

## BALTIC COOPERATION – EMBODYING TRUST

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Cooperation among the Baltic States is often described with vivid epithets about unity, historical heritage, competitiveness, and mutual loyalty. These descriptions are true because cooperation among Estonia, Latvia and Lithuania is a stellar example of a multitude of intertwined elements: cooperation, competitiveness, jealousy, struggle for leadership, and so on. Throughout its existence, the dynamics of Baltic cooperation can be described as fluctuating and heterogeneous; this was a consequence of Estonia, Latvia and Lithuania developing domestic and foreign policy and needs, participating in international politics and perceiving external threats, pursuing national interests and goals. This was also a consequence of perceiving the three Baltic States as a unified region. Moreover, these distinct features of Baltic cooperation are characteristic of various time periods and various spheres.

It must be noted that close Baltic cooperation has helped us to achieve much more than we could possibly manage if we had worked separately. Twenty years ago, Estonia, Latvia and Lithuania regained their independence and started on their irreversible course to the European and transatlantic community. Over these years, which are comparable to one human generation, we have jointly managed to transform our political, economic, and social systems. We had to liberate both our societies and our countries from the Soviet model, which was a totally opposite approach to the Western model. The reforms implemented by the Baltic nations were broader and deeper than those undertaken by any other country. It is important to acknowledge that, without cooperation and joint consultations, the realisation of these reforms would have taken much longer.

Reality shows that in “peaceful” times, when the economy is growing, when the GDP is increasing, when we earn more and can consequently spend more,

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when we have similar goals to achieve, we always call Baltic cooperation into question. On the contrary, when we are in troubles, be it an economic/financial crisis, external pressure, or energy isolations, etc., we join our hands to overcome challenges and troubles. Baltic cooperation is not under question; moreover, there are requests for more intense cooperation. Paradoxically, but this is a fact that in “peaceful” times, Baltic cooperation has always sought to answer the question of what the ideal model of cooperation should be. The reason is simple – it is hard for the neighbouring countries to establish cooperation because of their geographical proximity. Gilbert Keith Chesterton, British journalist and novelist, has pointed out:

Your next-door neighbour is not a man; he is an environment. He is the barking of a dog; he is the noise of a piano; he is a dispute about a party wall; he is drains that are worse than yours, or roses that are better than yours.

Our neighbourly relations are based on this proximity as well as significant similarity of domestic and foreign goals. Which country will be the first to join the EU and NATO? Which country will be more successful in attracting foreign investment? Which country will be considered as the most successful? Similarities and the desire to be better than others are both advantages of and stumbling blocks to our cooperation; they make us wonder about Baltic unity over and over again.

History has taught us that our neighbours are our closest friends and supporters; that cooperation and coordination give more if perceived as fierce competition; that we should always settle disputes through dialogue and cooperation. Whatever our specific national interests, the common bitter experience of all the three Baltic States in the past should make politicians emphasise the need for cooperation even more. The political and economic stability and success of each Baltic state is an essential part to the success of all three states. Thus, it is our duty not to leave anyone in this region alone with any worries and problems. We are so closely connected with each other that the success of one has a positive effect on the other two, in the same way as the failure of one affects the reputation of all.

It is obvious that in the past two decades, the events and developments worldwide have been influenced by phenomena, such as globalisation, mutual

dependence, interaction, and vanishing borders. In the future, the Baltic States will have to maintain and strengthen their ability to cooperate not only trilaterally, but also multilaterally. Openness to cooperation that we have demonstrated over the past 20 years has enabled us to develop a vast cooperation network that includes key regional policy players.

### **Priorities to be reached**

For the next 2–3 years, Baltic cooperation has formulated powerful and ambitious political priorities to be reached:

**Stable energy market.** Unfortunately, we are still not part of the European energy market and supply system, and we remain directly dependent on the imported supply of natural gas, oil and, partly, electricity. In the field of energy cooperation, the Baltic States have many joint steps to be taken. The Baltic States are aiming to reach strategic goals of the European Union in terms of the sustainable energy market by ensuring uninterrupted availability of energy products and services on the market at a price which is affordable to all consumers while contributing to achieving the wider social and climate goals. I agree that these are political aims and political statements. Meanwhile our cooperation includes concrete and practical projects: first, the development of the Visaginas nuclear power plant in accordance with the EU's high security standards - something that is particularly important after the Fukushima nuclear disaster; second, the development of a regional liquefied gas terminal in the Baltic States provided for in the BEMIP; and third, promotion of joint renewable energy projects. The Baltic States have to be more active in the practical implementation of joint energy projects and in lobbying for the interests of the Baltic States at the European level. We have to be fully aware of the fact that these issues cannot be solved within one term of the presidency of the Baltic Assembly. The Baltic Assembly has called on the Baltic governments to develop a common long-term Baltic energy strategy, based on a regional approach and interoperability, and to submit it to the national parliaments for approval. All of Europe depends on energy resources, that is, on one or another supplier of resources. In the case of the Baltic States, the only source

of energy we depend on is Russia. Developing a sustainable energy market in the Baltic region is an issue which will always be high on the agenda of Baltic cooperation. It is of strategic importance that our governments draft and the respective national parliaments approve a common long-term Baltic energy strategy with focus on a regional approach and interoperability. Our national parliaments and governments need to have a clear vision grounded in concrete and practical steps to develop a common energy market, namely, what we are going to do next year, in five years and in ten years to reach our goals in the field of energy cooperation.

**Enhancing integrated and stable financial markets of the Baltic and Nordic countries.** Globalisation provides numerous opportunities for growth, but it also poses serious challenges, especially in the area of finance. The lessons learned from the current financial crisis reveal specific problems in the financial sector of the region. There are common financial groups with significant activities in the Baltic and Nordic countries. There is a need to facilitate the management and resolution of the cross-border systemic crisis, potentially affecting the stability of the financial sectors in the Baltic and Nordic countries. It is clear that the Baltic and the Nordic financial markets are interlinked. Consequently, a financial crisis in one country poses threats to other countries. Our regional and, more generally, the entire European, financial sector can only hold a global competitive edge through further integration and consolidation. Financial integration is continuous and ongoing; major efforts have been made to enhance financial integration, and more are still necessary to achieve a truly integrated market. We are more than confident that our partners in the Nordic Council will be as much interested as we are in forging ahead long-term solutions and actions intended to enhance integrated and stable financial markets.

**Developing innovative and competitive economy of the Baltic States.** Unfortunately, we still have to put economic problems behind us. We must advance our economy and decrease the deficit. We do have people who have been unemployed for a long time. We have families whose earnings have dropped considerably due to wage cuts and price increases. We face a serious challenge of a demographic decline. We have a complicated situation with

migration. How does the Baltic Assembly plan to address all these challenges and to develop innovative and competitive economy? It is believed that necessary steps have to be taken, first of all, by the Baltic national parliaments and the national governments. What we – Baltic parliamentarians – have to do jointly is to take actions to create preconditions for the development of the region. First of all, we have to unite our efforts to ensure an integrated Baltic research and innovation area. As has been mentioned, we do not need to invent a new “bicycle” – we have to use the experience and model from the Nordic countries in the format of NordForsk and Noria. We will focus on the establishment of the relevant joint research and innovation platform which has already been successfully implemented by our Nordic friends. Secondly, we need continue to work hard to develop a sustainable and secure Baltic energy market. We have to coordinate our transport and infrastructure projects, including the creation of a single digital market. In this way, we will promote competitiveness in our countries as well as in the entire region, which will directly influence the welfare of every person in our countries.

**Developing the Nordic-Baltic Idea: cultural integration in the region.**

Baltic and Nordic countries can be characterised by fairly close political integration and co-operation as well as adequately developed economic financial relations; however, there is a lack of projects stimulating cultural integration, bolstering cooperation in everyday life, and cherishing a common Nordic-Baltic Idea. In pursuit of this goal, we would like to launch a virtual platform/network that should encourage cultural integration in the region. It could include festivals of new ideas, search for undiscovered talents and useful contacts between business, science and art institutions, the dissemination of information in the field of culture, and the implementation of new joint projects. The Nordic-Baltic Idea could become an “umbrella” for Nordic-Baltic co-operation in diverse fields on the largest possible scale, which covers not only the countries’ elite, but also civil society.

**Creating a joint healthcare system in the Baltic States.** In 2009, the Baltic States were looking for ways to decrease their expenditures in almost all sectors, including healthcare. The Baltic Assembly initiated a political debate on the need to develop joint projects in this field. This political initiative was

also supported by the Baltic prime ministers. With the active involvement of the governments, we started developing high-quality coordinated healthcare projects: an effective organ transplant system; joint specialised medical centres; a first aid system in border towns; a sperm bank to tackle infertility problems; and a joint procurement system for medicinal products. The implementation of such cooperation projects is a time-consuming process, and the first practical results will reveal themselves only in the next 20 months. Establishing a common system for state-funded procurement of medicines and medical equipment has required concrete actions which envisage joint procurement of certain vaccines for the upcoming years. The concept of joint specialised medical centres in order to ensure more efficient use of professional skills in the Baltic States requires bringing together experts in a highly specialised field. Coordinating emergency help in border towns of the Baltic States has resulted in Estonia's and Latvia's signing an agreement on mutual aid in providing ambulance services in border areas. A similar agreement is now being negotiated between Latvia and Lithuania. Another issue, which has been proposed by the Social Affairs Committee, is the establishment of an efficiently functioning human organ transplant system and a common sperm bank for treating infertility. However, much still remains to be done in establishing a joint healthcare system in the Baltic region.

## **Conclusion**

What we need to understand is that we have to stop questioning the need for Baltic cooperation. We need to stop questioning the level of Baltic unity. We need to stop striving to develop the best regional model in the world. We want to have an ideal model of Baltic cooperation, but we tend to forget that conflicts and disagreements are an integral part of any model of cooperation. Therefore, cooperation is that which enables us to solve disagreements, problems, and conflicts. We have to admit that we have had problems and conflicts, and we are likely to have them in the future, but wisdom and reasons for cooperation lie in the ability to sit around a conference table and solve these problems in a peaceful manner. We will never achieve the ideal model of Baltic cooperation. We pretend that an ideal model must be devoid of conflicts. On the contrary, if there are no conflicts, we have to perceive it as being an illusory model.

What we really have to follow is to embody Trust among our countries at different levels. And this is a more important question compared to the talks on the Baltic identity. If nations trust each other, they tend to forget about the competition and enemies; if the nations trust each other, they will talk openly about their problems. We lack Trust in Baltic cooperation and in the Baltic region. The recent crisis has brought us closer to each other in terms of Trust-building. We have finally overcome what our ancestors could not – we have broken the “vicious circle”. When Estonia joined the eurozone in the beginning of 2011, for the first time, we all celebrated the historic event, and our Prime Ministers – Valdis Dombrovskis and Andrius Kubilus – met at the celebrations in Tallinn. This is the way we have to continue.

We must act to fulfil our political purpose – the creation of a prosperous Baltic region. We have to represent and defend our national interests, to express our views on the future of Europe, and to ensure sustainable development and prosperity. The cooperation among our countries must be strong and energetic. Our first duty is to ensure parliamentary cooperation, while our second duty is to implement this cooperation within the framework of the Baltic Assembly the best and most practical way possible. Everyone clearly understands that we do not need cooperation on paper, nor in political declarations. We are striving for the best possible format for cooperation, which will promote prosperity, security, and development of both the Baltic nations and the entire Baltic region.