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# CROSS-BORDER CO-OPERATION BETWEEN THE KALININGRAD OBLAST AND POLAND IN THE CONTEXT OF POLISH-RUSSIAN RELATIONS IN 2004–2011

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## *Abstract*

The article analyses the main aspects of relations between Poland and the Kaliningrad Oblast of the Russian Federation in 2004–2011. It takes into account both interstate and regional circumstances and concentrates on 1) Poland's attitude towards Kaliningrad right after the 2004 EU enlargement; 2) ideas/proposals how to improve trans-border co-operation under new (i.e. Poland being an EU member) circumstances; 3) austerities of bilateral contacts (at both the interstate and regional scale); 4) process of negotiating, signing and ratifying the Local Border Traffic Regime; 5) prospects of future co-operation. The article relies on diversified data such as expert analyses, legal documents, press articles, and data collected from various institutions. Its aim is to give a brief picture of eight years of Polish-Kaliningrad relations after Poland joined the European Union. The article goes beyond the aforementioned scope of time only in regard to the process of implementing the LBTR.

## **Introduction**

The period of 2004–2011 brought a new quality to the bilateral relations of Poland and Russia. There were a few major factors that constituted this process, both at the interstate and regional scale. Poland, the largest new European Union member, contributed to redefining the EU's eastern policy, in which Kaliningrad had always played a visible role. As a matter of fact, one might argue that the enlargement was even more important for Russia's westernmost region, which became a semi-exclave surrounded by EU member states Poland and Lithuania, than for Russia as a whole. Additionally, after the 2004 enlargement the Baltic Sea except the Russian shoreline, was transferred into the EU's *mare internum*. Even

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before this, the Baltic Sea Region (BSR) had been subject to intensive institutional, economic and social integration processes that did not entirely encompass Kaliningrad.

The new situation caused the Kaliningrad question to be even more up-to-date than before. The region's two neighbours grew interested in finding a *modus vivendi* that would reflect the need for deepening bilateral co-operation and be acceptable for government circles in Moscow at the same time. The latter groups, as a decisive factor for letting Kaliningrad draw closer to regional integration, were constantly gaining new political and legal instruments mostly because of the centralisation processes being implemented by the Putin administration. Under such circumstances, Kaliningrad remained a militarised, economically weak region. It was noticeable that its dependency on the centre increased rather than decreased.

It is clear that all the above did not lead to solving any of the issues of utmost importance to Poland, especially its north-eastern regions (*voivodeships*). It was thus vital for Warsaw to redefine its policy towards Kaliningrad, keeping in mind that new opportunities were interrelated with the overall level of Polish-Russian relations.

The Baltic Sea as an individual region might be viewed from two perspectives. On the one hand, the high level of institutionalisation at the governmental, municipal and non-governmental scale makes it one of the most advanced integration projects worldwide. This framework has been constantly filled by economic, scientific, cultural and social initiatives. The process rapidly increased its pace after the 2004 EU enlargement when eight out of nine littoral states became members of the organisation. On the other hand, the BSR still has a region-in-the-making status when it comes to the feeling of regional identity among its inhabitants. An assumption might be made that it is closely linked to the Nordic identity with regards to Scandinavia, Finland and, to some extent, Estonia. Interestingly, over the past two decades a few statements have been made by senior Latvian and Lithuanian officials that their countries belonged or would strive to belong to the Nordic community.<sup>1</sup> That does not, however, pertain to Poland and Germany, whose interests are vast, going far beyond the BSR, thus causing the overall significance of the need for creating a Baltic community to

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<sup>1</sup> Such a statement was made by Lithuanian Foreign Minister Audronius Ažubalis several times. See, for instance: *Necessary to continue Lithuania's Nordic orientation – Lithuanian forming*, <<http://balticexport.com/?article=necessary-to-continue-lithuanias-nordic-orientation-lithuanian-forming&lang=en>>, 20-08-2012.

diminish. It is also reflected by the point of view of their citizens, who often refer to themselves as Western (in both cases) or Central (in the case of Poland) Europeans.<sup>2</sup> Simultaneously, the feeling of national identity in the Baltic littoral states is strong, especially in the former Soviet bloc countries.

The question of identity looks slightly different in regards to the populace of Kaliningrad. As Andrey Makarychev noted, ‘a significant part [of the locals] consider themselves “hostages to both Europe and Russia”’.<sup>3</sup> The region consists mostly of people whose identity was neither Russian, nor Belarusian or Ukrainian, but Soviet. They migrated into an utterly alien region that was re-populated according to the principles of the Kremlin’s demographic policy after the German population had moved westwards along with geopolitical changes. As the Soviet Union collapsed, they found themselves in new circumstances, separated from mainland Russia. Finally, the difficult economic situation and rapidly changing international environment led to the formulation of the *status quo* described above.

## **1. The 2004 EU enlargement and its impact on bilateral relations**

Before the hitherto largest extension of the European Union, there had been much apprehension regarding the status of the Kaliningrad Oblast in Poland. Of particular interest (for both sides) was the question of visa regime. It provoked a very emotional dispute, followed by threats and spectacular statements made mostly by high-ranking Russian officials, including President Vladimir Putin himself. It even led to the open demand of establishing an extraterritorial highway across the territory either of Lithuania or of Poland. This brought about resentment among Poles, who often associated the proposal with a similar one posited by Adolf Hitler before the outbreak of World War II.

Both sides seemed to decide not to leave the trenches but to draw an impassable line and adhere to their tentative positions. In Poland it created many ‘myths’,

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<sup>2</sup> Poles are generally more eager to consider themselves Europeans than people in other EU states. See for instance: *Eurobarometer. Public opinion in the EU*, <[http://ec.europa.eu/public\\_opinion/archives/eb/eb66/eb66\\_pl\\_nat.pdf](http://ec.europa.eu/public_opinion/archives/eb/eb66/eb66_pl_nat.pdf)>, 20-08-2012.

<sup>3</sup> A. Makarychev, *Russia – EU: Competing Logic of Region Building (Russland-EU: Konkurrierende Ansätze von Regionenbildung)*, DGAP Analyse, 1 March, 2012, <<https://dgap.org/de/article/getFullPDF/20801>>, 20-08-2012.

as K. Pełczyńska-Nałęcz put it, which impaired the sobriety of the Kaliningrad debate.<sup>4</sup>

Not only did the visa regime and the overall status of Kaliningrad contribute to strife between Poland and Russia. There were also a few other serious matters that had their share in a generally negative atmosphere:

- the shape of Polish-Russian interstate relations along with its short-term and long-term consequences,
- the question of the Strait of Pillau (temporarily blocked to Polish vessels at one point),
- various impediments for Polish exporters related to political tensions,
- the idea of locating US anti-missile shield installations in Poland and the Czech Republic, which was allegedly a threat to Russia's security.

## **2. Legal framework of co-operation between Poland and the Kaliningrad Oblast**

Most documents that paved the road to post-Cold War interaction between the Polish central government and voivodeships and the Kaliningrad Oblast remained unchanged until May 2004. They included:

- 1) Declaration of good neighbourliness, mutual understanding and co-operation of 10 October 1991.
- 2) Treaty on friendly and neighbourly co-operation of 22 May 1992.
- 3) Agreement on the co-operation of north-eastern Polish voivodeships with the Kaliningrad Oblast of 22 May 1992.
- 4) Agreement on cross-border co-operation of 2 October 1992.

Although only three major documents were signed afterwards, their importance is vast:

- 1) Decree of the president of the Russian Federation on unimpeded sailing of third-party ships across the Strait of Pillau of 15 July 2009.
- 2) Agreement on the sailing on the Vistula Lagoon of 1 September 2009.
- 3) Local Border Traffic Regime of 14 December 2011.

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<sup>4</sup> K. Pełczyńska-Nałęcz, *Seven myths about Kaliningrad*, <<http://www.osw.waw.pl/sites/default/files/punktwidzenia1.pdf>>, 20-08-2012.

Additionally, a Polish consulate general has functioned in the oblast since 1993. Its activity was extended by the establishment of a trade section in 1994,<sup>5</sup> which was transformed into the Trade and Investment Promotion Section in 2011.

The international legal framework for co-operation at the regional level between the Kaliningrad Oblast and neighbouring Polish regions has been set by the European Outline Convention on Transfrontier Co-operation between Territorial Communities or Authorities signed in Madrid on 21 May 1980. It obliges (article 1) contracting parties to 'facilitate and foster transfrontier co-operation between territorial communities or authorities within its jurisdiction and territorial communities or authorities within the jurisdiction of other Contracting Parties'.<sup>6</sup> Another document important in this regard is the European Charter of Local government, signed in Strasburg on 18 October 1985.

As to the Polish legal regulations, article 172 of the Constitution of the Republic of Poland states that 'a unit of local government has the right to join international associations of local and regional communities and cooperate with local and regional communities of other states'.<sup>7</sup> A voivodeship has the right to engage in trans-regional co-operation under the provisions of the Voivodeship Local Government Bill of 5 July 1998.

The Constitution of the Russian Federation does not provide any specific regulation about the trans-regional co-operation of the federation's subjects. The legal framework is therefore more complicated than in the case of Poland. It is divided into a few main acts, such as, but not limited to 'On co-ordination of international and outer economic relations of the subjects of the Russian Federation', 'On international agreements of the Russian Federation', 'On general rules of local government in the Russian Federation', 'On the principles and order of distribution of powers between the state authorities of the Russian Federation and bodies of state power of subjects of the Russian Federation', and 'Concept of border co-operation in the Russian Federation'.<sup>8</sup>

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<sup>5</sup> T. Palmowski, *Współpraca z Obwodem Kaliningradzkim Federacji Rosyjskiej jako czynnik rozwoju regionalnej [Co-operation with Kaliningrad Oblast of the Russian Federation as a regional development factor]*, p. 707, <[http://www.mrr.gov.pl/rozwoj\\_regionalny/poziom\\_regionalny/strategia\\_rozwoju\\_polski\\_wschodniej\\_do\\_2020/dokumenty/Documents/e9c8e43c89544a13ab940a1a192ee58aPalmowski.pdf](http://www.mrr.gov.pl/rozwoj_regionalny/poziom_regionalny/strategia_rozwoju_polski_wschodniej_do_2020/dokumenty/Documents/e9c8e43c89544a13ab940a1a192ee58aPalmowski.pdf)>, 20-08-2012.

<sup>6</sup> *European Outline Convention on Transfrontier Co-operation between Territorial Communities or Authorities*, <<http://prawo.lego.pl/prawo/europejska-konwencja-ramowa-o-wspolpracy-transgranicznej-miedzy-wspolnotami-i-wladzami-terytorialnymi-sporzadzona-w-madrycie-dnia-21-maja-1980-r/>>, 20-08-2012.

<sup>7</sup> *The Constitution of the Republic of Poland*, <<http://www.sejm.gov.pl/prawo/konst/angielski/kon1.htm>>, 20-08-2012.

<sup>8</sup> *Konцепция Приграничного Сотрудничества В Российской Федерации [Concept of Border Co-operation in the Russian Federation]*, <[http://www.minregion.ru/openfile.ashx/konceptiya\\_ps\\_rf.doc?attachid=1290](http://www.minregion.ru/openfile.ashx/konceptiya_ps_rf.doc?attachid=1290)>, 20-08-2012.

### 3. Political atmosphere

A number of Polish attempts made in the nineties to bring co-operation with Kaliningrad to a higher level turned out to be highly unsuccessful. The main reason for that was that not Kaliningrad, but the normalisation of relations with Russia as a whole was treated as a priority for all the governments that came to power after the collapse of communism in Poland. Kaliningrad was therefore just part of a larger picture. The Russian semi-exclave brought new opportunities but also posed a visible threat mostly due to its military role. The former could not be used as long as neighbourly relations and partnership with Russia were not established. The latter played a significant role at the beginning of the nineties as Soviet troops began to withdraw from the former German Democratic Republic and Poland. Some of them were temporarily stationed in the oblast, causing the number of soldiers there to rise to 100,000, i.e. 10% of the overall population. Additionally, the only Russian military element that did not have its effective strength reduced after 1991 was the Baltic Fleet, with its main base in Baltiysk. Many Polish politicians feared that the military output of the region could be used as means of pressure to impose solutions expedient to Russia. These concerns, at least to some extent, turned out to be true and made regional co-operation more difficult. Not only was it the case of Poland, but also Lithuania, and had a general, but somewhat limited impact on Baltic co-operation until 2004.

As the EU enlargement was getting closer and the question of visa regime for Kaliningrad residents appeared on the agenda, the level of interest in the Russian semi-exclave among Polish authorities began to rise. It resulted in a series of talks and proposals posited by Polish officials, including Prime Minister Leszek Miller and Infrastructure Minister Marek Pol. Miller's government prepared a document having the aim of comprehensively shaping Polish policy towards Kaliningrad. It was formulated in March 2001 as a response to the *Kaliningrad and European Union* study and encompassed the following targets:

- a) maintaining multilateral dialogue about shaping EU policy towards Russia;
- b) economic co-operation;
- c) cross-regional and cross border co-operation;
- d) military co-operation.

As a practical consequence of the policy set in the document, consecutive Polish governments started bringing various proposals forward, including those which had been elaborated earlier, e.g. military co-operation specifically with the

Baltic Fleet in order to build trust.<sup>9</sup> The most important issue, however, was the development of economic ties and infrastructure. The Polish government proposed a wide range of new initiatives, including building new border crossings and joint exploitation of the seabed. The majority of such proposals remained unfulfilled mostly due to administrative reforms in Russia that strengthened the centre and limited the capacity of regions to engage in trans-border projects. They also led to supporting Kaliningrad's growth with the use of Russian internal resources, not foreign investments or multilateral co-operation. Some ideas thus had to be rethought and some had to be elaborated anew.

Polish-Russian bilateral relations started to deteriorate quickly at the turn of 2004 and 2005. That was the moment when Polish officials were involved in the situation in Ukraine very intensively. They contributed to the so-called Orange Revolution and victory of generally anti-Russian parties with Viktor Yushchenko and Yulia Tymoshenko as their leaders. The Kremlin expressed its dissatisfaction because of this many times.

The case of Ukraine clearly showed that the Polish and Russian interests in the region were contradictory. Poland's strategic goal was to support democratic reforms in Eastern Europe consisting of fully independent countries, whereas Russia aimed at maintaining and extending its zone of influence in the post-Soviet area.

In 2005 it became clear that deterioration in bilateral political dialogue was a matter of fact, not supposition. It resulted in the amount of co-operation being lowered and in an unfavourable atmosphere over Kaliningrad. For instance, Vladimir Putin invited Jacques Chirac and Gerhard Schröder, but not Aleksander Kwaśniewski, to the events commemorating the 750<sup>th</sup> anniversary of founding Kaliningrad (*Königsberg*).<sup>10</sup> Moreover, in 2005 Russian plans to build a pipeline across the Baltic Sea in order to deliver gas to Germany without transit states were put into motion.<sup>11</sup> There were also meaningful minor incidents that had their share in the overall bad status of bilateral relations: placing the Polish president in one of the last rows during the defilade commemorating the 60<sup>th</sup> anniversary of the end of World War II and the beating and robbing of children of Russian diplomats in

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<sup>9</sup> M. A. Piotrowski, *Obwód kaliningradzki: laboratorium współpracy czy pole konfliktu? [Kaliningrad Oblast: a laboratory of co-operation or a field of conflict?]*, The Polish Foreign Policy Annual 2002, p. 396.

<sup>10</sup> A. Eberhardt, *Stosunki Polski z Rosją [Poland's relations with Russia]*, Polish Foreign Policy Annual 2006, p. 121.

<sup>11</sup> *Ibid.*

Poland.<sup>12</sup> As an ‘unofficial response’ to the latter, Polish Embassy personnel were also beaten.

The victory of the right-wing Law and Justice party in both parliamentary and presidential elections in autumn 2005 was perceived as a factor that could further impair bilateral relations. At first, an atmosphere of distrust indeed prevailed over the obvious need for normalisation in the fields of economy and cross border co-operation. The new government formed by Kazimierz Marcinkiewicz stated that relations with Russia should be further developed ‘through EU channels’.<sup>13</sup> A change in the political situation in Poland coincided with the Russian ban on Polish meat, introduced in October 2005. Russian sanitary inspectorate officials explained that Polish meat products did not meet the necessary standards. The decision was, however, of a purely political nature, as such standards were common for all EU member states. What is interesting is that the ban did not have a significant impact on Polish-Russian economic relations. *Au contraire*, overall trade volume increased to 13.5 billion euro.

The Polish government saw no prospects for solving the ban problem. Moreover, other EU member states grew convinced that Polish meat products met the highest standards. Thus, the discussion was moved from the bilateral level to the EU-Russia level. EU officials started to declare that the problem needed to be treated as a challenge for every member state since phytosanitary matters were subject to EU law. A visible result of this policy was suspending negotiations on the new Partnership and Co-operation Agreement (PCA). Russian authorities therefore complained that Poland was using EU structures to put unacceptable pressure on Russia. Poland also blocked Russia’s negotiations to become a member of the OECD.

Later on, however, some conciliatory steps were taken by both sides, particularly by President Lech Kaczyński. He expressed his conviction that, paradoxically, a right-wing option in Polish foreign policy would be more helpful than the left-wing one in order to settle relations with Russia.<sup>14</sup> At the annual meeting with diplomats accredited in Poland, he stated that he considered Russia a country of special importance to Poland.<sup>15</sup> Nevertheless, it did not create an atmosphere sufficient for constructive talks.

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<sup>12</sup> Shortly after this event, a Polish diplomat in Moscow, technical employee of the embassy, a Polish journalist, and a Russian driver working for the embassy were beaten. A. Eberhardt, *Stosunki Polski z Rosją [Poland’s relations with Russia]*, Polish Foreign Policy Annual 2006, p. 122.

<sup>13</sup> *Ibid.*

<sup>14</sup> *Ibid.*

<sup>15</sup> *Ibid.*, p. 133.

Many controversies arose around historical matters, e.g. the case of Katyń, where mass murders of Polish military officers and public officials had taken place. Russian authorities were not eager to declassify files on the case and presented a completely different view on the matter. The Polish government was very sensitive about this issue and principal while discussing it with the Russians, which was widely understood and supported by Polish public opinion. Thus, there were only meagre prospects for reaching a consensus.

This stalemate was not solved even by the lifting of the Polish and Lithuanian veto for negotiations on PCA so that they began in Samara in May 2007. Direct talks between Polish Foreign Minister Anna Fotyga and her counterpart Sergey Lavrov during the meeting of the Council of the Baltic Sea States in Szczecin did not contribute to reaching an agreement.<sup>16</sup>

Tension also grew because of the anti-missile shield project that was to be installed in Poland and the Czech Republic. Russian authorities were strictly against it and threatened to deploy additional forces in the Kaliningrad Oblast as an 'adequate response'. This atmosphere of distrust was sometimes exaggerated by politicians from both sides. The situation began to change after parliamentary elections in Poland in October 2007. The Law and Justice government was replaced by a coalition of the Civic Platform and Polish People's (Peasants') Party. The new government declared the will to improve bilateral relations and lifted the veto on OECD negotiations.

Various initiatives were taken to overcome existing obstacles. A bilateral Group for Difficult Issues was formed in order to deal with problematic issues (such as the different perception of recent history). The meat ban was partially lifted by a special memorandum that was signed in Svetlogorsk in December 2007, just a few weeks after the change of government in Poland. The entire matter was concluded three months later, when an agreement between the EU and Russia was signed in Brussels. It prepared the ground for serious and constructive talks on other issues, except the anti-missile shield, since Polish authorities clearly said that this matter would not be subject to 'negotiations with third-party states'.<sup>17</sup>

Along with the improvement in relations with Russia, the Polish government strived to intensify Poland's relations with its eastern neighbours, that is, former Soviet republics, particularly Belarus, Ukraine and Moldova (though it does not border Poland directly). This proceeded through both bilateral and EU channels.

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<sup>16</sup> A. Eberhardt, *Stosunki Polski z Rosją [Poland's relations with Russia]*, Polish Foreign Policy Annual 2008, p. 150.

<sup>17</sup> *Ibid.*, p. 156.

Together with Sweden, Poland proposed a new initiative, the Eastern Partnership (EaP), the aim of which was to strengthen ties between Eastern European countries and the EU, help build civil society, and support democratic mechanisms. Russia treated the EaP as an almost hostile project that required Russian countermeasures, such as loans for CIS states to mitigate the effects of the economic crisis or new integration projects, in particular the Customs Union/Eurasian Economic Community.

The period of 2008–2011 was marked by three different events: 1) war between Russia and Georgia, which Poland strongly opposed; 2) a plane crash near Smolensk in which the Polish president and many prominent public persons died; 3) the signing of the Local Border Traffic Regime in December 2011. The three years in between the happenings were generally filled with co-operation rather than lack of it, especially regarding Kaliningrad issues. There was a growing certainty in Warsaw that along with improving relations with Russia, the Kaliningrad Oblast could be involved in regional integration more effectively.

A more pragmatic tone was also a matter of personalities to some extent. Radosław Sikorski wanted to build Poland's policy towards Russia on the basis of interests, still having in mind that some historical issues had to be solved in order to open a new chapter in mutual relations. Russia was treated more as a neighbour and a potential partner in regards to whom the 'more for more' rule should apply, which would stress European values. As long as Russia was eager to implement political and legal reforms and would show good will in overcoming obstacles, Poland would continue expanding co-operation.

In terms of the political atmosphere, 2004–2011 witnessed a significant change in the quality of Polish-Russian relations. At first, old problems together with new ones led to their deterioration. Starting from 2007/2008, however, a more pragmatic approach contributed to an improvement in the situation. Both sides could concentrate on realising joint projects and initiatives. This became visible in regards to the Kaliningrad Oblast.

#### **4. Trans-border and local government co-operation**

Two Polish voivodeships border the Kaliningrad Oblast: Pomorskie and Warmińsko-Mazurskie. The former is closely interlinked with the Baltic Sea in terms of co-operation with the Nordic countries and, through the harbours of Gdańsk and Gdynia, serves as a significant trade centre for the whole of Poland. The latter is one of the least developed Polish regions, having a high unemployment

rate with its peak at the border counties of Braniewo and Gołdap.<sup>18</sup> The region is tourism-oriented but it is also striving to create space for more extensive co-operation with Kaliningrad since that poses many opportunities to speed up the process of overcoming economic backwardness. Although much has been done regarding this issue in recent years, especially after Poland's accession to the EU, it still remains a problem that needs a comprehensive solution.

Most trans-regional co-operation can be divided into two groups: 1) co-operation closely interlinked with Euroregions, 2) co-operation of local governments and NGOs, which increased noticeably in 2004–2011. This does not mean, however, that other forms of co-operation were not used. Many of them involved voivodships, not only those on the border. For instance, in 1991 the Szczecin Voivodship (in 1999 transformed into Zachodniopomorskie Voivodship) began co-operating with Kaliningrad in diverse fields (economy, culture, science, etc.).<sup>19</sup>

Cross border cooperation with regards to the Kaliningrad Oblast also includes environmental protection programmes. They aim at constructing new or reconstructing existing environmental protection facilities, improving public awareness of threats posed by the pollution of the Baltic Sea, etc. It is also worth noting that Poland was among the largest beneficiaries of such initiatives in the nineties when the Polish shoreline was highly polluted because of the devastating effect of industrialisation in communist times. The focal point moved to the Russian shoreline a few years ago.

#### **4.1. Euroregions**

In general, there are two Euroregions in which the Kaliningrad Oblast has been actively involved: Baltic and Neman. Others (Łyna-Ława and Šešupė) are relatively young (both were established in 2003) and function at a noticeably smaller scale than the former regions. Nevertheless, they have great potential to serve as a concrete way to enhance cross-border interaction in the future.

Euroregion Baltic was created in 1998 by six Baltic Sea countries. It relied, however, on an already well-developed net of connections, both formal (institutionalised) and informal. It has encompassed Kaliningrad since 2002. The

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<sup>18</sup> *Vademecum Statystyczne Samorządowca [Statistical Guide of Local Government Clerks]*, <[http://www.stat.gov.pl/vademecum/vademecum\\_warminsko-mazurskie/portrety\\_gmin/braniewski/w.braniewo.pdf](http://www.stat.gov.pl/vademecum/vademecum_warminsko-mazurskie/portrety_gmin/braniewski/w.braniewo.pdf)>, 20-08-2012; *Statystyka [Statistics]*, <<http://www.goldap.pup.gov.pl/kat/id/10>>, 20-08-2012.

<sup>19</sup> *Polsko-rosyjska współpraca regionalna. Stan na 2009 r.*, <<http://www.moskwa.polemb.net/gallery/economy/dokumenty/Regiony.pdf>>, 20-08-2012.

initiative is constantly gaining significance. For instance, the Permanent Secretariat (based in Elbląg) was established in 2004 in order to improve co-ordination of on-going projects.

The main aims of Euroregion Baltic are to facilitate contacts among its inhabitants, to improve living conditions, and to contribute to the sustainable growth of the entire Baltic Sea Region. They have been implemented in three areas: cross border, strategic and political co-operation.<sup>20</sup> In order to allow better co-ordination between particular actions, the Joint Development Programme was established as a central instrument of the Euroregion's activity.

Throughout 2004–2011, several joint Polish-Kaliningrad projects were conducted. Partners from other BSR countries were also included. Most of them were micro- and medium-sized projects and tackled the following areas:

- a) enhancing business possibilities in the Kaliningrad Oblast that would involve entrepreneurs from other countries,
- b) improving co-operation and sharing experience in the field of agriculture,
- c) stimulating social initiatives and transferring knowledge and experience to less developed parts of the Euroregion.

Some grants were funded by Polish entities. For instance, the Association of Polish Communes has spent 1.8 million euro for projects involving Kaliningrad, Belarus and Ukraine since 2009.<sup>21</sup> Most of the joint initiatives within Euroregion Baltic have been realised by the Warmińsko-Mazurskie Voivodeship.

The second Euroregion, Neman, includes Podlaskie Voivodeship, which does not border the Kaliningrad Oblast. Nevertheless, its participation in the project is meaningful since it serves, together with Lithuanian co-partners, as a link between Kaliningrad and Belarus. The Euroregion was established in 1997. Kaliningrad joined it five years later. Its focal point is the place where the borders of four countries meet along the Neman River and its drainage basin. Kaliningrad-Polish co-operation therefore does not play a foreground role as in the case of Euroregion Baltic.

It is worth noting that both Euroregions have taken part in common EU programmes such as the Human Capital Programme or the Infrastructure and Environment Programme. It points to a very important fact: Euroregions that involve Kaliningrad are strongly interconnected with other EU initiatives. One

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<sup>20</sup> *Background: Euroregion Baltic*, <[http://www.euroregionbaltic.eu/index.php?option=com\\_content&view=article&id=166&Itemid=113](http://www.euroregionbaltic.eu/index.php?option=com_content&view=article&id=166&Itemid=113)>, 20-08-2012.

<sup>21</sup> *Ibid.*

of its 'pan-European' aims is therefore to bring Kaliningrad closer to highly institutionalised European co-operation at a local scale.

## **4.2. CBC and BSR programmes**

Apart from various initiatives pertaining mostly to environmental protection, two main EU projects have been available for Kaliningrad for the period of 2007–2013: Cross Border Cooperation Lithuania-Poland-Russia (CBC) and the maritime Baltic Sea Region Programme (BSRP).

CBC 'aims at strengthening relations between Poland, Russia and Lithuania through enhanced bilateral and trilateral relationships'.<sup>22</sup> It covers the entire Kaliningrad Oblast, Warmińsko-Mazurskie Voivodeship, south-western parts of Lithuania, vast parts of Pomorskie and Podlaskie voivodeships, and the northern part of Mazowieckie Voivodeship. The total budget of the programme amounts to 179 million euro, of which 132 million were assigned by the EU and, additionally, 47 million by Russia. The latter could not be used until 2010 because Russia demanded the same rights as the EU had in the process of distributing the funds in return. Thus, preparation of the programme took over three years.<sup>23</sup>

The BSRP was designed as an instrument to improve co-operation in four clusters: energy, water, innovation and transport.<sup>24</sup> It became a part of the EU Strategy for the Baltic Sea Region and was endorsed by the European Commission in 2009.<sup>25</sup> The priorities of the BSRP are: 1) fostering innovations, 2) internal and external accessibility, 3) the Baltic Sea as a common resource, 4) attractive and competitive cities and regions.<sup>26</sup>

The budget of the programme is 222.8 million euro, out of which 208 million have been assigned by European Regional Development Fund. Kaliningrad takes part in four programmes (two in the Third and two in the Fourth Priority). Polish regions are involved in none of them. So far, 67.7 million euro have been paid out to beneficiaries.

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<sup>22</sup> *Legal basis* [of CBC], <<http://www.lt-pl-ru.eu/en,1>>, 20-08-2012.

<sup>23</sup> J. Rogoża, A. Wierzbowska-Miazga, I. Wiśniewska, *A captive island: Kaliningrad between Moscow and the EU*, p. 53.

<sup>24</sup> *The Baltic Sea Region Programme 2007–2013*, <[http://eu.baltic.net/The\\_Baltic\\_Sea\\_Region\\_Programme\\_2007\\_2013.2.html](http://eu.baltic.net/The_Baltic_Sea_Region_Programme_2007_2013.2.html)>.

<sup>25</sup> *The EU Strategy for the Baltic Sea Region*, <<http://www.gios.gov.pl/artykuly/783/The-EU-Strategy-for-the-Baltic-Sea-Region>>, 20-08-2012.

<sup>26</sup> *BSRP Factsheet*, <<http://eu.baltic.net/redaktion/download.php?type=file&cid=843>>, 20-08-2012.

### 4.3. Border crossings and transport infrastructure

As a highly militarised area, Kaliningrad Oblast was closed to foreigners, including those from Soviet bloc countries, until the collapse of the Soviet Union. Even for Soviet citizens it was necessary to obtain special permission to enter the region.

Poland strived to establish regular border crossing points as soon as possible. The first road border crossing open for individual traffic was Bezledy-Bagryatyonovsk in 1992. Later on, two additional road border crossings were established: Gołdap-Gusyev in 1995 and Gronowo-Mamonovo in 1997. The former is the only example of the successful lobbying of a local government to establish a Polish-Russian border crossing on its territory.

In 2004 it became apparent that the infrastructure was highly insufficient. It is even more striking if looking at the number of people crossing the border. In 2000 it exceeded 4 million. In 2003 it dropped to 3.1 million, probably because of the introduction of a new visa regime.<sup>27</sup> Still, the tendency was clear and significant.

Crossing points lacked special equipment on both sides. Additionally, there was only one crossing (Gołdap-Gusyev) open to pedestrians. On the one hand, this had a negative impact on the development of tourism. On the other hand, restrictions served as a measure against smuggling. Other problems included: long expected time for lorries to cross the border, complicated procedures (especially on the Russian side), and the quality of motorways leading to the crossings.

EU enlargement brought new opportunities to improve the situation. At first, it resulted in increased controls in order to tighten the border, which became the external border of the entire EU. Some border guards were moved to northern and eastern border points from other frontiers of Poland. Even though traffic had dropped, it was clear that it would increase after people got used to the visa regime. It thus became crucial to modernise the existing infrastructure in order to assure that long waiting lines would no longer be a problem.

Traffic obstacles were visible throughout the entire period analysed in the article. For instance, in 2006 Russia implemented new rules of control for vehicles on its borders, including additional fees. This led to extending the time needed

<sup>27</sup> T. Palmowski, *Współpraca z Obwodem Kaliningradzkim Federacji Rosyjskiej jako czynnik rozwoju regionalnej [Co-operation with the Kaliningrad Oblast of the Russian Federation as a factor of regional development]*, p. 711, <[http://www.mrr.gov.pl/rozwoj\\_regionalny/poziom\\_regionalny/strategia\\_rozwoju\\_polski\\_wschodniej\\_do\\_2020/dokumenty/Documents/e9c8e43c89544a13ab940a1a192ee58aPalmowski.pdf](http://www.mrr.gov.pl/rozwoj_regionalny/poziom_regionalny/strategia_rozwoju_polski_wschodniej_do_2020/dokumenty/Documents/e9c8e43c89544a13ab940a1a192ee58aPalmowski.pdf)>, 20-08-2012.

to cross the border. After the intervention of the Polish Foreign Ministry, local authorities in Kaliningrad explained that new regulations had been a surprise to them, too.<sup>28</sup> Another example was the 2008 strike that Polish customs officials took part in. It had negative impact on railway cargo.<sup>29</sup>

Apart from modernising existing border crossings, in particular the one in Gołdap, the priority for both central and local Polish authorities was the construction of a new crossing, Grzechotki-Mamonovo II. Not only did it require building new facilities on the border, but also improving motorway infrastructure. The idea relied on using the old one-lane highway from Elbląg (*Elbing*) to Königsberg that had been constructed back in Nazi times when the region belonged to Germany. The motorway remained mostly unused after the war.

Construction of the Grzechotki-Mamonovo II border crossing had already been mentioned in a bilateral agreement of 1992. The proposal was later reintroduced by the Polish government. Russian authorities initially seemed to be uninterested. They argued that they had to finish reconstructing the border crossing in Bagryatyonovsk first and only afterwards would it be possible to start the project.<sup>30</sup>

This led to a long delay in realising the project. It started only in 2005 and resulted in the relatively quick creation of the S22 motorway on the Polish side. It was ready at the end of July 2008. Since the border crossing was still not finished, however, one could use the motorway only partially, and it was necessary to cross the border at the old crossing in Braniewo. It took over two more years to bring the case to a successful end. Grzechotki-Mamonovo II was opened in December 2010. Total cost of the project amounted to almost 32 million euro for the crossing, out

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<sup>28</sup> *Interpelacja w sprawie problemów, jakie napotykają obywatele polscy przy przekraczaniu granicy polsko-rosyjskiej, w kontekście funkcjonowania przejść granicznych między Polską a okresem kaliningradzkim, na przykładzie przejścia granicznego Gołdap-Gusiew [Interpellation in regards to problems that Polish citizens have experienced while crossing the Polish-Russian border in the context of the functioning of the border crossings between Poland and the Kaliningrad Oblast on the basis of the example of the Gołdap-Gusyevo border crossing]*, <<http://www.gover.pl/k5/poslowie/szczegolyInterpelacji/posel/kaczynski-ryszard/interpelacja/interpelacja-w-sprawie-problemow-jakie-napotyka-obywatele-polscy-przy-przekraczaniu-granicy-polsko-rosyjskiej-w-kontekście-fun>>, 20-08-2012.

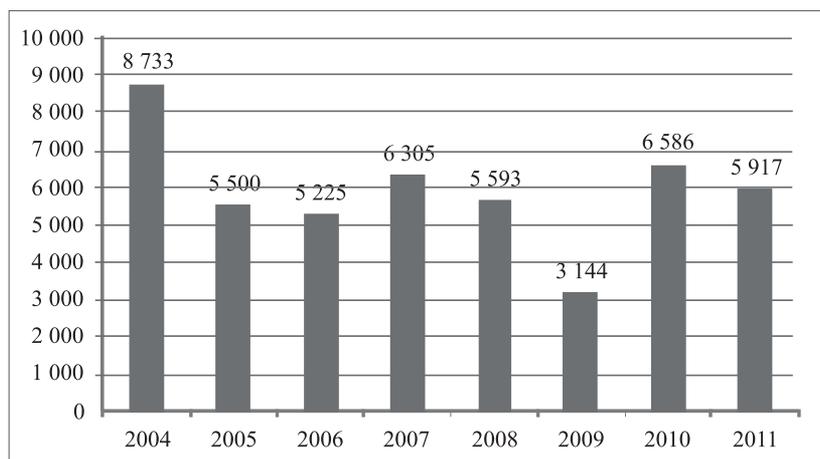
<sup>29</sup> *Protest polskich celników utrudnia pracę rosyjskim kolejom [Protest of Polish customs officials impeding the work of Russian railways]*, <<http://wiadomosci.gazeta.pl/wiadomosci/1,114873,4877484.html>>, 20-08-2012.

<sup>30</sup> *Odpowiedź podsekretarza stanu w Ministerstwie Spraw Wewnętrznych i Administracji – z upoważnienia ministra – na interpelację nr 6173 w sprawie decyzji o wstrzymaniu odbudowy przejścia granicznego Grzechotki-Mamonowo II [Answer of the undersecretary of state at the Internal Affairs and Administration Ministry, assigned by the minister to interpellation no. 6173 concerning the decision to suspend the rebuilding of the Grzechotki-Mamonovo II border crossing]*, <<http://orka2.sejm.gov.pl/IZ3.nsf/main/733FA3DF>>, 20-08-2012.

of which 13.4 million euro came from the EU Phare Fund, and over 120 million euro for the motorway.

All the delays in this matter were seemingly connected mostly with the lack of interest from the Russian side. This might be surprising because the road leading to the new border crossing on the Russian side was of relatively good quality and did not have to be extensively reconstructed. Thus, only new border facilities were needed. The potential of the crossing could not, however, be fully used. For instance, the phytosanitary control point on the Polish side required an adjacent installation on the Russian one.

**Table 1.** Value of goods people tried to smuggle through the Polish-Russian border (in thousands of USD)



Source: *The Polish Border Guard*.

Interestingly, speeding up the process coincided with improvement in Polish-Russian relations. Thanks to it, Grzechotki-Mamonovo II has become the largest border crossing between Poland and Russia. It can process up to 5000 cars, 300 buses and 800 lorries a day, which has significantly contributed to easing other crossings and shortening the average waiting time.<sup>31</sup>

<sup>31</sup> *W Grzechotkach ruszyło największe przejście na granicy z Rosją [The largest border crossing with Russia has been launched in Grzechotki]*, <<http://info.elblog.pl/19,20196,W-Grzechotkach-ruszylo-najwieksze-przejscie-na-granicy-z-Rosja.html>>, 20-08-2012.

Data analysis of the number of people who crossed the border in 2004–2011 shows that it fluctuated vastly. For instance, between 2004 and 2006 it was well above 3.5 million. It later dropped to 1.9 million in 2008 and to only 1.3 million in 2009, however.<sup>32</sup> One might assume it was connected with Poland's accession to the Schengen Zone. It took some time to get used to new rules, which is illustrated by growing numbers beginning in 2010. Undoubtedly, the LBTR will contribute to strengthening this trend.

A serious problem was smuggling, which has its roots in the significant price differences of various goods (see Table 1). Of particular importance were fuel, alcohol and cigarettes, which are cheaper in Russia than in Poland. One of the main tasks of the border guard services of both countries was therefore tightening the border. Data show that there was no clear tendency regarding the volume of smuggling. Even though the number of people who crossed the border between 2007 and 2009 dropped substantially, the total value of goods people attempted to smuggle remained similar.

## **5. Economic co-operation**

The disproportion between the economic potential of Poland and the Kaliningrad Oblast is substantial. The region is 20 times smaller in terms of territory and almost 40 times less populated than Poland. The difference between economic development is also vast and has generated opportunities, as well as threats. It was not, however, a decisive factor for the level and quality of economic co-operation throughout the period of 2004–2011.

Poland has played an important role in Kaliningrad's trade mainly because of three reasons. First, since the region is separated from Russia, the costs of shipping goods from the mainland are high. Subsidies from the centre do not mitigate this effect entirely. It is thus sometimes more profitable to import products from neighbouring countries, but it depends, however, on fees and other factors. Second, although the region's industry has been the largest contributor to GRP, it concentrates on particular branches and it is therefore necessary to import other goods. Third, Kaliningrad as an external market located close to the border has posed a great opportunity for entrepreneurs from neighbouring Polish regions,

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<sup>32</sup> Data obtained from the Polish Border Guard.

in particular from Warmińsko-Mazurskie Voivodeship. It is estimated that approximately 30% of Polish companies present in Kaliningrad come from there.<sup>33</sup>

Beginning in the nineties, local authorities showed much interest in encouraging foreign businessmen and investors to come to Kaliningrad. It was relatively easier than it was later on, for the level of control from Moscow over the region was noticeably lower before Vladimir Putin came to power. Starting in 2000, the Kremlin took a series of actions aimed at centralising Russia in order to prevent it from centrifugal tendencies. These were also visible in terms of the economy. For instance, the financial reform of 2001 deprived Kaliningrad of a significant part of tax revenues. Instead, subsidies from the central budget were introduced.<sup>34</sup> Moreover, the centre became involved in regulating the region's external economic relations in a comprehensive way. To some extent, it coincided with EU enlargement. The introduction of a visa regime and other EU-related restrictions contributed to Moscow extending its economic influence over the developments in Kaliningrad. Additionally, the new governor appointed in 2005, Georgiy Boos, mostly obeyed orders from the centre and relied on subsidies, not on supporting small and medium-sized local ventures.

The aforementioned points are crucial, taking into account that Kaliningrad is one of the most active regions of Russia in terms of small enterprises. According to data published by the local government, over one-third of GRP was generated by such firms in 2010, which is twice as much as in the case of Russia.<sup>35</sup> Their potential could be strengthened by cross-border co-operation with their Polish and Lithuanian counterparts.

Poland intensively supported economic co-operation with Kaliningrad throughout 2004–2011. At first, co-operation began to develop spontaneously. Some actions promoting the Polish economic presence in Kaliningrad were taken by the Trade Section of the Consulate General, established in 1994. It helped a number of Polish enterprises function within the framework of the Special Economic Zone of 1996. The next zone of 2006, however, contributed to lowering the number of Polish companies being active in Kaliningrad. The reason was, first

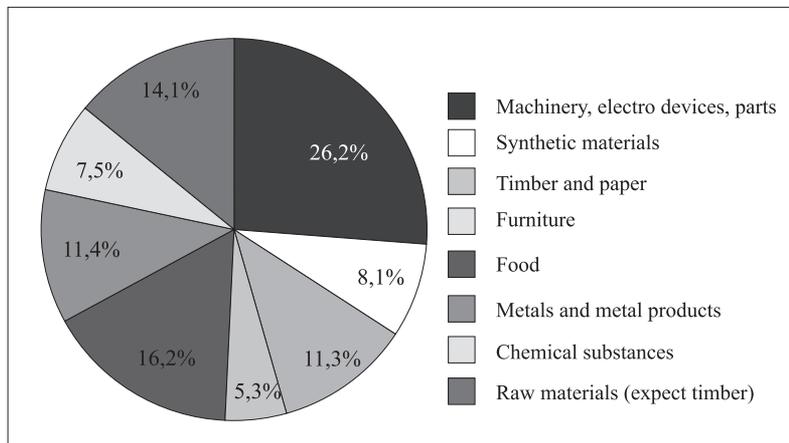
<sup>33</sup> T. Palmowski, K. Kondratowicz, *Cross-border Economic Cooperation between Poland and the Kaliningrad Oblast of the Russian Federation*, <[http://www.bcz.apsl.edu.pl/13\\_II\\_BCZ/005\\_014\\_Palmowski.pdf](http://www.bcz.apsl.edu.pl/13_II_BCZ/005_014_Palmowski.pdf)>, 20-08-2012.

<sup>34</sup> J. Rogoża, A. Wierzbowska-Miazga, I. Wiśniewska, *A captive island: Kaliningrad between Moscow and the EU*, <<http://www.osw.waw.pl/en/publikacje/osw-studies/2012-07-25/a-captive-island-kaliningrad-between-moscow-and-eu>>, 20-08-2012.

<sup>35</sup> *Ibid.*, p. 17.

of all, the legal basis of the zone. It was designed for large enterprises that would invest a minimum of approximately 5 million euro.<sup>36</sup> Since Polish businesses in Kaliningrad are mostly small and medium-sized, some of the over 500 companies decided to withdraw from the local market. In 2011, only 373 Polish enterprises functioned in the region.<sup>37</sup>

**Table 2.** Structure of Polish exports to the Kaliningrad Oblast in 2011



Source: *Trade and Investment Promotion Section in Kaliningrad.*

Polish exports to the region grew almost constantly in 2004–2011 (see Table 3). The only exception was a 46% drop in 2009 that was caused by the economic crisis. It struck Kaliningrad more than the rest of Russia (see Table 4) due to the region's specific situation. This fact points to another important observation: Kaliningrad is developing faster than Russia, but economic turbulences strike it harder than the whole country. It poses opportunities as well as threats for Polish business.

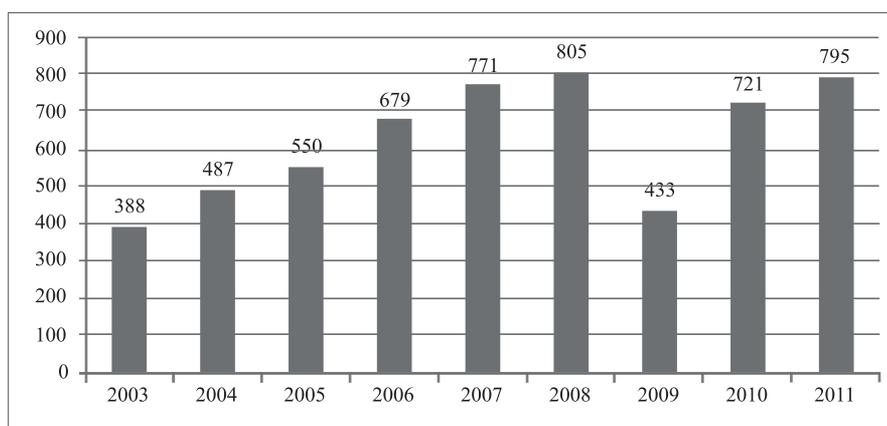
In general, Polish enterprises largely met the oblast's demand in areas not well developed in the region. Moreover, Polish and other foreign goods are competitive

<sup>36</sup> The law that introduced the SEZ entered into force in April 2006. It replaced the law of 1996 without overruling the privileges for those entrepreneurs who had started their ventures under the auspices of the previous law.

<sup>37</sup> Information obtained from the Trade and Investment Promotion Section in Kaliningrad.

with the ones from mainland Russia, since it is sometimes cheaper to bring them from abroad. The structure of Polish exports is shown in Table 2.

**Table 3.** Polish exports to the Kaliningrad Oblast (millions of USD)

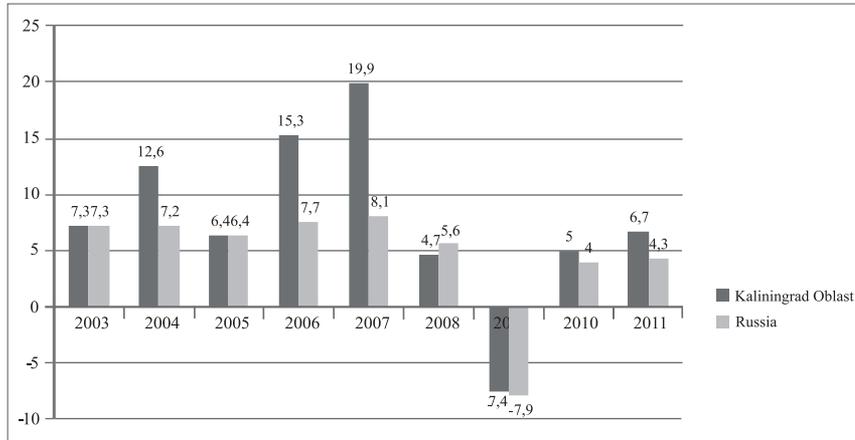


Source: T. Palmowski, K. Kondratowicz, *Cross-border Economic Cooperation between Poland and the Kaliningrad Oblast of the Russian Federation*, <[http://www.bcz.apsl.edu.pl/13\\_II\\_BCZ/005\\_014\\_Palmowski.pdf](http://www.bcz.apsl.edu.pl/13_II_BCZ/005_014_Palmowski.pdf)>, 20-08-2012.

Most enterprises tried to find ways of accessing the Kaliningrad market not only on their own but also with the help of the Trade and Investment Promotion Section of the Polish Consulate General, business associations, or local government institutions. For example, in March 2011 the Business Co-operation Forum was held in Olsztyn. Over 220 enterprises from Kaliningrad and Poland attended the event, which was strongly supported by Nikolai Tsukanov, governor of Kaliningrad since 2010, and Warmińsko-Mazurskie authorities. The forum resulted in agreements being signed in various areas and facilitated further contacts between businessmen from both sides.

It seems to be a fact that mutual will to develop bilateral economic ties has existed. New local government structures in Kaliningrad are eager to encourage foreign partners to do business in the Russian semi-exclave. Additionally, because the LBTR has entered into force, trade exchange might gain new momentum. There are, however, at least a few factors that have had a negative impact on developing economic ties with the Kaliningrad Oblast. They include:

**Table 4.** Growth of GDP of Russia and GDP of the Kaliningrad Oblast (in %)



Source: *Trade and Investment Promotion Section of the Polish Consulate General*, <<http://www.parp.gov.pl/files/74/107/510/12505.pdf>>, 20-08-2012.

- 1) the reluctance of the Kremlin to open the region for closer interaction with its closest partners; an important obstacle in this regard is limited access for foreign investors to purchase land; in theory, a long lease (for 49 years) is possible, but in practice only short leases are granted by the authorities; this problem has been raised many times by Polish entrepreneurs;<sup>38</sup> furthermore, on the territory of the oblast there have been various areas of limited access, mostly because of its long land border and military importance; approximately one-third of region's total territory is subject to access restrictions.<sup>39</sup>
- 2) technicalities — despite creating a new border crossing at Grzechotki-Mamonovo, the potential of border facilities is still not fully or even sufficiently used; for instance, phytosanitary checks cannot be performed even though the appropriate system has been implemented by the Polish side; additionally, complications on the Russian side such as long border queues or the necessity to give bribes to jump the queue have not been resolved;
- 3) Polish transport enterprises have raised the question of Russian authorities limiting the number of permits required to operate in Kaliningrad;

<sup>38</sup> Information obtained from the Trade and Investment Promotion Section in Kaliningrad.

<sup>39</sup> J. Rogoża, A. Wierzbowska-Miazga, I. Wiśniewska, *op. cit.*, p. 45.

it has a serious impact on the end prices of certain goods in the region, making them as much as 20-30% higher than they could be.<sup>40</sup>

If the aforementioned obstacles are overcome and Russian central authorities remain interested in enhancing the economic activity of Kaliningrad in the neighbouring area, there is a chance to develop its economic co-operation with Poland more dynamically.

## 6. Areas of discord

Close links between Warsaw-Moscow relations and the prospects of co-operation with Kaliningrad was well reflected by issues that became a serious reason for Polish-Russian discord. Most of them had their roots in the period of democratic transition in Central Europe and the collapse of the Soviet Union. One obstacle, namely the Strait of Pillau, had not been properly solved soon after World War II and the change of borders in the region. It appeared on the agenda precisely because of the dissolution of the Soviet bloc and new geopolitical situation in the region.

Tensions were both regional (i.e. directly connected with Kaliningrad) and inter-state. The prospects for finding a solution to them were highly dependent on the will of the Kremlin. The authorities there, beginning in the nineties, shared various visions of Russia's role in post-Cold War international relations.

The main topics on the Polish-Russian agenda connected with the Kaliningrad Oblast were:

- a) the Strait of Pillau,
- b) anti-missile shield,
- c) the question of visa regime and local border traffic,
- d) trans-regional co-operation, including infrastructural projects,
- e) development of economic co-operation.

### 6.1. The Strait of Pillau

The strait allows vessels to sail from the Vistula Lagoon to the Baltic Sea and connects the Polish harbours of Elbląg, Tolkmicko and Frombork with the open sea. The strait is 860 meters wide, 400 of which is the shipping route, and 2 km long.

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<sup>40</sup> Information obtained from the Trade and Investment Promotion Section in Kaliningrad.

The lagoon has been divided between Poland and the USSR (Russia) since the end of World War II. Despite several bilateral agreements in which the right of innocent passage had been guaranteed, the Strait of Pillau was blocked to Polish vessels due to the arbitrary decision of Soviet and, later on, Russian authorities, mostly due to the militarisation of the Kaliningrad Oblast and its strategic importance. What is important in this matter is that most Polish democratic governments remained inactive and did not try to solve this issue.

The Russian government unilaterally closed the maritime border with Poland in May 2006. This decision led to significant losses for the region surrounding the Polish part of the Vistula Lagoon. The city of Elbląg in particular suffered a major setback in its development as a trade centre.<sup>41</sup> Its harbour, re-established after the war in 1952, prospered until 2006. After the strait was closed, it served only as a meagre facility with few prospects of thriving. This was even more striking as certain hopes connected with a 'new opening' between Poland and Russia followed by the treaty of 1992 influenced the municipal authorities of Elbląg to extensively rebuild the city harbour. It resulted in significant increase in shipments with its peak in 1997 (641,300 tonnes). Only in August 2006 did Russian authorities allow Polish ships to sail, but they blocked access to the lagoon to third-party ships.<sup>42</sup> The following years saw Elbląg downgraded to a mini-scale harbour.

The Russian government claimed that the 1945 Polish-Soviet agreement on allowing the sailing of Polish vessels had expired after Poland's accession to the EU.<sup>43</sup> Because there was no bilateral document regulating this question in a different manner, the strait became inaccessible to ships other than Russian ones. From a legal point of view, however, Polish and international ships should have been granted the right of innocent passage a long time ago since the strait was the only way to sail into the Polish part of the basin. No additional agreement, including the one of 1945, was needed. This question was not even raised during negotiations about the neighbourhood treaty, which was eventually signed in May 1992.

It is worth noting that the unilateral decision to close the strait to Polish vessels was taken during a period of significant deterioration in Polish-Russian relations. To some extent, it was related with reshuffling in the Polish political scene. The

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<sup>41</sup> In 1936, the port shipped half a million tonnes of cargo, while in 2007 the amount of cargo dropped to 3500 tonnes. <*The Elbląg Port official website*, <<http://www.port.elblag.pl/page/show/5/przeladunki?lang=pl>>, 20-08-2012.

<sup>42</sup> A. Eberhardt, *Stosunki Polski z Rosją [Poland's relations with Russia]*, Polish Foreign Policy Annual 2007, p. 137.

<sup>43</sup> *Ibid.*

Law and Justice party, which came to power in 2005, changed the rhetoric towards Russia. It was based upon articulating Polish postulates and interests in a strict and uncompromising way. Thus, it had its share in generating new tensions or raking through old areas of tension. One of these disputes was the Strait of Pillau.

The stalemate was overcome in part by another shift. Law and Justice's government was replaced by the Civic Platform party. The latter declared a new opening in relations with Russia and wanted to manifest a pragmatic approach towards Kaliningrad. After a series of conciliatory steps from both sides, on 15 July 2007, President Vladimir Putin signed a decree that allowed third-party ships to sail through the Strait of Pillau. An adequate agreement between the Polish and Russian governments was signed a month and a half later. Even though the strait was re-opened for Polish and third-party vessels, some restrictions regarding traffic were made by Russia anyway. The strait could be closed at any time due to security and defence reasons, which was the case in 2010 when the Three Marshalls' Regatta took place simultaneously with the Baltic Fleet manoeuvres. Polish yachts were detained at the border while going to Baltiysk to attend the regatta.<sup>44</sup>

The case of the Strait of Pillau is interesting also because of the attitude of consecutive Polish governments towards it. None of them rejected the Soviet/Russian interpretation of bilateral and international treaties since the democratic transition in 1989. What is more, they did not even seem to try to raise the question of Russian obligations connected with the United Nations Convention on the Law of the Sea (signed in Montego Bay), which had straightened out the hitherto existing regulations and had allowed Poland to re-open the case of the strait. Undoubtedly, it could not have happened at the time of Soviet domination over Central Europe. Later on, however, there were no reasons for acting likewise.

The question of the strait did not raise substantial concerns among Polish political circles either. For instance, there were few interpellations in three parliamentary terms. Polish politicians and experts, to a large extent, were obviously not aware of the problem. Thus, they had not tried to negotiate a suitable agreement earlier. A positive change in Polish-Russian relations at an interstate level, however, allowed for a new opening in the Strait of Pillau question and led to an agreement being reached very quickly.

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<sup>44</sup> J. Rogoża, A. Wierzbowska-Miazga, I. Wiśniewska, *A captive island: Kaliningrad between Moscow and the EU*, <<http://www.osw.waw.pl/en/publikacje/osw-studies/2012-07-25/a-captive-island-kaliningrad-between-moscow-and-eu>>, 20-08-2012.

## 6.2. Anti-missile shield

The US proposal to install a missile shield in Poland and Czech Republic pertained to Polish-Russian relations in general and also to the Kaliningrad Oblast, as it was used as a bargaining chip in talks. Polish-US negotiations began in 2005 and as early as 2006 specific proposals were put on the table. These proposals were a part of a larger US plan to deploy a number of missiles to prevent rogue states from performing a successful attack on US territory.

Poland, as a generally pro-American country, responded positively to the proposal. It met with vehement opposition from the Russian side. Russian authorities considered the US initiative a direct threat to national security. According to the Kremlin, the missile shield aimed at impairing the strategic position of Russia in Europe. Moscow therefore threatened to deploy its own missiles (the Iskander type) on the territory of Kaliningrad. Russian reactions were very trenchant, especially after the initial agreement was signed in August 2008. President Medvedev said, 'One should not tell fairytales that this [the anti-missile shield] aims at containing other states [i.e. not Russia]'.<sup>45</sup>

The emotional roots of the matter were obvious. When the change of government took place in Poland in 2007 and Barack Obama won the US election in 2008, shadows were cast over the project since the new governments of both countries had a different opinion about the issue than their predecessors. Finally, on 17 September 2009, the US administration announced that it would withdraw from the anti-missile defence system as a solely American concept. This seemed to have been a significant part of resetting relations with Russia. The decision was striking for Poland and the Poles since it was announced on the 70<sup>th</sup> anniversary of the Soviet attack on Poland. Russia, on the other hand, considered this change of plans as a success of its policy but did withdraw from deploying Iskander missiles in the Kaliningrad Oblast.

The USA later decided to involve NATO in the project, which did not change the prospect of locating missiles in Poland. This led to a similar reaction in Russia in 2011. President Medvedev 'accused the United States and other NATO member states of a lack of readiness to consider Russian proposals regarding the missile defence'.<sup>46</sup>

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<sup>45</sup> W. Konończuk, *Rosyjskie reakcje na podpisanie polsko-amerykańskiej umowy o tarczy antyrakietowej* [*Russian reaction at signing of the Polish-American missile shield agreement*], <<http://www.osw.waw.pl/pl/publikacje/tydzien-na-wschodzie/2008-08-20/rosyjskie-reakcje-na-podpisanie-polsko-amerykanskiej-umowy>>, 20-08-2012.

<sup>46</sup> M. Kaczmarek, *Russia threatening to respond to US missile shield in Europe*, <<http://www.osw.waw.pl/en/publikacje/eastweek/2011-11-23/russia-threatening-to-respond-to-us-missile-shield-europe>>, 20-08-2012.

It is important to note that the Russian plan for modernising its armed forces included deployment of new Iskander missiles with a range of 500 km in Kaliningrad anyway.<sup>47</sup> The older generation of missiles, namely the Tochka, was in Kaliningrad already. Its range was either 70 km (SS-21) or 120 km (SS-21B).<sup>48</sup> This shows that Moscow considered the special location of its westernmost region mostly in geostrategic terms. In many regards, it could serve as a pilot region (environmental protection, municipal co-operation, etc.), but when it came to military issues, the old rhetoric was still very useful. In addition, this was not the only case of such thinking. Since one-third of the territory of the oblast has been subject to various restrictions and the Baltic Fleet facilities are still one of the most crucial state secrets, the anti-missile shield question was just a factor that contributed to the contradictory, at least at a first glance, logic of Russian central authorities towards Kaliningrad, because they very often declared the will to co-operate.

### 6.3. Local Border Traffic Regime

Poland's accession to the EU was not the only obstacle in terms of accessibility of visas for the inhabitants of the Kaliningrad Oblast. The next one was the Schengen Area. Poland became a member in December 2007 (three months later in the case of maritime and air border crossings). Technically, visa fees should have been raised to 70 euro. The EU and Russia, however, signed an agreement in 2006 that allowed for reduced fees (35 euro). It was still a great deal of money for the inhabitants of both Poland and Kaliningrad, especially since the local population was the majority of the border traffic. Because the level of economic development of the bordering areas (the entire region of Kaliningrad, to be precise) was low, it became vital to negotiate a local border traffic regime. According to European Commission Regulation No. 1931 of 2006, such an agreement would have to cover an area on both sides of the border, from 30 to 50 km long.<sup>49</sup> Its inhabitants would be entitled to cross the border without visas and they would only have to go through a truncated procedure.

<sup>47</sup> A. Wilk, P. Żochowski, *The Iskander missiles — Russia's apparent concessions*, <<http://www.osw.waw.pl/en/publikacje/eastweek/2009-02-04/iskander-missiles-russias-apparent-concessions>>, 20-08-2012.

<sup>48</sup> *Russia Tests Tochka (SS-21) Missile*, <<http://www.missilethreat.com/archives/id.4169/detail.asp>>, 20-08-2012.

<sup>49</sup> *Regulation (EC) No 1931/2006 of The European Parliament and of The Council*, <<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2006:405:0001:0022:EN:PDF>>, 20-08-2012.

The LBTR talks began in Moscow in January 2008.<sup>50</sup> A few challenges stood before both sides:

- a) agreeing upon a joint text of the agreement; at first, there were two proposals on the table;
- b) setting the area covered by the agreement; initially, the Polish government wished to include the entire territory of Warmińsko-Mazurskie and Pomorskie voivodeships; it was, however, unacceptable for EU institutions, since such a vast area would be disproportionate in comparison with the adjacent Russian territory;<sup>51</sup> Poland thus concentrated on including the so called Tricity district (Gdańsk, Sopot and Gdynia), together with as much of Warmińsko-Mazurskie Voivodeship as possible;
- c) convincing EU member states to treat the agreement between Poland and Kaliningrad as a derogation to the general rule without regarding it as a precedent for the future; this was achieved only in October 2010 at a meeting of foreign ministers in Luxembourg and was soon approved by the European Parliament;<sup>52</sup> if the consensus had not been reached and the LBTR had been signed anyway (but limited to 30–50 kilometres), citizens of the semi-exclaves would have been divided into four groups: those allowed to cross the border 1) either with Poland or 2) with Lithuania or 3) with both countries and 4) those being subject to no liberalisation whatsoever;<sup>53</sup> some actions were jointly taken by Poland and Russia,

<sup>50</sup> *Odpowiedź sekretarza stanu w Ministerstwie Spraw Zagranicznych - z upoważnienia ministra - na interpelację nr 3950 w sprawie terminów wprowadzenia małego ruchu granicznego na granicy Rzeczypospolitej Polskiej z Republikami: Białorusi, Ukrainy i Rosji [Answer of the undersecretary of state at the Foreign Affairs Ministry, entitled by the minister to the interpellation no. 3950 concerning the terms of introducing local border traffic at the border of the Republic of Poland with Belarus, Ukraine and Russia],* <<http://orka2.sejm.gov.pl/IZ6.nsf/main/42A84F00>>, 20-08-2012.

<sup>51</sup> *Ratyfikacja przez Polskę Umowy o małym ruchu granicznym z Federacją Rosyjską [Poland's ratification of the Local Border Traffic Regime with the Russian Federation],* <[http://emn.gov.pl/portal/esm/704/9181/Ratyfikacja\\_przez\\_Polske\\_Umowy\\_o\\_malym\\_ruchu\\_granicznym\\_z\\_Federacja\\_Rosyjska.html](http://emn.gov.pl/portal/esm/704/9181/Ratyfikacja_przez_Polske_Umowy_o_malym_ruchu_granicznym_z_Federacja_Rosyjska.html)>, 20-08-2012.

<sup>52</sup> *Unia zgadza się na bezwizowy ruch z Kaliningradem [EU agrees on non-visa traffic with Kaliningrad],* <[http://wyborcza.pl/1,76842,10549359,Unia\\_zgadza\\_sie\\_na\\_bezwizowy\\_ruch\\_z\\_Kaliningradem.html#ixzz208OZKxka](http://wyborcza.pl/1,76842,10549359,Unia_zgadza_sie_na_bezwizowy_ruch_z_Kaliningradem.html#ixzz208OZKxka)>, 20-08-2012.

<sup>53</sup> J. Fomina, *Local border traffic agreement for the Kaliningrad region: a success story of the Polish presidency and a trust-building exercise for Poland and Russia*, p. 1, <[http://www.batory.org.pl/upload/files/ANG/Publikacje/Open%20Europe/Local\\_border\\_traffic\\_agreement\\_for\\_the\\_Kaliningrad\\_region\\_a\\_success\\_story\\_of\\_the\\_Polish\\_presidency\\_and\\_a\\_trustbuilding\\_exercise\\_for\\_Poland%20and\\_Russia.pdf](http://www.batory.org.pl/upload/files/ANG/Publikacje/Open%20Europe/Local_border_traffic_agreement_for_the_Kaliningrad_region_a_success_story_of_the_Polish_presidency_and_a_trustbuilding_exercise_for_Poland%20and_Russia.pdf)>, 20-08-2012.

for example a letter to Catherine Ashton to convince her to support the project.<sup>54</sup>

The Polish side was generally in favour of introducing the LBTR. The only concerns raised were those of its impact on the crime rate and border security. Polish and Russian public administration and security services established regular co-operation on these matters. For instance, one of the areas of interest of the working group on fighting international organised crime was border security and prevention of possible negative effects of the LBTR.<sup>55</sup>

Russian authorities, however, were initially negative towards the idea of the LBTR. The Kremlin lobbied for a visa-free regime with the EU as a whole. Only after EU institutions rejected the proposal did it change its attitude and showed interest in the LBTR with Poland.

Substantial concerns were raised by Lithuania. At first Lithuanian state officials were against the LBTR between Poland and Kaliningrad and thus blocked the initiative at the EU level. Their arguments were mostly of a security nature. Lithuania wanted to be completely sure that the LBTR would not pose any threat to the Lithuanian borders. Additionally, Vilnius was concerned about contraband, which would encompass smuggling goods significantly cheaper in Russia via Poland to Lithuania. This concern grew after Vygaudas Ušackas was replaced by Audronius Ažubalis as Lithuanian foreign minister in February 2010.<sup>56</sup> After some time, however, Lithuania stated that it would not oppose the idea if the European Commission performed a thorough analysis of the steps taken by the Kaliningrad Oblast and its level of preparation putting the LBTR idea into motion.

Negotiations were intensive and somewhat problematic. The process of reaching an agreement was often linked with the wider question of the liberalisation of the visa regime for all Russian citizens. When that turned out to be impossible, Russia and Poland lobbied EU institutions to include the entire territory of the Kaliningrad Oblast into the LBTR. To put pressure on the European Commission, Vladimir Putin even said that Russia was not interested in any facilitation for Kaliningrad exclusively. It was either the question of Russia in general or no question at all.<sup>57</sup>

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<sup>54</sup> *Ibid.*, p. 3.

<sup>55</sup> *Ibid.*

<sup>56</sup> *Vilnius does not want the lifting of visas for all the Kaliningrad Oblast*, <<http://www.osw.waw.pl/pl/publikacje/best/2010-08-18/wilno-nie-chce-likwidacji-wiz-dla-calego-obwodu-kaliningradzkiego>>, 20-08-2012.

<sup>57</sup> *Vladimir Putin opposes visa facilitation for the Kaliningrad Oblast*, <<http://www.osw.waw.pl/en/publikacje/eastweek/2011-06-08/vladimir-putin-opposes-visa-facilitation-kaliningrad-oblast>>, 20-08-2012.

Finally, the need for establishing an extended border zone (without changing its definition) was noticed in Brussels and the green light for concluding the issue was given.

Since consent had been reached among Poland, Russia, and the EU institutions, the agreement was signed on 14 December 2011 by Radosław Sikorski and Sergey Lavrov in Moscow. It is worth noting that the signing took place during the Polish presidency of the European Council, which, together with the intensive efforts of Polish diplomacy, contributed a lot to convincing EU institutions about the need for the LBTR.

The document was ratified by the Polish parliament in April and signed by President Bronisław Komorowski on 4 May.<sup>58</sup> As for Russia, the ratification procedure was ended in the middle of June. The LBTR started working on 27 July.<sup>59</sup> It covers the entire Kaliningrad Oblast and large parts of Warmińsko-Mazurskie and Pomorskie voivodeships with the cities of Elbląg, Olsztyn, Gdańsk and Gdynia. The total number of Polish residents being granted the possibility of travelling to Kaliningrad without visas exceeds the number of inhabitants of the entire oblast (see Table 5).

**Table 5.** Number of Polish and Russian residents covered by the LBTR

<b>Territorial unit</b>	<b>Number of inhabitants (thousands)</b>
Kaliningrad Oblast	941.5
City of Kaliningrad	431.5
Part of Poland covered by LBTR	1,891.7
Pomorskie Voivodeship	1,014.7
Gdańsk	457
Gdynia	247.3
Warmińsko-Mazurskie Voivodeship	876.9
Olsztyn	176.5
Elbląg	126

Source: [http://www.stat.gov.pl/cps/rde/xbcr/gus/L\\_powierzchnia\\_ludnosc\\_teryt\\_2011.pdf](http://www.stat.gov.pl/cps/rde/xbcr/gus/L_powierzchnia_ludnosc_teryt_2011.pdf)

<sup>58</sup> *Rządowy projekt ustawy o ratyfikacji Umowy między Rządem Rzeczypospolitej Polskiej a Rządem Federacji Rosyjskiej o zasadach małego ruchu granicznego, podpisanej w Moskwie dnia 14 grudnia 2011 r.*, <<http://www.sejm.gov.pl/Sejm7.nsf/PrzebiegProc.xsp?nr=199>>, 20-08-2012.

<sup>59</sup> *Border traffic with Kaliningrad Oblast free of charge from 27 July*, <[http://logistyka.wnp.pl/od-27-lipca-maly-ruch-graniczny-z-obwodem-kaliningradzkim,173403\\_1\\_0\\_0.html](http://logistyka.wnp.pl/od-27-lipca-maly-ruch-graniczny-z-obwodem-kaliningradzkim,173403_1_0_0.html)>, 20-08-2012.

Some experts claim that the LBTR will only serve as a tool for Russia to negotiate further exceptions and derogations in crucial areas. It is worth noting that for several years Moscow seemed not to be interested in any form of liberalising the visa regime for Kaliningrad citizens despite initiatives undertaken by local politicians and NGOs.

Even though the LBTR could serve as an instrument to bring the inhabitants of the border area together and facilitate business contacts, many by-projects need to be carried out in order to use the full potential of the agreement. They include, most of all, assuring sufficient capacity of border crossings, smooth issuing of permits, and thorough border control to eliminate any attempts to smuggle or overstep the LBTR area.

## Conclusions

Poland's attitude towards Kaliningrad in 2004–2011 can be viewed from two perspectives. Even though they are interrelated to some extent, they need to be treated separately in order to fully understand what the role of the region was for Poland in the aforementioned scope of time.

The first one is connected with the region's place in the overall policy towards Russia. Mutual relations went through different stages: from a period of many tensions right after Poland's accession to the European Union when the process of integrating a vast part of Central Europe with Western structures had come to an end and Kaliningrad was surrounded by EU states, through significant deterioration when the Law and Justice party came to power and negotiations with the USA on the anti-missile shield began, to noticeable *détente* followed by step-by-step solving of many of the issues that had been on the table for many years. At the end of 2011, it became quite visible, that — despite much discord in many areas — Polish-Russian relations were getting closer to pragmatic partnership than frozen hostility. New opportunities were also brought by the change in how other EU member states perceived Poland's attitude towards Russia. Poland is more and more treated not as a Russophobic country, but as a valuable expert having experience that should be included in EU foreign policy making.

This does not mean, of course, that trust had replaced distrust, but the level of understanding undoubtedly rose. Simultaneously, Russia did not stop putting pressure on the region to withdraw from initiatives considered a threat to Russia's security and its strategic position. It shows that alongside the warmer atmosphere and the will to discuss difficult matters there are still many obstacles to overcome.

For instance, Poland's strategic goal has been to build a strong, democratic and prosperous zone of Eastern European states, including Belarus, Moldova and Ukraine, whereas Moscow aims at re-establishing old ties and building new ones with its former vassals, making them increasingly dependent, both politically and economically.

This pertains to the Kaliningrad Oblast and constitutes the second perspective. Russian authorities have been doing everything not to let centrifugal tendencies prevail over Russian territorial integrity. Kaliningrad, as a strategically crucial part of Russia, was a top priority on the Russian security agenda. It has been the Baltic Fleet base and has played an important role in military doctrine. Additionally, as the European integration processes gained momentum, the economic gap between Kaliningrad, Poland and Lithuania started to rise. The threat of Kaliningrad becoming isolated not only politically and geographically but also economically became significant. Russian authorities had to bear this in mind, as well as remember initiatives from previous years with results that had been rather modest. Despite re-establishing the Special Economic Zone in 2006 and dynamic GRP growth, Kaliningrad did not reach a level of development comparable to Poland or Lithuania. Additionally, the new policy towards regions consequently implemented by the Kremlin led to Kaliningrad's level of dependency being increased. Thus, Poland, whether the central or local authorities, had limited room to manoeuvre. There were many attempts to intensify trans-border co-operation but most of them required the Kremlin's approval. As soon as it had been granted, institutions involved in joint projects did their best to use the opportunity as much as possible. A prime example of this was the Euroregions. They allowed for multilateral and effective co-operation in many areas.

Consecutive Polish governments seemed to pay more and more attention to Kaliningrad. Their level of interest increased mostly because of two factors: 1) growing awareness of the importance of Kaliningrad for successful Baltic co-operation and 2) the will to go beyond classical thinking about the oblast as a military base.

The instruments used to develop closer ties with Poland's northern neighbour were various. They included: providing a legal argument (the case of the Strait of Pillau), involving EU institutions (LBTR) and programmes (Phare, Interreg III A, CBC), local initiatives (all levels of local government: voivodeships, districts, communities), and Baltic integration institutions (e.g. Council of Baltic Sea States, Union of Baltic Cities). The economic factor played a significant role, too. The will to enter the Kaliningrad market was expressed by many Polish entrepreneurs

from different branches. Facilitation was provided by the Russian government, but mostly to large companies. Many Polish small and medium-sized enterprises could therefore not enjoy the benefits of the Special Economic Zone. This partially explains why the volume of trade is still insufficient and has great potential for the future.

The feeling of a ‘new European push towards the East’, strongly supported by Poland, also had an impact on Kaliningrad. The Kremlin was constantly increasing financial support to stimulate the development of the economy and growth of GRP in order to maintain as large an influence as possible there and to protect the local market from foreign investments. This was done in conjunction with Georgiy Boos, who became governor of Kaliningrad in 2005. He replaced Vladimir Yegorov and was regarded as a loyal executor of Moscow’s policy. It was visible through initiatives such as strengthening the Russianness of the region by encouraging Russians from the Baltic and CIS to settle in Kaliningrad. This action began in 2010 but its results were rather meagre. Even though the governor planned to resettle over one million people, only 6,800 decided to migrate, and some decided to leave the oblast because of economic reasons.<sup>60</sup> Additionally, Boos promised that the living standards of Poland and Lithuania would be reached by the end of 2008, which was obviously impossible to achieve. This shows, however, that Russia observed the course of events with growing concern. Together with the warming of the atmosphere at the interstate scale, it might well contribute to changes in regards to Kaliningrad.

The Kremlin seemed to give a green light for its westernmost region to take part in a larger number of local initiatives and began negotiations on the LBTR. One has to bear in mind that citizens of the oblast were the first to start protests over the economic crisis and some unpopular decisions Russian authorities had taken. Moscow could not underestimate this fact and had to grant the region more freedom of choice. This was utilised by Poland by pushing forward frozen and developing new projects such as the completion of the Grzechotki-Mamonovo II border crossing or involving Kaliningrad in trans-border co-operation.

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<sup>60</sup> Из Калининграда уехали 44 переселенца [Forty-four new settlers have left Kaliningrad], <<http://www.newkaliningrad.ru/news/community/k1017898.html>>, 20-08-2012.