

Vygaudas Ušackas

Lithuania and Russia: Knowing the Past, Building Genuine Partnership for the Future

The retrospective of bilateral relations until recent years.

Lithuania and Russia are neighboring countries related by a long and manifold, sometime even painful, history. In the 13-15th centuries, the rule of the Grand Dukes of Lithuania extended over vast territories of East Slavic (former Kievan Rus) lands, which were also claimed by the Grand Principality of Moscow, then still in the vassalage of Mongol-Tartar khans, but, from the 14th century, already gathering strength. When, at the end of the 15th century, Moscow freed itself from the reign of the Tartar khans and became the Russian State, it started expanding its territories in all directions. From the middle of the 16th century, Russia was also seeking access to the Baltic Sea by trying to conquer the Grand Duchy of Lithuania, and first all the former Livonian (now Latvia and Estonia) lands, then under its protection. Faced with a deadly threat to the very existence of their state, Lithuanian rulers in 1569 agreed to unite with Poland to form one dual state which managed to remain on the international arena for more than 200 years (until 1795). Nevertheless, at the beginning of the 18th century, Russia, ruled by Peter I (the Great), managed “to cut a window to Europe” by conquering a part of the East Baltic region, then already under Swedish rule – from Riga to Wyborg. At the end of the 18th century, Russia, together with Prussia and Austria, divided the lands of the Polish-Lithuanian state. At first a greater part, then the remaining part, of Lithuania, together with central Poland, fell under the rule of Russian tsars, where it remained until the First World War (in 1915 almost the whole ethnic Lithuania was occupied by Germany).

During the period of Russian domination, despite the Russification policy pursued by the Tsars, a modern Lithuanian nation, or at least its nucleus, emerged on the basis of ethno-linguistic nationalism, which nourished the hope of re-establishing an independent state in the lands of ethnic Lithuania. At the end of the First World War there emerged a comparatively favorable international situation for the realization of these hopes: Germany lost the War, but its army for some time (until the middle of 1919) remained in Lithuania; Russia underwent a civil war after the autumn of 1917, when Lenin’s Bolsheviks who, *inter alia*, pursued the idea of exporting world revolution, overthrew the legitimate government and were trying to gain power. The Bolsheviks won, and at the end of 1922, transformed the remaining part of the former Russian empire that was under their control into the Soviet Union (USSR). Lithuania, which in 1918 proclaimed its independence after several years of armed and diplomatic struggle, managed, not without losses and suffering, to establish itself within the international community and gain recognition. Nevertheless, in the summer of 1940, Lithuania, as well as the two other Baltic states, were treacherously occupied by the Soviet Union and then annexed. Their status of occupation did no change after the Second World War. During those decades when Lithuania was a Soviet republic against its will, it suffered tremendous losses. In the post-war period, thousands of its people died in resistance against the brutal totalitarian Soviet regime, or fell victims to the repressions. Only in 1990, Lithuania

declared in a democratic way the restoration of state independence, and after almost a year and a half of dramatic, albeit non-violent struggle, attained international recognition. There began the restoration of a democratic state, based on the rule of law and a free market economy, as well as the re-establishment of relations with foreign states, including Russia, founded on universally accepted principles of international law.

The success of its liberation and the restoration of statehood Lithuanians can proudly attribute to their maturity. On the other hand, we are also grateful to the international community, democratic Russia included, for its role, which was particularly important during the crucial periods of 1990-1991. It is hard to underestimate the importance of Boris Yeltsin, then head of the Russian Federation, who urged Russian soldiers at the start of the January 1991 events, not to use force against liberty-seeking nations, also the Lithuanian-Russian Treaty on the Foundations of Inter-State Relations signed on July 29 of the same year by the heads of Russia and Lithuania, Boris Yeltsin and Vytautas Landsbergis. By that treaty, the Russian Federation and the Republic of Lithuania recognized each other and agreed "to build their inter-state relations on the principles of friendship, good neighborliness, equality and mutual benefit, and according to universally recognized norms of international law." This treaty also emphasized the necessity of eliminating the consequences of the 1940 annexation, which infringed upon the sovereignty of Lithuania, likewise, the right of the parties to be free in their choice of membership in economic, political or collective security organizations.

Similarly as the factor of democratic Russia was important for the international recognition of independent Lithuania in 1991, the process of the Lithuanian liberation from the USSR also influenced, among other factors, the resolve of democratic Russia to declare its sovereignty in 1990. This gave birth to the joint dictum of Russian democrats and Lithuanians, that "without a free Russia there can be no free Lithuania, likewise without a free Lithuania there can be no free Russia."

On September 1, 1993, after complicated and multiple, but finally successful, negotiations, Vilnius and Moscow agreed on, and the latter fully fulfilled by the set time, the withdrawal from Lithuania of all the military formations of the former Soviet Army. This not only helped implement the international principle that a foreign army may be present in another country only with the latter's consent, but also to realize the desire to eliminate an extremely dangerous center of instability in the territory of the Republic of Lithuania. However, the issue of indemnities for the damage incurred by Lithuania is still open, and the parties ought to resolve it on the basis of law, consistent with the purpose of reinforcing mutual confidence in the future.

In turn, in January 1995, Lithuania agreed with Russia on the procedure of military transit to and from Kaliningrad through the territory of the Republic of Lithuania. In the course of negotiations with Russia on military transit, Lithuania made a thorough analysis of the pertinent experience of other states and applied it for the regulation of military cargo transport in Lithuania. The annually renewed regulations on the military cargo transport for Russia are likewise applied in respect to the military transit of other foreign countries.

It is hardly possible to fully reveal the development of relations between Lithuania and Russia without acknowledging the tremendously detrimental effect on the economy and political life, let alone the tragic fates of the people, of both countries that was caused by the implementation of communist principles.

Russia from 1917, and the Lithuanian people, against their will, from 1940, were victims of the tragic experiment of sovietization, where personal and social freedom was trampled, where individual responsibility and initiative were suppressed. It took nine decades to acknowledge that the idea according to which “the whole of society will have to become a single office and a single factory with equality of work and equality of pay,” professed by Lenin, appeared to be impossible and erroneous, while communism, contrary to the belief of its disciples, was not only historically avoidable but is also morally unacceptable.

Meanwhile, after World War II, democratic and peace-loving nations were uniting around the two central integrating axes, NATO and the European Economic Community, for the sake of ensuring economic prosperity and security for their countries by means of military and economic cooperation. The loss of its statehood and market economy forced Lithuania to lag behind the dynamic development of other European countries. At present Lithuania’s GDP is 7-8 times lower than that of Denmark and Finland, the level of economic development of which was similar to Lithuania’s at the time when the latter was deprived of independence.¹

The President of Lithuania Valdas Adamkus emphasized in the 2000 Annual Report that “the present gives us a historic chance to overcome the weight of the Soviet past, obsolete thinking, old habits of behavior, and embark on responsible management of common matters ... – it is a democratic management of life together which ought to be based on personal initiative and responsibility.”²

In its turn, as critically acknowledged by then Prime Minister Vladimir Putin in his article, “Russia at the Turn of the Millennium” at the end of 1999, “Russia is not a state symbolizing top standards of economic and social development now. Its GDP was nearly halved in the 1990s, and its GNP is ten times smaller than in the USA and five times smaller than in China<...> The real incomes of the population have been falling <...> The overall monetary incomes of the population calculated by the UN methods, add up to less than ten percent of the US figure.”³

Vladimir Putin concluded: “the current dramatic economic and social situation in the country is the price we have to pay for the economy we inherited from the Soviet Union<...> We are paying for the Soviet neglect <...> for the absence of competition between producers and industries, which hindered scientific and technological progress and made the Russian economy non-competitive on the world markets.”⁴

Since the restoration of statehood, both countries, even though sometimes by very different means and methods, have nevertheless been pursuing similar internal policy goals – to create prerequisites for the secure economic welfare of their citizens. Lithuania has been guided in its development by the common values of the Euro-Atlantic community: individual freedom, democracy and the rule of law. In modernizing its economy, law and bureaucracy, Lithuania is adopting the European Union’s legislation, while in creating its military force, NATO standards and requirements. Russia, in turn, is combining its traditional Russian values: *patriotizm, derzhavnost, gosudarstvenost i*

¹ Department of Statistics to the Government of the Republic of Lithuania.- Vilnius, 2000. http://www.std.lt/statistika/uzsprek/partn_imp.htm

² 2000 Annual Report of the President of the Republic of Lithuania Valdas Adamkus.- Vilnius, 2000.

³ Vladimir Putin. Russia at the Turn of the Millennium.-Moscow, 1999.

⁴ Ibid.

socialnaja solidarnost (patriotism, sense of empire, statehood and social solidarity) with new values: the right to ownership, freedom of expression, freedom of movement, etc. In Russia, “we can pin hopes for a worthy future only if we prove capable of combining the universal principles of a market economy and democracy with Russian realities.”⁵

A New Stage of Cooperation

In this context, the Lithuanian–Russian bilateral relations were characterized by quite dynamic, though not always non-controversial, development.

We are happy being able to state **today** that there has been created a legal foundation for bilateral relations between Lithuania and Russia: over 30 treaties and agreements in political, economic, legal, military, social, cultural, transport, communication, standardization, environment protection and other spheres have been signed.

Two specific instruments regulate the particularities of the relationship between Lithuania and Kaliningrad: an intergovernmental agreement between the Republic of Lithuania and the Russian Federation for cooperation in the economic and social-cultural development of the Kaliningrad Oblast, and intergovernmental agreement between the Republic of Lithuanian and the Russian Federation for long-term cooperation between regions of the Republic of Lithuania and the Kaliningrad Oblast of the Russian Federation.

The ratification in the Russian Duma of the Treaty between the Republic of Lithuania and the Russian Federation on the State Border and the Agreements on the Avoidance of Double Taxation and on the Promotion of Investments would in principle complete the implementation of the bilateral legal foundation.

On the other hand, between the states there function various institutions facilitating the initiation and co-ordination of relations between the two countries: the Bilateral Commission of the Governments of the Republic of Lithuania and the Russian Federation on Commercial and Economic, Science-Technological and Cultural Cooperation; the Council for Long-Term Cooperation between Regions of Lithuania and the Kaliningrad Oblast of the Russian Federation. Apart from these commissions, consultations and negotiations on specific issues between ministries and separate institutions are taking place.

Relations between countries cannot be measured only by intergovernmental contacts or agreements. The “glue” of versatile cooperation is not institutions but people, the business community, their direct contacts and contracts. Close “people to people” relations and sub-regional cooperation are particularly evident between Kaliningrad and the counties and districts of the Republic of Lithuania. There is a revival of cultural exchanges, though actually, you are still more likely to meet Russian artists in Lithuania than Lithuanians in Russia.

On the other hand, since the independence of Lithuania, a dramatic shift has taken place in the flow of trade from almost 90 percent of trade with Russia in 1990 to 14.7 percent in 1999. A particular decline in the volume of trade between Russia and Lithuania was witnessed after the 1998 financial crisis in Russia. Although, due to the dependence on gas and crude oil supplies, the import from Russia to Lithuania has remained almost

⁵ Ibid.

unchanged, and in 2000 constituted 27.6 percent, exports to Russia declined to 6.9 percent.⁶

Notwithstanding these significant changes in Lithuanian trade, it is evident that the Lithuanian business community is keenly awaiting the recovery of Russian markets and demand so as to apply their Russian market skills and contacts for advancing trade and investment in this huge area of potential possibilities. The integration with the EU opens new vistas for the Lithuanian businesses to more comprehensively utilize their know-how of Russian markets.

In the meantime, Lithuanian business has reoriented itself to more stable, predictable and less risky markets of the EU and the US. Lithuania's trade with the European Union now constitutes almost half of total foreign trade. Accordingly, an increase in Lithuanian exports to the United States of America is also noticeable (41 percent export increase in 2000 as compared to 1999). Modernization of the Lithuanian economy, membership in the WTO, and negotiations under way with the European Union, as well as the opening of the EU markets for Lithuanian goods have contributed to the increased destination of Lithuanian goods to the EU single market.

Foreign direct investment overwhelmingly consists of investments from EU member states and the US – 59.3 percent and 14.78 percent respectively, while FDI from Russia constitutes only 0.5 percent.⁷

Kaliningrad

Lithuanian relations with the only neighboring part of the Russian Federation, the Kaliningrad region, holds a distinct place in Lithuania's overall policy of promoting sub-regional cooperation. Lithuanian business, NGO and government representatives have been actively collaborating with their colleagues in Kaliningrad in their effort to advance mutually beneficial relationship for the manifold reasons of, what I believe to be, common interests.

Following the restoration of Lithuania's independence, Kaliningrad found itself separated geographically from the rest of Russia. Once Lithuania and Poland join the European Union, and Lithuania joins NATO, what used to be considered a "heavy military garrison" might feel encircled and find itself surrounded by, but not taking part in, the European integration process. A significant economic lag behind from the rest of the region also raises potential economic and social risks. This undoubtedly presents a challenge for all concerned: Russia, Lithuania, Poland, the EU and NATO.

If the economic and social situation in Kaliningrad further deteriorates, and solutions for its development are not found, the area may become a "black hole" and a source of instability for the entire Baltic Sea area.

On the other hand, with additional efforts to guide the region towards regional cooperation and European integration, Kaliningrad could become Russia's gate of opportunity for political and economic cooperation with an undivided Europe, thus promoting stability and predictability in the region. Therefore, it is in our interest to

⁶ Department of Statistics to the Government of the Republic of Lithuania.- Vilnius, 2000. http://www.std.lt/statistika/uzsprek/partn_imp.htm

⁷ Ibid (until October 1, 2000).

contribute to a smooth development of the region by engaging it in practical, cooperative projects, regional and cross-border activities, and people to people contacts. It would also help to mitigate the emerging fears of some Russians that the region might become “closed” or “isolated” as a consequence of the EU and NATO enlargement.

During recent years, Lithuania has been deliberately working to make the Kaliningrad region become a “window of opportunity” for wider cooperation between Russia and the expanding EU and NATO. In the last few years, awareness of political, economic and social developments in the Kaliningrad region has grown among its neighbors and the Western countries.

To a large extent, it was achieved due to the increased interest from the business communities of Lithuania and other countries as well as regional initiatives of the CBSS (Council of the Baltic Sea States), EU and US.

Although dynamic economic and trade contacts between Lithuania and Kaliningrad were considerably damaged by the Russian financial crisis in 1998, currently we note a recovery and increased interest of my countrymen to do business in and with Kaliningrad. By and large, it is determined by the belief in the recovery of the Russian Federation, and the suitable location of Kaliningrad as a springboard into a larger Russian market for Lithuanian or jointly produced goods in Kaliningrad. The trend of re-engagement is exemplified by the investments of 5 million USD. The investment by “Klaipėdos Maistas” in Kaliningrad, the opening of an affiliate of the Šiauliai confectionery factory “Naujoji Rūta,” a branch of the telecommunication and information technology company ELSIS, and a great number of small business projects. There are 348 Lithuanian enterprises currently functioning in Kaliningrad.

Understanding the importance of a regional approach to the Baltic Sea area, the European Union and United States of America have both respectively launched their own North European programs aimed at supporting, among other things, greater transparency and practical cooperation with Kaliningrad and other Northwest regions of the Russian Federation.

Under the joint Lithuanian – Russian “Initiative of Nida,”⁸ which is a bilateral contribution on Kaliningrad to the EU’s Northern Dimension Initiative, concrete projects were made available for the interested states and companies to participate in. They cover areas from education and culture to business, investment and military training. Most of the “Nida Initiative” projects were reflected in the EU Northern Dimension Action Plan which was approved in June this year by the heads of states of the EU members in Feira. On the other hand, they became subjects of a joint long-term action program supervised by the Lithuanian - Kaliningrad Cooperation Council.

The underlying importance of the Nida Initiative was that it encouraged other European Countries, apart from the immediate neighbors, Poland and Lithuania, to explore the range of opportunities presented by the growing appreciation in Kaliningrad and Moscow of the benefits of regional cooperation. Consequently, the EU Northern Dimension helps to accumulate resources of the EU member states and the European Commission. During this year alone, several important projects with international support were launched in Kaliningrad: The Eurofaculty, which will teach students in accordance with the EU curriculum, was inaugurated on the 20th of September this year.

⁸ Please, see page **XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX**

With the support of Sweden, Denmark and the European Bank of Development and Reconstruction, the project of 40.7 million USD for “Reconstruction of Water Supply Systems of Kaliningrad and Environmental protection” was launched. TACIS, with the assistance of UK, assigned 250 000 USD for the development of the Kaliningrad transport system.

For its part, the US has been actively engaged through the Northern European Initiative. The US government and private foundations support Lithuanian programs in organizing training activities for Kaliningrad local government officials and businessmen. The US along with Sweden co-sponsor environment protection programs for Kaliningrad officials in Lithuania.

Furthermore, in recognition of the importance of Kaliningrad in the context of EU enlargement and regional cooperation, the European Commission adopted a specific TACIS Cross-Border Cooperation program for Kaliningrad Oblast for the year 2001. We look forward to the forthcoming Swedish EU Presidency in order to further promote cooperation with the Northwest regions of Russia, particularly Kaliningrad, in the context of the Northern Dimension.

This historic angle on the essential bilateral relations is important not only for the memories of the past or for the sake of reminding us of historic wrongs or debts, but to enable us, having drawn on the lessons of history and acknowledging new realities and tendencies, to jointly build stable and mutually beneficial economic, political and cultural relationship based on trust.

On the basis of the brief overview of the history of interstate relations, it is possible to draw the following conclusions:

First, the neighbors, Lithuania and Russia, are related through the experience which testifies to the cultural, economic and political relations that existed during various periods. For Lithuania, the 1940-1990 Soviet occupation which was expressed in mass deportations, the loss of independence and the destruction of the foundations of the market is especially memorable.

Second, in the middle of the 20th century, Lithuania, like Russia, experienced the oppression of the totalitarian-communist regime that was effacing, albeit on a different level and scope, individual initiative, responsibility and daring, which are the driving forces for the progress of a democratic and free society. At the present time, both countries, although by different means and methods, are seeking to create greater economic welfare.

Third, there were periods in history when the interests of Lithuania and Russia coincided. That was the key for the achievements of both countries, taken separately and in their mutual relations, for instance, in 1990-1991 at the time of the restoration of Russian and Lithuanian statehood.

Fourth, the current Lithuanian and Russian experience shows that, in similar fashion, even on sensitive issues, Lithuania and Russia are capable of agreement for the mutual interest of stability and security in a medium and long term perspective. This applies to the arrangement found for military transit, as well as to the overall Lithuanian-Kaliningrad relationship.

Fifth, even though Lithuanian trade has currently been re-oriented towards the EU and US markets, Lithuanian businessmen are interested in the revival of the Russian market and are willing to employ their “know-how” of Russia. It can be done by either

conducting their own business operations directly in Russia or helping to meet the business needs of the West, on the one hand, and Russia, on the other.

New Realities and Challenges

As we shape our future relationship, it is of decisive importance to recognize the new emerging realities, trends and challenges which will have an impact on the building of a genuine relationship between states and peoples.

1. The Impact of Globalization

In his brilliant guide on globalization and its impact on international systems, Thomas L. Friedman wrote: “If the defining anxiety of the Cold War was fear of annihilation by an enemy you knew all too well in a world that was fixed and stable, the defining anxiety in globalization is fear of rapid change from an enemy you can’t see, touch or feel – a sense that your life can be changed at any moment by anonymous economic and technological forces”⁹.

The possibilities of using the Internet or mobile communications eliminates borders between states and provide for free interrelation, information-sharing and performance of mutually beneficial exchange at lower costs. Knowledge-based economic progress will increasingly transform the character of future relations not only between people or market participants, but also between international bodies, including Lithuania and Russia.

On the other hand, the increasing mutual interdependence is also expressed in a negative sense: internal problems of individual states may turn into regional or international ones – organized crime, illegal trade, the flow of refugees. These threats take no heed of borders between states. We have already directly encountered some of them in the context of bilateral Russian – Lithuanian relations.

There is a similar connection in economic relations as well. Economic processes that take place in one country or region reverberate in others. As was mentioned, Lithuania failed to escape the negative consequences of the Russian economic crisis, while the crisis in Asia was also felt beyond that region. Lithuanian exporters still speak with bitterness about the weakness of the euro against dollar.

2. Risks and Threats

From the Lithuanian perspective, non-traditional threats to security and stability at present dominate in the Baltic region: illegal trade and migration, organized crime and corruption, long-term and uneven economic development trends in the neighboring regions, namely Kaliningrad and Belarus.

For our part, we remain in the neighborhood of unpredictable countries where the democratic institutions are either extremely fragile or ineffective, the rule of law is deficient, and where corruption and crime are thriving. The lack of democracy and

⁹ Thomas L. Friedman. *The Lexus and the Olive Tree*. 1999

respect for human rights in Belarus is a source for concern both for its neighbors and international organizations.

3. Promoting Economic Welfare

The world entered the 21st century engulfed by the process of vigorous change. Where until the middle of the previous century, the power of a state to a great extent depended on its size and military potential, in the 21st century it is already possible to assert that the one who possesses the “new economy’s” might shall be the winner within the globalization process. If viewed from a more distant perspective, it becomes clear that in the century of the knowledge economy, the leading states will be those where not only economic but also political elites are both willing and able to evolve and adapt to the tendencies and challenges of globalization. Countries like Ireland and Finland, which successfully managed to adjust to the changes created by the revolution of information technologies, and to find an advantageous niche in the EU and World economy, are at present among the most vibrant and fast growing economies. As a result of such a dramatic shift from the “politics of power” to the “politics of economics,” the creation of the knowledge economy becomes the most important goal for many states of the world and their response to the new economic-political realities. In turn, most of today’s threats and risks inherent in the bilateral or regional context will disappear when, not only is democracy established in the countries of the region, but also with the strengthening of the economy and the improvement of the social situation. We are aware that apart from administrative and preventive measures, the most important prerequisites for the elimination of organized crime, illegal trade, migration across state borders, are the growth of economic welfare not only in Lithuania, but also in our neighboring countries, first of all in Russia’s Kaliningrad Oblast and in Belarus. This is understood not only in Lithuania, which is actively pursuing economic reforms and its modernization, but likewise in Russia, whose concept of national security indicates the centers of internal economic and social instability as the most significant threats to the security of the country.

Bilateral Relations and Euroatlantic Integration

Apart from the existence of political will, the development of an effective bilateral cooperation will necessitate: first, the evaluation of and potential adaptation to new economic and political realities; and, second, respect for each other’s right to freely choose membership (or any other form of cooperation) within organizations able to ensure their security and economic welfare.

In respect to the new economic and political realities, it is necessary to acknowledge that neither the big state Russia nor the small country Lithuania can any longer exist in an isolated economic and cultural environment. Lithuania’s membership in WTO, Russia’s negotiations concerning the WTO membership, the connections of the countries with international financial organizations and individual states, the increasingly intensified relations with the EU (of which Lithuania will soon be a member) with Russia testify to the increasing involvement of the countries in international economic and political cooperation. Due to the intensifying economic and financial interdependence of the

world, not only the economic but also the political development of individual states cease to depend solely on the decisions of their national parliaments or governments, but increasingly on the changes in the global price of oil, fluctuations in the New York Stock Exchange and important economic or financial decisions made in Washington, Frankfurt or Tokyo.

Another newly emerging economic and political reality is the ever growing interest of both Russia and the EU to advance their relationship in accordance with the Partnership and Cooperation agreement, within the Northern Dimension Initiative and beyond. In this respect, particular attention is paid towards greater exploration of possibilities for new energy networks and increased natural gas supplies from Russia to the EU countries. Last year Russia and the EU exchanged Strategies on the relations between the two parties. Recently steps have been undertaken to explore the possibilities of cooperation between the EU and Russia over the Kaliningrad Oblast of the Russian Federation, which after accession of Lithuania and Poland into the EU will become a geographical enclave surrounded by the EU member states, placed to take new opportunities which will be created.

Third, during the latest decade of its independence, Lithuania has already proved that its integration into the EU and NATO is not a substitute for good relations with its neighbors. On the contrary, the integration of our country with the Euro-Atlantic structures facilitates the strengthening of bilateral cooperation. This is illustrated by the body of signed and functioning agreements, bilateral coordinating institutions and cooperation in the economic, cultural and the social spheres. Lithuania's policy towards Kaliningrad serves as a confirmation of this. From the Lithuanian perspective, the continuation of a policy of engagement with Russia's Kaliningrad region is only natural. Furthermore, cooperative relations with other regions of the Russian Federation have also been developing, including trade and cultural visits to and from Moscow, St.Petersburg, Novgorod, Oriol, Yaroslavl, and so on.

As the Kaliningrad region is surrounded by the Euro-Atlantic integration processes, without taking part therein, a greater military transparency and cooperation with the Baltic Fleet would contribute to dispelling still existing fears and concerns. In the light of Lithuanian President Valdas Adamkus' Statement on the Development of the Relations with Russia and the Security and Confidence Building Measures of March 28, 1998, first steps have been undertaken already by extending an invitation to observe military exercises in Lithuania, exchanging additional evaluation visits exceeding quotas set forth in Vienna Document '99 in military confidence and building measures and inviting Russian military and civilian representatives to attend environment training courses in Lithuania. This year countries have also agreed to exchange information on military forces in Lithuania and Kaliningrad region in accordance to the formats used in the CFE Treaty.

On the other hand, energy is the mainspring of economic development. Greater opportunities of cooperation in the energy field, particularly in the context of the development of a more integrated Baltic Sea energy system, have yet to be explored and implemented so as to further increase the sustainable development of Lithuania and the Kaliningrad region. In this respect, common intentions concerning new network infrastructures and energy supplies, such as the construction of a new gas pipe line to

Kaliningrad through the territory of Lithuania, and the agreement on long-term crude oil supplies to “Mažeikių Nafta,” are of particular importance for both countries.

Although Lithuanian integration into the EU and NATO is still receiving a controversial reaction in Russia, it is important to recognize the following significant developments which have recently taken place in this field.

The 1999 December Helsinki Summit invited Lithuania to start membership negotiations with the European Union. The first years of the negotiations have proved to be dynamic and successful. During the year 2000, Lithuania and the EU opened 18 negotiation chapters, provisionally agreeing to close eight of them. Under the proposal of the forthcoming Swedish Presidency, the EU agreed to open all remaining chapters with Lithuania during the first half of 2001. Lithuania is in the process of negotiation with the EU and hopes to finish the talks by 2002. Then join the organization with the first wave of candidates in 2004.

With respect to NATO membership aspirations, Lithuania was recognized by all nineteen NATO member states in the 1999 Washington Summit as a candidate for NATO membership. In May 2000, Vilnius hosted a meeting of the Foreign Ministers of the nine candidate countries for NATO membership. In the written statement issued after the meeting, the Ministers reiterated their commitment to practical and political efforts to further improve the specific qualifications of these countries. They also stated that: “While each country should be considered on its own merits, we believe that the integration of each democracy will be a success for us all, and the integration of all our countries will be a success for Europe and for NATO.”¹⁰ Lithuania is on the top of the list among the other candidate countries for the subsequent positive review for NATO enlargement at the next NATO Summit in 2002.

The NATO enlargement project also enjoys the support of the forthcoming U.S. President George W. Bush who in his letter to the Lithuanian American National Republican Federation wrote in August 11, 2000: “I believe that the enlargement of NATO to include other nations with democratic values, pluralist political systems and free market economies should continue. I also believe that the development of a democratic and stable Russia is in the interest of all Europe, and we do not see Russia as an enemy. But Russia must never be given veto over NATO enlargement.”¹¹

In the light of the above mentioned developments of Lithuanian relations with the EU and NATO, one may conclude that Lithuania’s membership in the EU and NATO, the bedrocks of institutions of nations that share the same values, is a question of “when” rather than “whether.” Lithuania anticipates concluding negotiations with the EU in 2002 and to join the EU in 2004. Lithuania also works to insure the positive review of the enlargement of NATO in 2002 with the view to be invited to join the Alliance the same year.

Lithuania is striving for membership in the EU and NATO, but not at the expense of its relations with the neighboring Russian Federation. On the contrary, in shaping this new geopolitical reality, we are keen to further intensify our relations with our very important neighbor. As the President of Lithuania, Valdas Adamkus, noted: “The acceptance of

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¹¹ Letter of the U.S. President George W. Bush to the Lithuanian American National Republican Federation, August 11, 2000, Washington DC.

Lithuania into NATO would reinforce stability here in the neighborhood of Russia, as well as favorably contribute to the development of the NATO – Russian partnership.”¹²

The membership in the EU and NATO will provide additional psychological guarantees, affirming Lithuania as a full-fledged partner in her relations with Russia, a country with which Lithuania has had an uneasy relationship over the centuries. Although memories of the recent occupation are still alive, after becoming a part of the Alliance, and thus gaining the recognition that our nation is an inalienable part of the Western democracies, Lithuania shall further pursue an open and mutually beneficial partnership with Russia, and such a relationship is equally in the interest of Russia itself.

On the other hand, as a member of the EU and NATO, Lithuania will act as an ally to reinforce the efforts of these institutions to project stability and predictability across the borders, especially in promoting cooperative relations with Russia.

Another important outcome of our memberships in the Euroatlantic institutions is that, as a member of the EU and NATO, Lithuania shall advance its relations with Russia in accordance with the EU and NATO policies and existing instruments. Thus in the future, Lithuanian policies *vis-à-vis* Russia will be guided by the Agreement on Partnership and Cooperation between the European Communities and the Russian Federation, and the NATO-Russia Founding Act accordingly. On the other hand, as member of the Euroatlantic institutions, we shall be able to contribute towards the design and implementation of appropriate policies of these institutions *vis-à-vis* Russia.

In these newly emerging geopolitical circumstances, and bearing in mind the experience of bilateral relations between Lithuania and Russia, both countries may contribute towards lasting stability and increased prosperity of their own citizens, as well as the strengthening of a genuine partnership between the East and the West. The prerequisite of this desirable outcome is a commonly shared perception of challenges we face and the appropriate instruments we can apply to respond to them.