were forces in both countries that opposed the agreement. In Lithuania the nationalist Young Lithuanian Party opposed the treaty, in part because it allowed Kaliningrad to remain part of Russia. "We reckon Lithuania should clearly stand for handing over of Karaliaučius [Kaliningrad] enclave to UN rule", urged party leader and member of parliament Stanislovas Buškevičius. Quoted in a report by ELTA (Lithuanian News Agency, Vilnius), October 22, 1997.

but the proposal did not gain any popular support. Mainstream Lithuanian officials have never raised the issue. It is necessary to stress that the Polish government has adopted a similar stance. The German government has repeatedly disavowed any interest in trying to reclaim the territory. Consequently, the Russian fear that the KO territory could be claimed and even transferred to Lithuania, Poland, or Germany is implausible.

The prospect that Russia would transfer the region to the countries mentioned above is even more impossible. Although a few commentators in Russia have hinted that it might be worth trying to make a deal with Japan to exchange some of the southern Kuril islands (those of no military significance) for a large quantity of money, such an arrangement has never materialized. It is even more unlikely that Russia would consider giving up Kaliningrad. No Russian official or politician of any political stripe has ever indicated a willingness to relinquish the KO and there is no serious pressure on Russia to do so.

Because the independence of the KO or its transfer to another country can be ruled out (barring some drastic change of circumstances in the whole of Russia), the future status of the oblast is likely to be determined by how well the local economy functions over the next several years. The resumption of economic growth and greater foreign investment could enable the oblast to seek a considerable degree of political and economic autonomy. If economic circumstances do not improve and foreign investors shun the region, the oblast is likely to remain under tight Russian control.

It is necessary to note, that the proposal by senior Moscow politician Vladimir Shumeiko, a former Russian deputy prime minister and the chairman of the Russian Federation Council, to transform the Kaliningrad Oblast into an autonomous Russian Baltic Republic raised a lot of discussions during the summer of 1998.<sup>8</sup> The proposal was treated as reordering the geopolitics of the Baltic region. Shumeiko said that he favored upgrading the Kaliningrad Oblast into an autonomous republic, so that the non-contiguous part of the Russian state would not suffer a social explosion, become “a protectorate of a neighboring country or even an area managed by the Council of Europe”.<sup>9</sup> Shumeiko made the suggestion in response to a Russian government plan to reduce economic subsidies to this non-contiguous part of the federation. But even if the KO eventually receives far-reaching autonomy (comparable to that granted to Tatarstan or Sakhalin), the Russian military presence is unlikely to disappear.

Russian military officers have consistently emphasized the strategic significance of the Kaliningrad Oblast, especially with the loss of key facilities in the Baltic states, and they have never expressed any willingness to eliminate (or even sharply reduce) Russia’s military deployments there. The modest reductions that occurred in the 1990s to comply with the Treaty on Conventional Forces in Europe seem to be the limit of what the Russian army and navy will accept. It is useful to note that Russian officials and especially the so called hard-liners have said that they might station missiles in Kaliningrad as part of Russia’s protest against NATO enlargement.<sup>10</sup> This may simply be scare tactics, but as mentioned above, some Russian army and air force commanders who have been unable to prevent the reduction of their military assets there, no doubt hope to reverse this trend with the revival of the concept of the Kaliningrad garrison state and with the enthusiastic support of a post-Yeltsin government comprised of the current opposition (including the national patriots).

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<sup>8</sup> Paul Goble, “A Fourth Baltic Republic?,” *Radio Free Europe/Radio Liberty Newswire*, July 20, 1998.

<sup>9</sup> *Ibid.*

<sup>10</sup> Lyndelle D. Fairlie, “Kaliningrad: Visions of the Future” in Joenniemi, Prawitz, *Kaliningrad*, p.178; Krickus, *U.S. Foreign Policy*. Sometimes the commentators like to remember the West Berlin and Danzig examples in the light of the KO and the process of NATO enlargement. For instance, see S. Kober, *NATO Expansion Flashpoint No. 3. Kaliningrad* (Cato Foreign Policy Briefing No. 46, February 11, 1998), p. 9.

This suggests that, the “Extraterritoriality and autonomy” (No. 2) with some rudiments of the “Military outpost of Russia” (No. 5) are the most plausible of the mentioned scenarios if economic conditions in the KO improve. If economic hardships continue, the revitalization of the Kaliningrad garrison state under Russia’s direct jurisdiction will occur.

Meanwhile, it is impossible to ignore the conclusion of the EU experts on Kaliningrad who are absolutely correct in warning that if the political, economic, and social situation in Kaliningrad deteriorates further and no methods for improving development are found, while conditions continue to improve in Poland and Lithuania, the oblast may become a “black hole” and a source of instability in the Baltic Sea region.

### **Evaluation of the Current Situation in the Kaliningrad Oblast**

From the standpoint of political, economic, social, and cultural development, the KO is seriously lagging behind the multidimensional growth of the Baltic sea region and, specifically, of its immediate neighbors - Lithuania and Poland.

Few attitudes and practical policy initiatives dominate the thinking of Moscow toward the KO: the so called Hard-liners, the Kaliningrad Elite, and the Moderates in Moscow.<sup>11</sup> The “hard-liners” see the KO question in very clear-cut terms. Their thinking is based on the assumption that it is necessary to reject the idea of a free economic zone and to confirm the idea of re-militarizing the KO. The Kaliningrad Elite and the Moderates in Moscow favor establishing a free-market economy combined with small rudiments of the Kaliningrad garrison state. The appropriate KO model may be similar to the one that the local authorities in Tatarstan presently enjoy with control over domestic affairs, but conceding foreign affairs to the Center (Moscow). The attitudes of the “hard-liners” are unacceptable to the Center and the position of the Moderates has not yet been adopted.

As Richard Krickus has noted, there are mixed feelings about foreign initiatives to help resolve Kaliningrad’s problems. Foreign investments and grants that have a positive impact upon the KO are welcomed but there is also the fear that Moscow may lose control over the oblast.<sup>12</sup>

During the period 1991-1993 a Free Economic Zone (FEZ) for Kaliningrad had been established. Duty-free policies were intended to help the oblast compensate citizens for the higher costs for goods from mainland Russia because they had to pass through foreign countries. In addition, special initiatives for business development were included. The introduction of the FEZ was terminated by Yeltsin in March 1995. After pressure from Kaliningrad officials, Moscow introduced the idea of a Special Economic Zone in January 1996. Even though the law on the Special Economic Zone has been passed by the Russian Federation, Kaliningrad’s economic situation remains complicated.

The main problems facing the Kaliningrad economy are: an unstable legal foundation; an unattractive investment climate; debts and the inability to pay them; a slow and complicated privatization process; and weak tax management policies.

Other characteristics of the KO are: corruption, crime, smuggling (clearly with the involvement of military officers); continuing tension between the Administration led by Governor Leonid Gorbenko and the Duma of the Oblast, (Although the administration of the President of the Russian Federation tried to help resolve the conflict and statements of reconciliation were made by the Duma and Administration, more time is needed to estimate how and to what extent a real reconciliation can be accomplished.) as well as an indigent system of social security, scarcity in living quarters for retired and reserve

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<sup>11</sup> Krickus, *U.S. Foreign Policy*.

<sup>12</sup> Ibid.

officers, high unemployment, the lack of a competent public administration, and an inherited military complex which until recently dominated Kaliningrad industry.

With respect to the mentioned characteristics, the KO fails to keep pace not only with the adjacent countries, but also with the majority of Russia's regions. Furthermore, the situation worsened after the financial crisis erupted in Russia. There have been clear-cut consequences to the endemic crisis: the continuing decline in industrial production; no breakthrough in agricultural production because railroad tariffs in the KO are higher than in other regions of the Russian Federation, some KO privileges were reduced in the central budget, the introduction of quotas by the central authorities resulted in the slow economic development of the KO as a Free Economic Zone, decreased turnover at the ports, and a decreased standard of living. The psychological factor, the fear of isolation and the separation from Russia, also affects the current crisis. In a survey of Russia calculating an index of development, the KO had the fourth lowest living standards at 0.93.<sup>13</sup>

There are few explanations for the oblast's economic decline. During the Soviet era the Kaliningrad Oblast had large enterprises which today are no longer economically viable, have not survived the transition to a market economy or need subsidies to operate. Also, an estimated 35 to 40 percent of the oblast's economy was linked to the military industrial complex but now defense related activities have been dramatically curtailed by cuts in Russia's defense budget.

The problems do not affect society evenly, but fall heavily on orphanages, hospitals, prisons, pensioners, and the military. There is no food and medicines in hospitals, prisoners' rations are cut, children are starving in orphanages, and the elderly are suffering. People cannot cope with current prices. The crisis in the whole economy is having a negative effect on the social-political system of the region: 25 percent decrease in the number of profitable enterprises, and an overall drop in income. In early 1998, the average monthly salary was 120 USD and today it is 95 USD. Ten percent of the population receive 24 percent of the income. Stagflation and instability continue to escalate.

On the other hand, the situation in the KO should not be dramatized. The critical situation in Kaliningrad is similar to that in other regions of Russia. The crisis has had some scattered positive effects for the development of the KO: it produced a favorable exchange rate, the decrease in imports resulted in the increased reliance on local producers (especially poultry). The perspective behind the privileges is gaining importance and the Free Economic Zone privileges have been retained.

Local leaders increasingly understand that they can no longer count on subsidies from the federal budget and need to apply measures to vitalize the local economy. Although they have different opinions on what kind of measures should be applied, they agree on one issue – in order to be successful, the oblast has to gain greater regional powers than it now holds. Governor Leonid Gorbenko, as well as other officials of the oblast, continue to emphasize that the Constitution of the Russian Federation should be amended to expand the jurisdiction of the Kaliningrad authorities.

Other prominent leaders, such as former Governor Yurii Matochkin, propose making a special arrangement between the EU and Russia, which would place the KO in a unique relationship with the enlarged EU even though the understanding of what the EU represents is very vague. In general, the domestic reaction to the financial crisis was shock and uncertainty. There is no clear idea of how the future of the KO will develop, or how Kaliningrad will be affected by the next steps taken in Moscow.

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<sup>13</sup>With Buryatia, Ingushetia, following behind. Moscow (4.51), Tyumen (3.04), Komi (1.54), Magadan (1.36). For more details, see an article on Kaliningrad in newspaper *Atgimimas*, February 12, 1999, 10.

On the other hand, the situation is complicated by the fact that the Russian political elite in the “center” do not have a clear and unified vision regarding the KO. Eventually, the possibility of another “Kuril Islands syndrome” prevails in the Moscow mind, thus impeding a more pragmatic approach toward the region. The question could be raised whether the Russian Government has an interest in the KO? The future place and role of the KO in the region largely depends on the answer to the question and the clarification of the attitudes of Russia’s federal and regional governments as well as of the oblast’s inhabitants.

### **Policy Options. The Lithuanian experience**

What is the future of Kaliningrad? Despite the mentioned examples of “creative imagination”, the question is still open. Clearly, the answer largely depends on the development and trends of global politics. On the other hand, the activities of the international community on regional and local levels are also very important.

The international community tried to stabilize the Baltic region through economic aid and by linking its countries in various ways. In this context, the meeting of the Baltic Prime Ministers in Visby, Sweden in May 1996 was very promising because it discussed general issues and avoided military questions. It sounded very much like the reasoning expressed by the EU founders almost fifty years ago. Although traditional security issues (geostrategic and geopolitical) can be important if tensions flare, they need not necessarily be problematic. It is very important to note that many Kaliningraders have essentially “de-securitized” themselves and are now involved in the regional economy with all its problems and opportunities.<sup>14</sup> Kaliningrad’s cross-border cooperation with neighboring states involves the same issues as the relationship between the EU and associate EU members: crime, migration, environmental protection, and barriers to economic activity.

The last Nordic Council visit to Kaliningrad and the events of a CBSS meeting in Kaliningrad are likely to mean both less and more than some of the initial media coverage in the region suggested. It is likely to mean less because virtually all the participants are committed to avoiding any suggestions that would support giving independence to the territory. But it is likely to mean more because growing ties between the KO and the Nordic and Baltic countries are likely to become a model for other Russian regions to follow. And to the extent that they do, the Kaliningrad sessions could promote the kind of regionalism that Russian Prime Minister Yevgeny Primakov has pledged to fight.<sup>15</sup> Taking into account short and medium term perspectives, the activity of Lithuanians in the KO can also serve as a very important example of the efforts for developing stable political, economic and social environment within the KO and the Baltic region as a whole.

Despite the current financial crisis, the KO - Lithuania relations are stable and very positive. The interests of Lithuania regarding the involvement of the KO in cooperative activities could be explained by several factors: political geography (the frontier with the KO is Lithuania’s only border with the Russian Federation, the KO’s main transit route passes through Lithuanian territory; against the background of Lithuania’s aspirations to join the EU and NATO, Lithuania seeks to develop a cooperative relationship with the KO, so that potential problems can be transformed into mutually beneficial results), good neighborly relations (the successful cooperation with the KO has a positive influence on

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<sup>14</sup> The authors of the essay represent the Institute of International Relations and Political Science, Vilnius University, which recently organized a series of events on the problems of the KO. The remarks mentioned in the text are based on them.

<sup>15</sup> Paul Goble, “The Internationalization of Kaliningrad,” *Radio Free Europe/Radio Liberty Newswire*, January 20, 1999.

the overall relations between Lithuania and Russia and contributes to the cooperative spirit within the region); people-to-people contacts and the Lithuanian national minority in the oblast (Lithuania promotes contacts between local communities and supports expanded cross-border cooperation between regional authorities), economic motives (Lithuania is seeking to utilize trade and investment opportunities in the region, by investing in the KO, Lithuanian investors try to gain access to the entire Russian market), environmental protection (the KO faces ecological problems which directly influence environmental conditions in Lithuania).

Lithuania made several very concrete steps in developing cooperation with the KO. Trade with the Kaliningrad Oblast constitutes around 12 percent of Lithuanian's overall trade with Russia. As of July 1998, Lithuania was third in terms of the number of established joint-ventures in Kaliningrad. The Lithuanian stock-company "Klaipėdos maistas" has started an investment project in the KO. The implementation of this project begun in 1998 will require an investment of up to 5 million USD. The Šiauliai confectionery factory "Naujoji Rūta" has established an enterprise for the production of caramel candies with an investment totaling up to 1.5 million USD. Projects dealing with the export of Lithuanian electric energy to the Kaliningrad region as well as the transit of gas and oil from Russia to the KO are being negotiated.

While chairing the CBSS, Lithuania, with the agreement of Russia, made it one of its priorities to encourage the participation of Kaliningrad in the organization of regional projects. Lithuania has suggested that the next meeting of the Committee of Senior Officials of the CBSS be held in Kaliningrad.

The Klaipėda region of Lithuania and the Kaliningrad district are participating in Euroregion "Baltija" activities. On February 23, 1998, in Elblong (Poland) representatives of Lithuania, Denmark, Poland, Latvia, Russia, and Sweden signed an agreement on the establishment of the Euroregion "Baltija". The agreement provides for the implementation of joint cooperation projects in the fields of industry, agriculture, transport, communication, environmental protection, education, and tourism. Representatives from the Kaliningrad Oblast administration were invited to participate in the international conference "Trans-border Cooperation around the Baltic Sea: Realities and Perspectives," held in Klaipėda in October 1998.

A few joint projects concerning environmental protection are currently at the scientific research stage. Initiatives concerning the incorporation of the Kuronian Spit into the World Heritage list (UNESCO) are underway. The final declaration of an international conference, which took place on May 7-8, 1998, recommended that the Republic of Lithuania and the Russian Federation prepare an application to the International Committee for the Protection of World Culture and Natural Heritage for the incorporation of the Kuronian Spit into the World Heritage list. While preparing the application it was recommended that the Kuronian Spit be considered an area of natural and cultural value.

No doubt, the foreign policy of Lithuania is determined by some concrete national concerns. First of all, some politicians and experts in Russia and in the West use the "Kaliningrad card" to argue against the possible membership of Lithuania in NATO. In order to mitigate these fears, Lithuania will need to utilize creativity and diplomacy. However, Lithuania is more concerned with the economic crisis in the oblast which can negatively effect the development of bilateral economic relations, Lithuanian business interests, and the overall stability of the region.

Further economic deterioration in the region may result not only in direct financial repercussions, but also in negative social outcomes, such as illegal migration and increased criminal activity, including drug trafficking. With regard to the military, Lithuania still views that the KO as a heavy military carrier in the middle of the Baltic Sea region, impeding the economic development of the region and the greater involvement of international business. With the coming of the financial crisis, military officers are

searching for alternative resources and employment to support their families. Economic uncertainties reveal a risky trend toward military disintegration and the loss of control. Although the question of military transit through Lithuania is not an issue of direct discussion, it remains in the back of Lithuanian minds as a potential source of contention.<sup>16</sup>

As mentioned before, the future place and role of the KO in the region largely depends on the attitudes of Russia's Central Government, the regional policy (Center /Moscow/ relations with the periphery regions /KO/), and the domestic political environment within the KO. The initiative to identify the needs and problems of the region that could be relieved through cooperative ventures with neighboring countries should be decided domestically. However, Lithuania and the international community can encourage and stimulate the oblast's interest to use the opportunities available through bilateral and multilateral programs. On the other hand, the EU and NATO should also consider specific ways in which the European integration processes could contribute to the greater economic development and prosperity of the KO and could find a generic conceptual framework through which to identify and bring about a comprehensive assistance strategy.

It is in Lithuania's interest to contribute to the stable development of the KO, to strengthen economic relations, and to include the oblast in a wide range of regional cooperation programs. It is also important to ensure that as Lithuania and Poland integrate into Euro-Atlantic institutions, Kaliningraders would benefit from greater involvement in regional initiatives, as well as increased economic cooperation and people-to-people contacts. The established legal and political relationship between Lithuania and Russia and in particular, the KO, coupled with a good record of cooperation on a wide range of issues, provides an excellent framework for actively assisting Kaliningrad to create conditions for stable development in the oblast and the whole Baltic region. While Lithuania headed the CBSS, it tried to stimulate the interests of countries in the region to help Kaliningrad deal with current problems and challenges through mutual cooperation.

In concrete terms, Lithuania proposed the following mechanisms to advance mutually beneficial and practical cooperation with Kaliningrad:

- the working group in the Lithuania–Russia intergovernmental commission for cooperation between regions of Lithuania and the KO;
- bilateral initiatives to involve other interested states and institutions: Poland, European Commission, EU member states, and the U.S.;
- CBSS regional cooperation programs;
- utilizing the possibilities of cross-border cooperation between regional and local governments, expanding the involvement of Lithuania's counties in this cooperation;
- activities concerning the Euroregions "Baltija" and "Nemunas".

Throughout the discussions with representatives of the Central Russian government and the KO, the following fields of Lithuanian–Russian beneficial cooperation have been identified:

- Creation of favorable conditions for investments in the KO;
- Upgrading and improving public administration in the KO;
- Cooperation in the field of civic security: prevention of crime, illegal migration, drug trafficking, and car thefts;
- Implementation of specific projects in the field of environmental protection.

The proposed agenda for positive involvement and cooperation is already becoming a reality. On the other hand it needs to be supplemented:

- A special education program raising public awareness on EU and NATO issues. The Lithuanian academic community and media could be used to help transmit information

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<sup>16</sup> In a 1998 public opinion survey of the Baltic region, 52 percent of the Lithuanian population stated that Russian military transit was a threat to Lithuania's stability and security. On the other hand, military transit ranked as only the 9th most important threat for Lithuania at 1.9 percent.



to society. A media strategy can affect the KO Administration and local politics. The KO is right in the middle of and directly affected by the EU; thus, it is important that Kaliningraders understand their regional neighborhood;

- In order to develop democratization, positive and practical approaches are necessary: TACIS, the EU, Lithuania, Norway, and Denmark have attempted to exemplify the advantages of the KO by promoting successful initiatives and encouraging enterprises that operate efficiently.

- A positive framework of regional cooperation may be established by adopting the Finnish "Northern Dimension" strategy which through a Lithuanian initiative also includes the KO.

- In order to develop mutual trust, the idea of setting up Hot Lines between the KO military command and the defense ministries of neighboring countries has been revived.

The success of cooperative efforts to help the KO overcome current difficulties and to promote stable and prosperous development will depend on many factors. The key to many of them lies either in Moscow or Kaliningrad. However, some of them will depend on neighboring countries and especially Western institutions. Their willingness and ability to address the complicated issues of the Kaliningrad region as well as their openness to an innovative approach will be vital for determining the scope and extent of the impact for promoting stability in the region.

Unfortunately, the strong need to develop a coordinated strategy for Western assistance still exists because both the Kaliningrad regional authorities and the Western community do not have a generic conceptual framework to identify and expand the comprehensive assistance strategy. Obviously, there is no single, one sided solution for the KO. The reality of the Kaliningrad oblast is that strategies will never be clear, always chaotic. There needs to be a system to modernize the economic and political structures in rapidly changing times. The feeling of hopelessness in the KO should be ignored and the concept of its positive development should be publicized to capture the political will. In order to help the KO, interested parties need to receive concrete information about development initiatives in the KO from its Administration, as well as from Russia. The key to solving Kaliningrad's problems is working on the economic and educational fronts to reveal possibilities of cooperation and to educate the public.

To some extent Lithuania has succeeded in accentuating the fate of the Kaliningrad Oblast as a regional issue. The success of Lithuania's Kaliningrad policy was recognized by the international community. Lithuania's leaders have been praised for such policies many times. In the recently released in the USA "Report of an Independent Task Force Sponsored by the Council on Foreign Relations" Lithuania's active participation in the KO was also evaluated in a positive manner.<sup>17</sup> However, despite some positive reaction from the West, emphasizing Kaliningrad as a focus of international attention remains problematic. The question that must be addressed is how to translate Lithuania's concerns for Kaliningrad into a practical policy which stresses that concrete involvement now is both a sensible and cost-effective way of preventing more serious and acute problems later. Therefore, it would be useful to institutionalize the problem within the ongoing search for a meaningful dialogue between the European Union and the Russian Federation. Lithuania could offer to be a bridge between the EU and Russia for developing relations between states and regions on either side of the Schengen space.

On the other hand, the modernization of economic/political structures is not possible if there is no rule of law, based on political culture and morals. Rudimentary

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<sup>17</sup> *U.S. Policy Toward Northeastern Europe. The Council on Foreign Relations* (New York, 1999), p.40-41, 48-49. Lithuania's policies to the KO received the same evaluation at the CBSS foreign ministers meeting in Palanga on June 14-15, 1999. See: "Sumažėjo dėmesys ministrų susitikimui" (Less Attention to the Meeting of Ministers), *Lietuvos aidas*, June 15, 1999.

“rules of the game” must be established. The KO should do its homework. The Region could adopt interim Nordic legal structures (company, banking, bankruptcy law). As a starting base, minimum legal standards could be developed locally. The EU’s internal regulations might also serve as a case/example for establishing these “rules of the game”. However, false hopes about the idea of an association with the EU should be dispersed. Lithuania together with Poland and Western institutions should make an additional effort to share information and experience on what some supranational institutions (the EU, NATO) represent and what they can offer.