

INSTITUTE OF WORLD ECONOMY AND
INTERNATIONAL RELATIONS (IMEMO),
RUSSIAN ACADEMY OF SCIENCES

FRIEDRICH-EBERT-STIFTUNG

**Russia and East Central Europe
After the Cold War**

A Fundamentally Transformed Relationship

Edited by Andrei Zagorski

HUMAN RIGHTS PUBLISHERS

Prague

2015

Russia and East Central Europe after the Cold War: A Fundamentally Transformed Relationship / edited by Andrei Zagorski. Prague: Human Rights Publishers, 2015. 426 P.

This book reviews and documents the transformation of bilateral relations between East Central European countries and Russia between the end of the cold war and the outbreak of the current Ukraine crisis. It proceeds from the overhaul of the fundamentals of these relations following the collapse of communism in Europe, including renegotiating basic treaties governing bilateral relations or negotiating border treaties by Baltic states, and Soviet/Russian troop withdrawal. It continues with assessing the effects of ECE countries' accession to NATO and the EU, and of the attempts at reconciliation and economization of bilateral relations with Russia. A general overview of the transformation of the relationship is followed by seven more specific countries chapters, and a review of the evolution of the trade and economic relations of ECE nations with Russia after the dissolution of the Soviet bloc.

Layout and design: DigiTisk Studio spol. s r.o., Prague

All rights reserved. No part of this publication may be reproduced, stored in retrieval system, or transmitted, in any form or by any means without the prior written permission of the Friedrich-Ebert-Stiftung.

ISBN 978-80-903523-9-1

© Friedrich-Ebert-Stiftung, 2015

Printed in the Czech Republic

Contents

Foreword	9
Steps towards a Pan-European Peace Order: The Role of Russia, East Central Europe and Germany Karsten D. Voigt	13
The Transformation of Russia-ECE Relations Andrei Zagorski	23
Polish-Russian Relations 1991-2011: On the Way to Mutual Understanding Łukasz Adamski, Artem Malgin	59
Czech-Russian Relations 1989-2012 Petra Kuchynkova, Petr Kratochvíl, Boris Shmelev	95

Slovak-Russian Relations	135
Alexander Duleba, Boris Shmelev	
Towards Increasingly Balanced Relations: Hungary and Russia Since 1989	167
András RÁCZ	
Latvia and the Russian Federation: Twenty Years of Relations	201
Ekaterina Furman, Nils Muižnieks, Gatis Pelnēns,	
Lithuania and Russia 1990-2012: From Mutual Support to Suspicion and Indifference	239
Dovile Jakniunaite, Leonid Karabeshkin, Ramūnas Vilpišauskas	
Russia's Relations with Romania Since 1989	291
Viktor Kirillov, Igor Putintsev	
Romanian-Russian Relations Since 1989	323
Sergiu Celac, Dan Dungaciu	

**The Transformation of Russia's Economic Links
with ECE Countries**

361

Boris Frumkin

Conclusions: Uneasy New Beginning

411

Andrei Zagorski

The Contributors

423

Lithuania and Russia 1990-2012: From mutual support to suspicion and indifference

Dovile Jakniunaite, Leonid Karabeshkin,
Ramūnas Vilpišauskas

INTRODUCTION

Bilateral relations between Russia and Lithuania officially began on 29 July 1991, with the signing of the Lithuanian-Russian Treaty on the Foundations of Inter-State Relations. Russia, still a Soviet Federal Socialist Republic at that time, acknowledged the sovereignty and independence of Lithuania, with the latter doing the same. The leader of the Russian Federation, Boris Yeltsin, was motivated by the drive to increase his autonomy from the leaders of the Soviet Union and gain popularity among Russians. Lithuania, on the other hand, having declared independence on 11 March 1990, was trying to get as much political support from as many foreign actors as possible. Moreover, for Lithuania it was also an expression of support for the establishment of a democratic political system in Russia. This treaty had substantial political

significance for both sides, demonstrating mutual understanding, common goals and recognition, as well as agreement on a common adversary – the Soviet Union and its leadership. It soon became clear that this was to be the highpoint in bilateral relations between Lithuania and Russia.

Within a short time the cordiality had disappeared; relations became defined not by common goals but by common problems. These twenty years of bilateral relations have not been steady: the cycles of open tensions and “wars of words” have alternated with periods of passivity and mutual ambivalence, which in turn transformed into occasions of cautious or unwilling dialogue. “Friendship” was no longer in the mutual vocabulary and the best what was achieved during these twenty years of relations has been occasional periods of relative calmness or indifference in bilateral relations. Even today, relations remain somewhat unsettled.

This chapter reconstructs the twenty-year history of bilateral relations between Lithuania and Russia and demonstrates the uneasy relationship which has developed throughout these years. It is argued that the two decades of relations have been most strongly influenced by the diverging interpretations of recent history, the asymmetrical nature of economic relations, particularly in the energy sector, and differing understandings of regional security and Russia’s role in it. These issues have proved to be a source of constant tension and controversy in Lithuanian domestic politics and the main obstacle to talks on the bilateral level and in multilateral frameworks. In addition, bilateral relations have inevitably been influenced by the domestic political context in Russia and changes in its leadership as well as by the external environment: the state of affairs in Russian-EU, Russian-US relations and global events.

The history of relations can be divided into three periods, each with a different dominant set of issues. A review of these issues reveals not only the historical dynamics of the relationship, but also provides the context for understanding the current relationship

status between the two countries. These periods correspond to the stages of Lithuanian foreign policy, since Lithuania has been the relatively more active player in bilateral relations, with Russia's policy mostly reactive. The first period is the years 1991-1994, when the main principles of the bilateral relationship began to be formulated, the first problems emerged and the first diplomatic dispute between the two states was resolved. The second period, 1994-2004, is marked by the EU and NATO enlargement process and the eager efforts of Lithuania to become a member of both organizations and to manage relations with Russia through these institutions, thereby attempting to increase its bargaining power vis-à-vis Russia and reduce the asymmetry in bilateral relations. During the third period, from 2004 to 2012, the countries adjusted to the changed (geo)political environment after the two enlargements and the political transformations in the region. The developments during the last period have led to the current situation, which is quite often described as either as "stagnation" or "maturity" or both.

This article first presents the political context of the relationship, including an analysis of mutual perceptions, and then proceeds with an analysis of the three periods and their main developments and issues.

POLITICAL CONTEXT AND DISCOURSE

The relationship between Lithuania and Russia should be understood primarily in the context of their differences. Lithuania and Russia were both republics of the former Soviet Union and theoretically had equal status within the Soviet structure. In practice, however, the status of the two countries differed substantially. One was the most important republic, whose language and political elite dominated the Soviet Union. The second was a small "nationalistic" republic at the Western margins of the Soviet Union, incor-

porated into the Union only during World War II as a result of the geopolitical shifts in Europe and the Cold war order.

This difference became even more obvious after the collapse of the Soviet Union, when Russia inherited its loans, its status in the world, its nuclear weapons, and its legacy. Russia now was considered the great power, at least in the region, and acted as such. Lithuania was a small re-established independent state at the shores of the Baltic Sea, seeking international recognition and trying to separate itself from its Soviet past. Russia rarely showed any interest in changing the status quo unless Lithuania managed to provoke it or involve an external actor in bilateral matters, forcing Russia to deal with Lithuania directly or pay more attention to its agenda.

This political asymmetry is also apparent when discussing the development of Lithuanian foreign policy, the role of Russia in Lithuanian politics and vice versa, as well as the mutual perceptions of the two nations.

LITHUANIAN FOREIGN POLICY

The development of Lithuanian foreign policy can be divided into five stages. The first began immediately after the declaration of independence on 11 March 1990. Lithuania was the first of the former Soviet republics to express its desire to secede from the Soviet Union, even before it was clear that it would collapse. The government of the Soviet Union did not rush to recognize the reestablished state. Thus, the first task for the country during its first two years was to reason with the authorities of the Soviet Union, which were threatening an economic blockade. These negotiations were unsuccessful, and eventually the blockade was enforced. This move forced the government of Lithuania, after several months of the deteriorating economic situation in the country, to announce a one-hundred-day moratorium on the legal consequences arising from

the declaration. The moratorium was terminated by the end of 1990 after the unsuccessful attempts of the Soviet leaders to convince the Lithuanian authorities to abandon their goal of restoring independence. The Soviet authorities tried to use force as well in efforts to prevent the re-establishment of an independent Lithuania and the dissolution of the Soviet Union. On 13 January 1991, they sent tanks to Vilnius, occupying the TV tower and killing 14 people during that night. This move, which was also publicly condemned by the leader of the Russian Federation Boris Yeltsin, did not succeed in changing the mood in the country. The initiative of the leaders of Lithuania to involve the public by organizing a referendum on the re-establishment of the independence of Lithuania on 9 February 1991 – when a clear majority of those who participated voted for an independent and democratic Lithuania – was seen as an important step legitimizing the decision to seek international support. Popular support for independence was later reconfirmed in two other referendums – one organized the next year on the withdrawal of the Soviet army and compensation for damage from the occupation, and another one on the Constitution of Lithuania.

The second goal of Lithuanian foreign policy was to spread the news about Lithuania and its long history of statehood, in order to gain as much international support as possible for the aspirations of the re-established country, including diplomatic recognition. Iceland was the first country to recognize Lithuania on 11 February 1991. Denmark was the second to follow, 17 days later. However, despite the strong support expressed by leaders of foreign states in private or semiprivate communications, recognition from the majority of countries came only after the collapse of the Soviet Union had become obvious – after the Moscow coup in August 1991.

September 1991 was the beginning of the second phase of Lithuanian foreign policy, which lasted until 1994. As a succession of recognitions finally began, the main task was now to establish itself in the most important global and regional international or-

ganizations and become an accepted and equal member of the international community. Lithuania became a member of the OSCE already on 10 September 1991, of the United Nations on 17 September 1991, and the Council of Europe on 14 May 1993. Strong efforts were also directed to advancing regional cooperation among the three Baltic States. Political trilateral cooperation among Lithuania, Latvia and Estonia had already begun during the rise of the independence movements in all three countries in the late 1980s and continued after they had re-established independence, to a large extent by following the model of Nordic cooperation. In the field of economic relations the Baltic States pursued liberalization with several free trade agreements signed in the course of the 1990s, though from 1994, when the first free trade agreement in industrial products was signed, these measures were directly linked to their integration into the EU. Similarly, efforts to achieve membership in NATO impacted directly on trilateral cooperation in security and military affairs.¹

Finally, this period was marked by an intense discussion of the foreign policy priorities of the country. Essentially, there were two options on the table: integration into Western institutions or neutrality. Any possibility of creating an alliance or participating in another form of multilateral cooperation with Russia and other former republics of the former Soviet Union was rejected without any further discussion on the basis of the referendum of 1991 and the constitution of 1992.²

1 On trilateral cooperation among the Baltic States see Vilpišauskas, Ramūnas. *Regional Integration in Europe: Analysing intra-Baltic Economic Cooperation in the Context of European Integration*. In: Vello, Petai and Zielonka, Jan, eds. *The Road to the European Union*. Vol. 2. Manchester: Manchester University Press, 2003. P. 163-204. For a recent reappraisal see: Vilpišauskas, Ramūnas. *Political context of Baltic integration*. In: *Estonian Human Development Report 2010/2011. Baltic Way(s) of Human Development: Twenty Years On*. Tallinn: Eesti Koostöö Kogu, 2011. P. 166-171.

2 The Constitutional Act of the Republic of Lithuania “On the Non-Alignment

The idea of neutrality was expressed by the metaphor of becoming a bridge connecting two worlds – the East and the West. This idea did not have much support, as it was considered mainly as a cover-up for remaining in the sphere of influence of Russia. Moreover, the experience of neutrality during the interwar period was a further argument against such geopolitical status. Thus, around 1993 the consensus of the political elite began to emerge that the best foreign policy strategy for Lithuania was to become a member of NATO and the EU. This consensus was followed by the agreement of the parties and then by the official letter of the President Algirdas Brazauskas to the NATO Secretary General in early 1994. A free trade agreement with the EU was signed in July 1994 and the Europe (Association) agreement in June 1995. The official application for EU membership was presented in December 1995. Membership in the EU and NATO, together with the establishment of good neighborly relations, became the three cornerstones of Lithuania's foreign policy.

The third phase – the preparation for integration into NATO and the EU – lasted ten years from 1994 to 2004. Lithuania became a member of NATO on 1 April 2004, and a member of the EU on 1 May 2004. The strongest efforts of Lithuanian foreign policy during these ten years had been devoted to reaching these two goals as soon as possible. Bilateral relations with neighboring countries were developed within the context of the integration process.

As mentioned above, cooperation among the three Baltic States was directed mainly towards a common goal – achieving membership in the EU and NATO. When the EU began to treat each Baltic country individually, cooperation and contacts among these states

of the Republic of Lithuania to Post-Soviet Eastern Unions,” which is an integral part of the Constitution adopted in the referendum of 25 October 1992, states that Lithuania resolves “never to join in any form any new political, military, economic or other union or commonwealth of states formed on the basis of the former USSR.” See Constitution of the Republic of Lithuania, <http://www3.lrs.lt/home/Konstitucija/Constitution.htm>.

diminished.³ Military cooperation was the exception here. Supported mainly by Denmark, the three Baltic States developed quite extensive structures.⁴ This period was also marked by strategic cooperation between Lithuania and Poland. Relations with Russia, as will be discussed later, were heavily influenced by these processes of integration.

Once the membership goals had been achieved in 2004, a new period in the development of Lithuania's foreign policy began. The achievement of two strategic foreign policy goals – NATO and EU membership – was not only a success but also a challenge for Lithuanian foreign policy. The goals that had defined both foreign as well as domestic policies during the first fifteen years of independence had now been achieved, leaving a newly apparent vacuum in the strategic objectives of the country. A new concept was developed fairly quickly, resulting in the formulation of the New Lithuanian Foreign Policy.⁵ Lithuania's active institutional involvement in Euro-Atlantic structures was advocated, as well as its engagement in active support of EU and NATO enlargement policy, and in fostering cooperation with the Ukraine, Belarus, Moldova and the South Caucasus, on the one hand, and the EU and NATO, on the other. Among other objectives were the active use of EU membership to reduce dependence on energy resources from Russia and efforts to complete the unfinished agenda of integration (becoming a member of Schengen area and the Euro zone). This policy became known in Lithuania as playing the "regional leader", referring in particular to the country's mediating role between Eastern neighbors and the EU institutions.

3 Vilpišauskas, Ramūnas. Political Context of Baltic Integration.

4 See Jermalavičius, Tomas. Baltijos Valstybių karinis bendradarbiavimas: skyrybos ar aantuoka? In: Jakniūnaitė, Dovilė and Paulauskas, Kęstutis, eds. *Beieškant NATO Lietuvoje*. Vilnius: Vilniaus universiteto leidykla, 2010. P. 81-100.

5 Agreement of the political parties of the Republic of Lithuania, "On the major goals and objectives of the foreign policy of the country for the period 2004-2008", October 5, 2004.

This was the result of the realization that Lithuania had to find a niche in the European and transatlantic structures. To a large extent it was also an effort “to find effective influence mechanisms towards Russia”.⁶ In other words, Lithuanian policy during this period was to indirectly reduce the influence of Russia by actively participating in the political processes of the neighboring countries in the region. Georgia, Ukraine, and to some extent Belarus were the main targets of this newly defined foreign policy. The active participation of Lithuanian President Valdas Adamkus together with his Polish counterpart in supporting the “orange” and “rose” revolutions in Ukraine and Georgia respectively symbolized most clearly this new trend in foreign policy.

Internal criticism of the new foreign policy began to arise and intensify. One of these vocal critics was the Lithuanian representative in the European Commission Dalia Grybauskaitė, who was elected President of Lithuania in 2009. Her main criticism was aimed at Lithuania’s becoming a single-issue state focusing mostly on relations with Eastern neighbors and often conducting its foreign policy in the manner of a trouble-maker, earning from some analysts the label of “a new cold warrior”.⁷

Thus from around late 2008 we can observe the start of the fifth foreign policy period, the main features of which are higher visibility in international organizations and EU institutions and their use in promoting the interests and goals of Lithuania. However, the shift in foreign policy was more rhetorical than practical, and

6 Lopata, Raimundas. Recent Debate on Lithuanian Foreign Policy. In: Lithuanian Foreign Policy Review 22. 2009. P. 163.

7 Leonard, Mark and Popescu, Nicu. A Power Audit of EU-Russia Relations. London: ECFR, 2007. For more on the recent developments of Lithuanian foreign policy see Vilpišauskas, Ramūnas. Lithuanian Foreign Policy Since EU Accession: Torn Between History and Interdependence. In: Baun, Michael and Marek, Dan, eds. The New Member States and the European Union: Foreign Policy and Europeanization. London and New York: Routledge, 2013. P. 127-142.

the main strategy of Europeanizing bilateral relations with Russia, particularly in the energy sector, continued to dominate. There were some attempts to revise Lithuania's policy towards its Eastern neighbors, but it soon became clear that progress depended above all on domestic politics in these countries and the attempts of Russia to maintain its influence in the region by offering alternative integration options, most recently membership in Eurasian Customs Union. The greatest change occurred in Lithuania's relations with Poland, but this was due chiefly to a change of leadership in Poland and the resulting revision of its European policies. At the same time, a turn towards Baltic-Nordic cooperation became a new (or rather re-discovered) focus of Lithuania's foreign policy.

In 2011, Lithuania chaired the OSCE, and the country is planning to take over the rotating presidency of the European Union Council in the second part of 2013. In 2012, it attempted (unsuccessfully) to become the chair of the UN General Assembly. The EU was actively used to promote energy security issues and to implement a common energy policy more strongly and more assertively.

Another feature of the last few years has been the changed relationship with the US. Throughout most of its independence, Lithuanian maintained a strongly pro-American foreign policy. This view was expressed in unwavering support for various US actions in the world, including the Iraq war and the efforts to reconstruct Afghanistan. This unconditional support has lately become the more critical and cautious approach expressed mainly by President Grybauskaitė. At the same time, however, other members of the political elite remain strongly pro-American, viewing the US as the only reliable guarantor of European security and a functional NATO. Besides, President Grybauskaitė has strongly advocated the actual guarantees of NATO Article 5 backed with concrete defense plans as well as extension of NATO air police mission in the Baltic States indefinitely.

Throughout these twenty-two years and five phases of Lithuanian foreign policy, Russia played an active role in its considerations. Indeed, many foreign policy decisions make little sense without understanding Russia's role in these developments. Thus, it should not come as a surprise that the main milestones in Lithuania's foreign policy shifts coincide with the main phases in bilateral relations with Russia.

MUTUAL PERCEPTIONS

Russia's relations with Lithuania have traditionally been part of Russia's policy vis-à-vis the former Soviet republics and later part of its policy towards the three Baltic States. Lithuania has never been a top priority country in Russian foreign policy as a whole. However, considering the economic role and political weight of Lithuania, Latvia and Estonia, these three states together have mattered more for Russia than the numbers of their populations would suggest. In bilateral economic relations, especially in the energy sphere, each Baltic State was in a situation which could be described as asymmetric interdependence with Russia, relying on the latter as its main or the only source of supply.

Throughout most of their relations, Russia had no coherent strategy towards the Baltic States in general, much less towards Lithuania in particular. Most of the time Russia's ruling elite was content with the status quo and expressed no desire to change it, even if so required by the broader international context. Lithuania was the country whose decisions and goals drove the bilateral relationship, while Russia merely pursued a reactive and situational policy.

The Baltic agenda was never discussed widely in Russian domestic politics. Periodically, certain political forces employed rigid rhetoric against the Baltic States, stoking the emotions of the citizens dismayed by the break-up of the USSR. For instance,

on the eve of the signing of the Border Treaty, the Communists initiated the adoption of a Duma statement warning that this document would mean the loss of legal rights for the Klaipeda region (Memel).⁸ Or, reacting to demands for compensation for the damage done during Soviet occupation, the leader of the Liberal-Democrats, Vladimir Zhirinovskiy, suggested giving Vilnius to Belarus and Klaipeda to Russia.⁹

This absence of explicit policy was used (and abused) by Russia's large state-owned companies, which were interested in certain sectors of the Lithuanian economy, chiefly energy and transport. They tried to promote their own agenda in Lithuania, an agenda which often conflicted with the publicly declared policy of Russia. However, since these companies were, as a rule, state-owned and closely linked to the ruling elites, this tendency disappeared from 2000 onwards, and Russian companies in Lithuania became rather tools of Russia's foreign policy.

Russian elites were disappointed with the policies of the Baltic States, their aim of decreasing Russia's influence in the region, which was considered important in security and economic terms; their move to the side of "rivals" in the re-emerging geopolitical standoff with the West; and what was seen in Russia as their discrimination against Russian-speaking minorities and one-sided interpretation of common history.¹⁰

The economic turmoil and financial default of August 1998, as well as growing political instability in Russia, led to an inevitable

8 Государственная Дума Федерального Собрания РФ. Обращение к Президенту Российской Федерации в связи с предполагаемым подписанием Договора о государственной границе между Российской Федерацией и Литовской Республикой. 26 July 1997.

9 Жириновский В. Предложил вернуть Вильнюс Беларуси. In: Newsland, 15 January 2008. <http://www.newsland.ru/news/detail/id/209918/>.

10 Колосов В., Бородулина Н., Бремя геополитики во взаимовосприятии России и стран Прибалтики. In: Международные Процессы. No. 1. 2000. P. 101-107.

“peripherization” of the Baltic issue (and foreign policy agenda in general) in Russian politics.

Starting in 2000, when Vladimir Putin became President and a period of relative stability began, Russia made considerable efforts to consolidate its foreign policy. Russian activism in the Baltic region and in Lithuania increased, colored by “pragmatization” and “economization”. At the same time, a substantial number of energy companies were placed under governmental control and the interests of Russian energy companies and the state began to converge. Some of these companies (inter alia through their Lithuanian subsidiaries) tended to project their influence to Lithuanian politics.¹¹

Russia plays an even more important role in the political life of Lithuania. The history of Lithuania during the last centuries is closely connected with Russia and its actions. Russia’s link to the Soviet Union and its policies, however, means that it is also considered an unreliable and untrustworthy neighbor.

Among the political parties of Lithuania there are two main stances on Russia. One is represented mainly by the Homeland Union (conservative party), which was in power in 1990-1992, 1996-2000, and 2008-2012. This position considers Russia as a dangerous country and thinks that bilateral relations should be based on moral grounds, with the demand that Russia accepts its past and admits its past mistakes. A critical view of Russia’s political system is also part of this discourse, which is supported by many liberal parties as well, though more implicitly.

The other position is usually referred to as “pragmatic”. It emphasizes the economic interests of the country and its engagement with Russia, noting that a confrontational policy is of no use and

11 Gazprom owns 37.1% of “Lietuvos dujos”, the Lithuanian gas company, and 99.5% of Kaunas Heat and Power Plant, a thermoelectric power station. “Lukoil-Baltija” owned by Lukoil has one of the largest networks of gas stations in the country. On the use of energy instruments in Russia’s foreign policy see Lucas, Edward. *The New Cold War. How Kremlin Menaces both Russia and the West*. London: Bloomsbury, 2008.

merely annoys Russia. Of the major parties, the Social Democrats, which ruled in 1992-1996, 2004-2008 (in coalition), and the Labor Party support this position. However, there is a widely spread opinion among the political elite and expert community in Lithuania that neither position has had any major success in improving relations with Russia. Although the confrontational approach naturally caused a lot of anger in Russia, the Social Democrats, who were in power for quite a long time, were also unable to achieve any positive results.

One should also take into account the institutional structure of foreign policy in Lithuania and the role of the President. For example, during the Presidency of Valdas Adamkus in 2004-2008, the Lithuanian foreign policy elite emphasized moral principles and adherence to the values of a liberal democratic society, although the coalition Government was led by social-democrats. On the other hand, when Grybauskaitė became President a policy of “pragmatism” was advocated for some time, despite the fact that the coalition government was then led by Conservatives. Still, the effectiveness of policy remained limited and there were no major changes to the bilateral agenda.

The only exception is the period of President Rolandas Paksas (2003-2004). He was considered to be more openly pro-Russian, and received positive signals from Russia as well. For example, during one telephone call, Putin remarked that “recently, based on the principles of good neighborhood, equality and respect for each other’s interests, Russian-Lithuanian relations have reached a qualitatively new level of understanding.”¹² This period was brief, as Paksas was impeached in 2004 for breaking his oath. Among the accusations leveled against him during the impeachment process were suspicions of his opaque relations with certain Russian businesspeople who supposedly contributed substantially to his election campaign.

12 Пресс-служба Президента РФ. 16 January 2004.

Thus, Russia was and remains the chief significant Other. Its image as a dangerous and unpredictable state is predominant even though there are differing opinions among the different political actors in Lithuania as to how best to engage with it. Mistrust of Russia was one of the main reasons for integration into NATO. The same can be said for Lithuania's strong and consistent support of a common EU energy policy and its efforts to involve EU institutions in bilateral energy relations with Russia.

These perceptions influence the interpretation of Russian foreign policy. Russian foreign policy has grown more assertive since 2000, an image only reinforced by the various pronouncements about Russia's spheres of interest, its regional policies, decisions such as the closure of the Druzhba pipeline in 2006, the differentiation of natural gas prices for individual EU member states, and discussions of its compatriot policy. The situation is not helped by the fact that some Lithuanian politicians tend to play the "Russia card" in domestic political games, especially during pre-election periods. A real or perceived Russian "hand" can be seen in various political discussions or decisions, implicitly making Russia one of the political players in Lithuanian politics as well. These perceptions are quite accurately reflected in various opinion polls, as we shall see in the next section.

PUBLIC OPINION

Neither in Russia, nor in Lithuania do consistent and regularly updated public opinion data on each other exist. Surveys are executed by different agencies and tend to formulate questions differently, rendering any comparisons across time, much less across countries, quite challenging. All data on opinion polls should therefore be considered in this context.

Opinion polls in Russia

Although public opinion in Russia used to be quite critical towards Lithuania, the country was usually viewed the most positively among the three Baltic States. For example, in the mid-1990s 93% of respondents in Russia approved military action to prevent NATO membership for Estonia, 82% for Latvia, and “only” 74% for Lithuania.¹³

The most consistent data on the opinions of Russians about Lithuania are provided by the Levada Center, which has conducted opinion polls on this question since 2005. Table 1 shows how Lithuania ranks compared to others when the question “Name the five most unfriendly states towards Russia” is asked. As we can see, Lithuania is consistently in the top 5. The results of the opinion polls reveal that the mood of the public changes depending on the status of bilateral relations – deteriorations in relations tended to result in rapid changes in public opinion, while positive dynamics were met with greater inertia. Only very recently has the general negative trend started to ease.

The results of the Public Opinion Foundation, presented in 2005, showed that Lithuania was viewed as a friendly state by 15% of Russian respondents, while 61% held the opposite opinion.¹⁴ The more recent public poll of 2008 showed greater diversity among the Baltic States. Lithuania was named as friendly by 11%, while Latvia was perceived more positively, at 26% (Estonia was not subject to the survey). The greater negative coloring of Lithuania may derive from the public discussion which accompanied the negotiation process on transit to Kaliningrad, as well as the divergent

13 Medalinskas, Alvydas. NATO plėtimasis, Baltijos valstybės ir Rusijos pozicija. In: Lietuva ir jos kaimynai. Konferencijos tekstai. Vilnius: Pradai, 1997. P. 89.

14 Фонд «Общественное мнение». “Доминанты”. No. 12. 2005. http://bd.fom.ru/map/projects/dominant/dom0512/domt0512_4.

decisions of Latvian and Lithuanian leaders on attending the anniversary of the end of World War II in 2005 and the active policy of Lithuania in the Eastern neighborhood.¹⁵

**Table 1. “Name five countries you think are most unfriendly to Russia”
(% of Russian public mentioning country)**

	2005	2006	2007	2009	2010	2011	2012
Lithuania	42	42	32	35	35	34	25
Latvia	49	46	36	35	36	35	26
Estonia	32	28	60	30	28	30	23
Georgia	38	44	46	62	57	50	41
USA	23	37	35	45	26	33	35
Ukraine	13	27	23	41	13	20	15

Source: Levada Center. Russian's relations to other countries. 14 June 2012, <http://www.levada.ru/14-06-2012/otnoshenie-rossiyan-k-drugim-stranam>.

As can be expected, the attitudes of neighboring regions of the Russian Federation towards Lithuania are more favorable because of closer economic and human ties. Table 2 shows the data of a survey conducted in 2001 in Kaliningrad and Saint Petersburg. It shows that the vast majority of Kaliningrad inhabitants view Lithuania as a partner, and although the same indicator for St. Petersburg is smaller, only 23% of the city's residents consider it an enemy.

15 Задорин И.В. Интересны ли мы друг другу. Гуманитарная коммуникация населения СНГ как третье основание интеграции. Полития 4. 2008. Р. 23-48.

Table 2. Characterizations of the Baltic states by Residents of Kaliningrad and Saint Petersburg (%)

Country	Friend		Enemy		Neutral		Did not answer	
	Kalin- ingrad	Saint Peters- burg	Kalin- ingrad	Saint Peters- burg	Kalin- ingrad	Saint Peters- burg	Kalin- ingrad	Saint Peters- burg
Lithuania	57.1	25	4.0	23	31.6	37	7.3	16
Latvia	21.8	23	17.5	25	49.9	36	10.9	17
Estonia	17.6	23	15.9	20	52.8	39	13.8	17

Source: Протасенко Т. Отношение россиян к различным субъектам мировой политики. In: Стратегическое партнерство России и Организации североатлантического пакта: Когда наступит его черед? Материалы Международной Научной Конференции. 22 February 2002. Saint Petersburg: SPBGU, 2002. P. 103-112.

Opinion polls in Lithuania

Since the year 2000 more reliable opinion poll data have become available on the view of Lithuanians towards Russia. For example, in 2000, when asked about the foreign policy directions of the country, 40% were supportive of integration with the West, around 35% in favor of neutrality, and 18% favoured closer relations with Russia. 36% of the respondents said that they trusted Russia, while 57% did not agree with this statement. Trust in the EU and US was around 55%.¹⁶ An opinion poll from 2002 demonstrated that Lithuanians are not as cautious when asked about economic relations: 64% of respondents agreed that a balanced position in eco-

¹⁶ Виткус Г., Пугачаускас В. Российский фактор литовской политики. In: Региональное измерение российско-балтийских отношений. Saint Petersburg: TsIIP, Baltic Club, 2004. P. 80.

conomic relations is necessary, 16.5% said that Russia and the CIS countries should be the priority partners, 11% were for Western Europe and just 2% favored the US.¹⁷

Nevertheless, during the last ten years public mistrust towards Russia and its policies has been consistent. Only in the most recent years has a slightly more favorable attitude become evident, although the negative view continues to dominate. For example, in 2004 the polling agency Sprinter did a survey which showed that 53% of the population thinks that Russian policy is not friendly towards Lithuania.¹⁸ In 2006 a survey by a different firm again confirmed that around 60% of respondents considered Russia as a threat.¹⁹

In the fall of 2009 the Pew Research Center found that 62% of polled Lithuanians described the EU's influence on their country as positive. But asked about Russia's influence, just 22% thought it good while 39% considered it to be bad. However, the same agency had done a survey in 1991 in which 69% considered Russia to be the greatest threat at that time. Thus the improvement during these years was considerable. The same survey showed that 61% of Lithuanians are concerned about dependency on Russian energy. On the other hand, 18% believed that Russia could become a trusted ally (in 1991 just 5% agreed with this statement).²⁰

In 2011 another survey by the Pew Research Center demonstrat-

17 Ibid. P. 81.

18 Daugiau nei pusė Lietuvos gyventojų mano, kad Rusijos politika nėra draugiška Lietuvos atžvilgiu. Delfi.lt, 9 November 2004. <http://verslas.delfi.lt/archive/article.php?id=5445986#ixzz23RMrW1L6>.

19 Ramonaitė, Ainė; Maliukevičius, Nerijus, Degutis, Mindaugas. Tarp Rytų ir Vakarų: Lietuvos visuomenės geokultūrinės nuostatos. Vilnius: Versus Aureus, 2007.

20 Two Decades After the Wall's Fall: End of Communism Cheered But Now With More Reservations. Pew Global Attitude Project. Washington, D.C.: Pew Research Center, 2 November 2009. <http://pewresearch.org/pubs/1396/european-opinion-two-decades-after-berlin-wall-fall-communism>.

ed that 53% of Lithuanians tend to look at Russia favorably while 42% unfavorably. This indicates that the view of Russia tends to be balanced, though not as positive as, e.g. towards the US (73%) or the EU (78%).²¹

A 2011 survey by the agency Vilmorus found that during the last several years 41% of respondents noted positive changes in bilateral relations. The most important issue in bilateral relations remained energy security (mentioned by 53% of respondents), with the second being mutual respect and equality (46%).²²

In late 2011 the agency Sprinter found that the statement “It is better to have cheap electricity and gas even if it means dependency on Russia” was supported by 63%, while 25% agreed that energy independence from Russia was important.²³ Finally, a survey in May 2012 by the same agency asked how relations between Russia and Lithuania would change after Putin’s election, with 48% expecting little change at all.²⁴

Thus, neither the analysis of mutual perceptions, nor sporadic opinion poll data provide a particularly positive evaluation of bilateral relations. We now turn to a historical analysis of their development to provide a broader elaboration of this situation.

21 Twenty Years Later: Confidence in Democracy and Capitalism Wanes in Former Soviet Union. Pew Global Attitude Project. Washington, D.C: Pew Research Center, 5 December 2011. <http://www.pewglobal.org/2011/12/05/confidence-in-democracy-and-capitalism-wanes-in-former-soviet-union/>.

22 Apklausa: Gyventojai mato šiltejančius santykius su Rusija. Alfa.lt. 22 February 2011. http://www.alfa.lt/straipsnis/10605162/Apklausa_gyventojai_mato_siltejancius_santykius_su_Rusija=2011-02-22_12-38/#ixzz23RRHmq6P.

23 Černiauskas, Šarūnas. Apklausa: 70 proc. gyventojų mieliau rinktųsi ekonominę gerovę, o ne Lietuvos nepriklausomybę. Delfi.lt. 9 January 2012. <http://www.delfi.lt/news/daily/lithuania/apklausa-70-proc-gyventoju-mieliau-rinktusi-ekonomine-gerove-o-ne-lietuvos-nepriklausomybe.d?id=53904275>.

24 Apklausa: Lietuvos gyventojai nesitiki permainų santykiuose su Rusija. Alfa.lt. 20 June 2012. [http://www.alfa.lt/straipsnis/14840158/Apklausa..Lietuvos_gyventojai_nesitiki_permainu_santykiuose_su_Rusija=2012-06-20_09-36/#ixzz23VTVHQLk](http://www.alfa.lt/straipsnis/14840158/Apklausa_Lietuvos_gyventojai_nesitiki_permainu_santykiuose_su_Rusija=2012-06-20_09-36/#ixzz23VTVHQLk).

1991-1994: RE-BUILDING THE STATE AND ESTABLISHING RELATIONS

The main foreign and domestic policy goal of Lithuania in 1991-1994 was to re-establish the statehood of the country by becoming a full-fledged member of the international community. Relations with Russia developed in this context. Three issues emerged – negotiating basic treaties, agreeing on troop withdrawal and resolving the issue of transit to Kaliningrad.

First negotiations

The initiative of strengthening dialogue between Russia (at that time the RSFSR) and Lithuania – and bypassing relations between the USSR and Lithuania – came from Russia's leadership. A delegation of the RSFSR Supreme Council visited Lithuania in July 1990 and expressed readiness to sign a bilateral treaty which would be based on equality and recognition of each other's sovereignty outside the process of the new Union Treaty being prepared. On 27 July 1990, the quadrilateral meeting of Heads of Parliaments of the Baltic Republics and RSFSR took place in Jurmala (Latvia), where the official decision to launch negotiations on these treaties was taken. In the fall of 1990, Russia presented the draft treaty with Lithuania, which did not, however, satisfy Vilnius.

The draft proposed to treat both Russia and Lithuania as former Soviet Republics and newly emerging states, thereby failing to acknowledge the continuity of Lithuanian statehood.²⁵ This was not acceptable to Lithuanian negotiators. A compromise was found in the Treaty on Fundamentals of Bilateral Relations between RSFSR and Republic of Lithuania, which was signed on 29 July 1991. It recognized the right to sovereignty and independence with reference to respective national declarations adopted by the parties (12

25 Stankevičius, Česlovas. Lithuanian-Russian Negotiations in 1990-1993. In: Lithuanian Foreign Policy Review. No. 13-14. 2004. P. 82-94.

June 1990 for Russia and 11 March 1990 for Lithuania). The compromise also included a lack of reference to the Riga Peace Treaty (1920) and Russia's recognition of the annexation of Lithuania and the obligations of the USSR to eliminate its consequences. After the failed coup d'état (17-19 August 1991), official diplomatic relations between Russia and Lithuania were established on 9 October 1991.

In comparison with similar bilateral documents with Latvia and Estonia, this Treaty stipulated “zero” option of obtaining Lithuanian citizenship for persons who immigrated into the country during the Soviet period. The relatively small share of the Russian-speaking population facilitated the adoption of such an option. In addition, Lithuania made a commitment to “contribute to preserving benevolent conditions for economic and cultural development of the Kaliningrad Oblast” on the basis of an additional agreement, which was signed the same day. These two issues – the lack of a citizenship problem and cooperation on Kaliningrad – were factors which for some time facilitated a more positive *modus operandi* in relations between Russia and Lithuania.

Withdrawal of troops

The main priority of the newly re-established state was to remove the Soviet troops stationed in Lithuanian territory (at the start of 1992 there were an estimated 34,600 troops, 1000 tanks, 180 aircraft and 1901 armed vehicles). Lithuania's goal was to achieve a withdrawal as quickly as possible. Although Russia had also agreed to withdraw the troops now belonging to it, it wanted to prolong the process. It had huge numbers of troops in former Eastern Germany, as well as in other East Central European countries, and was now faced with the challenge of accommodating all these soldiers and officers and their families inside the country. Thus, beginning in

1992 Lithuania began to pressure Russia to reach a quick agreement, and around this time relations began to sour.

Lithuanian foreign policy decision-makers chose a two-level strategy to achieve their goal. The first was to work directly with the Russian government. The second was to mobilize the international community in its favor.²⁶ In direct contact with the Russian side, the personal efforts of Vytautas Landsbergis – the *de facto* head of state as leader of the independence movement and the then chairman of the Supreme Council of Lithuania – were the most prominent. His personal ties with the Russian President Boris Yeltsin also helped. During 1992 alone Landsbergis visited Moscow – and Yeltsin personally – three times. Though already during the first visit Landsbergis was assured by Yeltsin that the withdrawal plan would be ready within a month, progress was very slow and, for the Lithuanian side, frustrating. It seemed to the Lithuanians that the highest political level merely pretended to be in favor, knowing that the process would get mired down at the lower, technical and bureaucratic levels.

The efforts to mobilize international opinion were much more successful. The Organization for Security and Cooperation in Europe (OSCE) was the main and most successful target for these activities. The organization managed to convince Russia that the withdrawal of troops from the Baltic States would be a commitment not only to the Baltic States but to the international community as a whole. Lithuania and the other Baltic States lobbied intensively during the preparation of the OSCE Helsinki Summit document in 1992 to include an acknowledgment of the problem. The Helsinki Document 1992 stated: “We express support for efforts by CSCE participating States to remove, in a peaceful manner and through negotiations, the problems that remain from the past,

26 Vitkus, Gediminas. *Diplomatinė aporija: tarptautinė Lietuvos ir Rusijos santykių normalizacijos perspektyva*. Vilnius: Vilniaus universiteto leidykla, 2006. P. 30.

such as the stationing of foreign armed forces on the territories of the Baltic States without the required consent of those countries. Therefore, in line with basic principles of international law and in order to prevent any possible conflict, we call on the participating States concerned to conclude, without delay, appropriate bilateral agreements, including timetables, for the early, orderly and complete withdrawal of such foreign troops from the territories of the Baltic States.”²⁷ Lithuanian politicians considered this statement a huge diplomatic victory and in this sense the uncompromising position taken by the Lithuanian leaders had borne fruit.

In June 1992 Lithuania initiated a referendum, in which a vast majority (about 80%) unsurprisingly supported the demand for immediate (by the end of 1992) withdrawal of Russian troops from Lithuania. Finally, in August 1992, Russia showed the initiative and began intense negotiations at the ministerial level, which finished on 8 September with an agreement between the two ministers of defense to complete the withdrawal of the troops by 31 August 1993. Although the process was far from smooth the target date did not change, and on 1 September 1993 there were no Russian troops in the country and the first foreign policy goal in Lithuania’s relations with Russia had been achieved. Politically and symbolically it was an important event for the country.

Kaliningrad and the transit issue

The Kaliningrad Oblast (Region) is a western territory of the Russian Federation, which found itself in a new geopolitical situation as an exclave on the Baltic Sea – surrounded by Lithuania and Poland. It was a relatively underdeveloped region of Russia with a very high degree of militarization. Kaliningrad was always present

27 CSCE. Helsinki Document 1992: The Challenges of Change. 10 July 1992. P. 8. <http://www.osce.org/mc/39530>.

on the bilateral agenda in one way or another, but twice in the history of interstate relations it reached the top of the agenda: First in 1993-1994 in the context of military transit, and then in 2002-2003 in the wake of Lithuanian membership in the EU, when it became necessary to negotiate new visa regime and civil transit rules.²⁸

Some of the Russian troops withdrawn from former Eastern Germany were also stationed there, which meant the need for an agreement on military transit rules through Lithuania. On 18 November 1993 a Temporary Agreement on the transit of troops and military cargo withdrawing from Germany through the territory of Lithuania was reached. This was due to expire at the end of 1994, necessitating the renewal of negotiations on the issue in 1994. At the beginning of that year Russia presented its position, demanding a special agreement granting the freedom to carry military goods through the territory of Lithuania by rail, air and road and refusing to accept the Lithuanian rules that were presented during the negotiations and were intended to be universal, applicable to all states needing transit. Instead of agreeing with general regulations on the transport of dangerous and military cargo, Russia continued to demand a special agreement.²⁹ Lithuania continued to insist on the national regulation of military transit since Russia's proposals were perceived as a tool for holding the state within the sphere of Russian influence, potentially hindering prospective integration into Western security structures.³⁰

Meanwhile Russia started applying pressure by postponing the ratification of the agreement on trade and economic relations

28 The second question, civil transit to and from Kaliningrad, will be more thoroughly discussed in the next section of this chapter.

29 Stanytė-Taločkienė, Inga and Sirutavičius, Vladas. Strategic Importance of Kaliningrad Oblast of the Russian Federation. In: Lithuanian Annual Strategic Review 2002. Vilnius: Lithuanian Military Academy, 2003. P. 192.

30 Laurinavičius, Česlovas; Lopata, Raimundas; Sirutavičius, Vladas. Rusijos Federacijos karinis tranzitas per Lietuvos Respublikos teritoriją. In: Politologija. No. 4. 2002. P. 1-33.

(signed simultaneously with temporary transit rules). This agreement was important for Lithuania as it granted it the Most Favored Nation (MFN) status. There were also threats to limit the gas and oil supply.³¹ After some deadlock a compromise was reached, prolonging the temporary rules accepted earlier. In response, Lithuania's concession was reciprocated with the ratification of the economic agreement by Russia. In practice, since 1996 Russia's military transit has been conducted according to Lithuanian national regulations without any expression of dissatisfaction from Russia.³²

An agreement regarding civil transit to and from Kaliningrad was reached relatively quickly during the visit of Prime Minister Adolfas Šleževičius to Moscow on 24 February 1995. The agreement established a visa regime between the two countries and provided certain exemptions for the Kaliningrad region. Lithuanian citizens could enter the Kaliningrad region without visas for up to 30 days, residents of Kaliningrad could enter Lithuania without visas, and Russian citizens going to and from Kaliningrad by particular railway routes (via Belarus and Latvia to Kaliningrad) could do so without visas. This visa regime existed until 2003, when it was subject to modification on the eve of Lithuania's accession to the EU and anticipated entry into the Schengen agreement, at which point the exception for Russian citizens was revoked.

In addition to civil and military transit, the issues of economic development and regional cooperation between Lithuania and Kaliningrad were also important. Simultaneously with the framework political treaty between Russia and Lithuania, the Agreement on Cooperation in Economic, Social and Cultural Development of the Kaliningrad Oblast of the RSFSR was concluded on 29 July 1991. This regulated the issues of electricity and natural gas supply and

31 Stanytė-Taločkienė and Sirutavičius. Strategic Importance of Kaliningrad Oblast of the Russian Federation. P. 192.

32 Ibid. P. 193. Russia had to ask for permission in advance for every transport of military cargo and staff.

the transit conditions through Lithuanian territory without customs duties, as well as expressing the intention to establish a privileged customs regime. The agreement was seen as important by Russia in political terms, as it established that Kaliningrad belonged to the Russian Federation. But economically it did not provide much help for Kaliningrad, whose low competitiveness was aggravated by its geographic remoteness from mainland Russia. The cargo volume of the Kaliningrad port was decreasing, *inter alia* due to competition from the Lithuanian port of Klaipeda, and consumer prices exceeded the average level in Russia.

Cooperation on Kaliningrad has proved to be the most sustainable aspect of Russian-Lithuanian relations, even during the coldest periods of their relationship. Despite the prevailing constructive atmosphere in relations on Kaliningrad, however, Lithuania retains certain criticisms of Russia's policy there.

The troops and weaponry stationed in Kaliningrad are a constant worry for Lithuania. Although transparent data is not publicly available, the region is assumed to be heavily militarized. For many years Lithuania has proposed the adoption of the Baltic Assembly resolution calling for the demilitarization of Kaliningrad Oblast and a return to pre-war German toponyms there.³³ Lithuanian President Brazauskas spoke in the UN of the need to internationalize the Kaliningrad issue by including it in the projected European Stability Pact of 1994. Though in general Lithuania's official position on the status of Kaliningrad has been moderate and restrained, the subject of the Russian threat from Kaliningrad has been used to demonstrate the need for security, strengthen arguments for NATO membership, and in domestic politics for the conservative opposition to criticize the left government.³⁴ The Seimas

33 Baltic Assembly. Resolution Concerning the Demilitarization of the Kaliningrad Region and Its Future Development. Vilnius, 13 November 1994.

34 Зверев Ю. Калининградская область России в новой геополитической ситуации // Калининградская область: Географические аспекты

of the Lithuanian Republic adopted a resolution “On Cooperation with the Kaliningrad Oblast of the Russian Federation”, in which Russia was criticized for focusing exclusively on the issue of ensuring transit between the enclave and the mainland territory, which “prevented any substantial resolution of the issues of social and economic development, the environment, education and the preservation of the cultural heritage of this region.”³⁵ As noted by Arkadij Moshes, “the thesis on the over-militarization of Kaliningrad not only became engrained into Polish and Baltic threat perception..., but was successfully translated westward as well, first and foremost to Germany and Scandinavia.”³⁶ The statements of some Russian politicians who favored the idea of transforming Kaliningrad into Russia’s outpost in the West³⁷ and later the ideas of certain experts about deploying tactical nuclear weapons in the region contributed to this discourse.

The early years of bilateral relations convinced the Lithuanian political elite of two points: that the most direct way for Lithuania to reach its foreign policy goals with Russia was to internationalize the issue by involving European and other international institutions, and that economic and energy dependence on Russia was much greater than it had initially seemed and much more politically significant than Lithuania would have desired. While the adoption of a straight, categorical, ideological and uncompromising position has clearly irritated and angered Russia’s ruling elite, the offer of pragmatic concessions and avoidance of “angles” has not seemed

регионального развития. Калининград: Изд-во КГУ, 1996. Р. 18. <http://poli.vub.ac.be/publi/etni-2/yzverev.htm>.

35 Seimas of the Republic of Lithuania. Rezoliucija dėl bendradarbiavimo su Rusijos Federacijos Kaliningrado sritimi [Resolution on Cooperation with the Kaliningrad Region of the Russian Federation], 10 September 2004.

36 Данилов Д., Мошес А. Структуризация пространства безопасности на Западе и Востоке Европы. Москва: Экслибрис-Пресс, 2000. Р. 69.

37 Шахрай С. Калининград – Кенигсберг – Крулевец. Независимая Газета. 26 July 1994.

to help either. This pattern recurs repeatedly through all the years of the bilateral relationship.

1995-2004: DOUBLE ENLARGEMENT

In 1995 the intensive period of integration into the EU and NATO began for Lithuania. It is therefore no surprise that this agenda dominated relations with Russia as well. The NATO agenda was linked with border treaty issues, whereas the EU agenda was concerned mainly with transit to and from the Kaliningrad region.

NATO enlargement

Initially, as a political issue NATO expansion had relatively low importance in the public debate, Russia's position regarding NATO expansion was not negative. In mid-1993, while visiting Warsaw, Yeltsin spoke favorably about some of Eastern European countries joining NATO.³⁸ However, reacting to overwhelming opposition by majority of the elites, the position soon changed and Russia stated clearly that NATO expansion did not comply with its interests. The aversion to the accession of the Eastern Central European countries to NATO was grounded on the idea that the military alliance would reach too close to Russia's borders, creating a threat to its security and weakening its defense capabilities. It was said that NATO enlargement would create a new confrontation between Russia and the West, perhaps even prompting an internal crisis in Russia.³⁹

38 Donaldson, Robert H. and Noguee, Joseph L. *The Foreign Policy Of Russia: Changing Systems, Enduring Interests*, 3rd ed. London: M.E.Sharpe, 2005. P. 253.

39 Alexandrova O. *Ambiguities and Normalization in Russian-Baltic Relations*. In: Jopp, M. and Warjovaara, R., eds. *Approaching the Northern Dimension of*

Lithuania considered NATO as its most important and only security guarantee, and though it avoided mentioning Russia as the main threat, NATO membership implied security against Russia. Any objection raised by Russia to NATO expansion, whatever its basis or argument, was considered as yet further proof that Russia wanted Lithuania and the two other Baltic States back in its sphere of influence. Only NATO, it was believed, could enable Lithuania to talk with Russia on more equal terms.

In the second half of 1995, categorical and strongly worded statements began to emerge from the Russian side. Deputy Minister of Foreign Affairs Sergey Krylov stated that it was impossible to talk about Baltic States membership in NATO, lest Russia take economic and political measures against it. Various small incidents – mainly airspace violations, the reluctance to sign the border treaty, constant complaints over military transit rules and conditions in Kaliningrad – illustrated the strained relationship between the two countries.

An unusual move at that time was made by the Minister of Foreign Affairs Yevgeny Primakov who, speaking in the UN General Assembly on 23 September 1997, remarked that Russia was interested in the stability of the Baltic States and would like to guarantee their security if they signed good neighborhood relationship treaties.⁴⁰ He even talked about the possibility of later transforming these agreements into a Regional Security and Stability Pact. The same proposal was repeated during the official visit of the Lithuanian President Brazauskas to Moscow (October 1997), assuring him that no surprises should be feared from Russia. President Yeltsin asked the Estonian and Latvian presidents to familiarize themselves with the initiative. Yet all three Baltic States regarded this proposal with suspicion and rejected it. It coincided too closely

the CFSP: Challenges and Opportunities for the EU in the Emerging European Security Order. Helsinki, Berlin: UPI-IEP, 1998. P. 89-96.

40 Donaldson and Noguee. *The Foreign Policy Of Russia*. P. 254.

with the NATO enlargement process and Russia's skepticism about it. Thus Lithuania once again reasserted its readiness to join NATO as soon as possible.⁴¹

Lithuania tried to be a perfect candidate country participating actively in the NATO Partnership for Peace program. But first it had to endure major blow – the first wave of NATO expansion planned in 1999 and declared at the 1997 Madrid NATO summit did not include the Baltic States. Only Poland, Hungary and the Czech Republic were invited. It was a huge disappointment in Lithuanian foreign policy decision-making circles, mainly because it signalled that Western states had not yet reached a final decision, or were too concerned about irritating Russia.

After this, bilateral relations endured another setback and in 1996-1997 they were again cold and formal. The failure of the Baltic States to be included in the first wave of accession, as well as the internal political instability in Russia and the approaching new economic crisis, contributed to a certain “peripherization”⁴² of the role of the Baltic States in Russian foreign policy. In addition, around that time Russia began increasingly to apply a policy of *differentiation* towards the Baltic States. This policy treated Lithuania as a positive example of cooperative bilateral relations and admired its approach towards ethnic minorities, contrasting it with Latvian and Estonian policies towards minorities.

Russia never officially demonstrated its consent to the enlargement process and the rhetoric continued until the official enlargement date, expressed, with some exceptions, by mid-level politicians and officials. For example, in 2000, there was a wave of attacks by Russian officials on NATO enlargement, most probably

41 ELTA. Rusijos garantijos negali užtikrinti Lietuvos saugumo. Vilnius, 30 October 1997.

42 Karabeshkin, Leonid. Russian-Lithuanian Relations: Between Negative Perception Stereotypes and Pragmatic Cooperation. In: Lithuanian Annual Strategic Review 2006. Vilnius: Lithuanian Military Academy, 2007. P. 73.

provoked by the newly adopted Law on Compensation for the damage caused by the Soviet occupation. Soon after that, during his visit to Germany in June the new President of the Russian Federation Vladimir Putin warned that the accession of the Baltic States to NATO “would have extremely serious consequences for the whole security system of the continent”.⁴³ In response, the Lithuanian Parliament followed with a declaration openly critical of Russia. Thus the passionate “war of words” had begun again. Similarly, there was a passionate negative rhetorical campaign in the beginning of 2004 just before the accession date.⁴⁴

Lithuanian officials have constantly reiterated that membership in NATO is not directed against Russia. For example, Minister of National Defense Linas Linkevičius noted “The Baltic states have a vital stake in the effort of the Euro-Atlantic community to bring Russia as close to NATO and the EU, as Russia wants to come.”⁴⁵ It seems that both sides have accepted both the enlargement and the negative Russian reaction without making any further effort to change one another’s positions.

The absence of any unresolved territorial issues was one of the most important preconditions for NATO membership. Lithuania did have the border treaty with Russia on which negotiations had begun already in 1993. But no visible improvement was seen until January 1997, when finally 90% of the land border was agreed upon. In October 1997, during the official visit of Brazauskas to Moscow, two treaties regulating border questions were finally signed.⁴⁶ Lithuania

43 Putin Warns Against Eastward Expansion by NATO. In: *The Baltic Times*, June 15, 2000. <http://www.baltictimes.com/news/articles/356/>.

44 Jakniūnaitė, Dovilė. *Kur prasideda ir baigiasi Rusija: kaimynystė tarptautinėje politikoje*. Vilnius: Vilniaus universiteto leidykla. 2008.

45 Linkevičius, Linas. *Life After Enlargement*. In: *Baltic Defence Review*. No. 9. 2003. P. 103.

46 *The Treaty between the Republic of Lithuania and the Russian Federation concerning the State Border between Lithuania and Russia*, signed 24 October 1997, entered into force on 12 August 2003. *The Treaty between the Republic of*

ratified the border treaty on 19 October 1999. The ratification process by the Russian side took much longer than expected.

On 29-31 March 2001 Lithuanian President Adamkus visited Moscow. It was the second and last official visit of the Lithuanian President to Russia. However, this visit did not bring any substantial results, despite the efforts of Lithuanian foreign policy makers to get the border treaty ratified. The common declaration mentioned only differences in opinions, though it must be admitted that the fact of the common statement itself showed some improvement in bilateral relations compared to the other two Baltic States. It was acknowledged that each country has the right to choose its own security policy without affecting the security of the other states.⁴⁷ This relatively moderate position already reflected the gradually changing Russian stance regarding NATO enlargement and some signs of mutual understanding. Some even treat this sentence as an acceptance of NATO enlargement by Russia.

The border treaty was ratified only in August of 2003 – five years after it had been signed. And it was done with the help and pressure of the EU as part of a package that included agreements on the Kaliningrad transit regime rules. The most common explanation for this long delay is based on the belief that Russia had been waiting for an official decision by NATO concerning the invitation to join the organization. It was hoped that the absence of a ratified border treaty with Russia would complicate these plans. When this tactic did not succeed, Russia's leaders just decided to get on with it.

Lithuania and the Russian Federation concerning Delimitation of the Exclusive Economic Zone and the Continental Shelf in the Baltic Sea, signed 24 October 1997, entered into force on 12 August 2003.

47 Сообщение пресс-службы Президента Российской Федерации, 30 March 30, 2001, <http://archive.kremlin.ru/text/psmes/2001/03/32255.shtml>.

EU enlargement

Membership in the EU was another clear priority for Lithuania's foreign policy which dominated the country's agenda from the mid-1990s. Although joining the EU had an important security motivation for Lithuania, most EU accession measures and effects were economic. Removing barriers to trade with the EU (and other candidate countries) and adopting the EU's regulatory norms – which had a direct effect on trade and processes of production – meant at the same time an increase in some barriers to trade with third countries such as Russia. However, since Russia was not a member of the World Trade Organization, it could not claim compensation for those instances when customs duties for products of Russian origin increased as a result of Lithuania and other countries having joined the EU and adopted its Common external trade policy.

Nevertheless, Russia viewed the EU enlargement with restrained optimism, setting it against NATO expansion in the discourse. The major share of Russia's exports to the Baltic States consisted of raw materials and it was significant source of imports for the latter, while the role of the Baltic States in Russian foreign trade was marginal. The positive expected consequences of the EU enlargement included a unified customs regime, removal of domestic barriers inside the EU and the opportunity to use the Baltic States as a channel of penetration to the markets of the other EU member-states.⁴⁸

Despite the fact that Lithuania and the other Baltic States were now integrated into the EU common market – particularly since the financial crisis in Russia in 1998 pressed producers in these countries to reorient their sales to other markets and restructure their activities – Russia remained an important export market. It was also important for Lithuanian transport carriers and as a source of oil and the only source of the natural gas supply. In this respect, accession into the EU

48 Россия и Прибалтика – II. Доклад. Совета по внешней и оборонной политике // Независимая газета. 13 October 1999.

did not have any immediate effects on Lithuanian-Russian relations in the energy field, but, as will be discussed below, in the longer term it meant the adoption of the EU's regulatory framework (i.e. the third package directives) and the possibility of reorienting the energy infrastructure from dependency on Russia to interdependency with the Nordic market and Northern Western Europe.

Nonetheless, when the EU accession negotiations took place, there was only one issue which impacted directly on bilateral relations between Lithuania and Russia – transit to/from the Kaliningrad region. In the beginning of 2000 in the wake of the EU enlargement, the issue of Russian passenger transit to and from Kaliningrad re-emerged. In September 2000, Russia expressed its concerns in the letter “The EU Enlargement and Kaliningrad”. In March 2001, the position of the Russian Ministry of Foreign Affairs was clarified in the Letter “Possible Solutions for Specific Problems of the Kaliningrad Region in the Context of the EU Enlargement”. Russia insisted on preserving visa free transit on railways as well as roads, assuming the conclusion of a special legally binding agreement.

The position of Lithuania was ambivalent. On the one hand, Vilnius was interested in preserving a maximally liberal border crossing regime with the Kaliningrad region, bearing in mind the increased importance of the region for Lithuanian trade and investment, and it requested that Brussels scrutinize the possibility of Schengen regime exemptions for Kaliningrad residents. The European Commission in response recommended that Lithuania define its position on visa introduction.⁴⁹ In the summer of 2002, Prime-Minister Brazauskas expressed a willingness to preserve the visa-free transit regime if Russia and the EU agreed upon it. On the other hand, Vilnius was striving to follow the mainstream EU position, fearing delays with EU membership and the elimination

49 Stanytė-Toločkienė, Inga. Kaliningrado sritis ES plėtros požiūriu. In: Politologija. No. 2. 2001. P. 40.

of internal border barriers. The Special Envoy of the President on Kaliningrad Gediminas Kirkilas stated that Lithuania “did not want to become a headache for Brussels. Lithuania could not offer one thing – the cancellation of the word ‘visa’, which was very sensitive for the Russian side and could become a departure point for political compromise. This could be done only by Brussels, and it had done it”.⁵⁰ The difficulties of Vilnius were correctly interpreted in Moscow. The Vice-Minister of Foreign Affairs Evgeniy Gusev commented: “Officially Lithuania’s MFA, Prime-Minister and MPs claim they accept any solution to be achieved by Russia and the European Union [...]. I assume that there is a certain craft in the position of Lithuania, which tries to hide behind the EU’s position. At the same time, there is an objective interest”.⁵¹

The negotiation process received a priority track on the Russia-EU agenda and was finalized in the Joint Declaration in November 2002. It stipulated the mechanism of a Facilitated Transit Document (FTD), as well as amending Schengen regulations. This was a compromise, with the FTD playing the role of a quasi-visa, issued in a simplified procedure without personal attendance of the consular authorities.

The following period until the summer of 2003 was devoted to the technical implementation of the Joint Declaration. In the framework of the negotiations Russia signed the Agreement on Readmission of Illegal Migrants and finally ratified the Border Treaty, signed in 1997. The negotiation process revealed a certain lack of confidence – Lithuania insisted on immediate ratification of the border treaty, while Russia put the transit arrangement first, viewing it as a precondition for submitting bilateral documents to the State Duma

50 Respublika, 22 September 2002.

51 Государственная Дума Федерального Собрания РФ. Стенограмма Заседания 177(625). 19.06.2002. <http://www.cir.ru/docs/duma/302/407666?queryID=4162826&HighlightQuery=4162826>.

for ratification.⁵² Russia's representatives even announced that Lithuania's position "was not in accord with agreements achieved in Brussels during the Russia-EU Summit".⁵³

2005-2012: ADJUSTMENT AND STAGNATION

Since Lithuania's accession to NATO and the EU in 2004, Lithuanian foreign policy leaders have been trying to use membership in these organizations to increase its bargaining power vis-à-vis Russia on issues where mutual agreement was still absent (i.e. acknowledgement of the crimes of Stalinism) or where economic asymmetries made Lithuania vulnerable to manipulation of economic links for political purposes by Russian authorities (such as the shutting down of the Druzhba oil pipeline to Lithuania in 2006, interpreted as a response to Lithuania's decision to sell the Mažeikių nafta oil refinery to a Polish, not Russian company). However, due to domestic politics – the Parliamentary elections in 2008, which brought to power a coalition of center-right parties, and the Presidential elections in 2009, which resulted in Dalia Grybauskaitė becoming President of the country – there has been a shift in Lithuania's foreign policy. Although Lithuania's attempts to use international forums, especially the EU, to increase its bargaining power have been evident since 2004, the focus of these efforts to Europeanize bilateral issues was different in 2004-2008 compared to the policies adopted by the new political leadership on Lithuania since 2008-2009.

Under the center-left government and President Adamkus in

52 Ратиани Н. По 10 Евро. Но Вчера. Россия Не Выполняет Своих Обязательств, Считает Литва // Известия. 25 March 2003. http://cargobay.ru/news/izvestija_moskva/2003/3/26/id_114246.html.

53 Стенограмма ответов министра иностранных дел России И.С.Иванова на вопросы после выступления в Совете Федерации Федерального Собрания России. 26 March 2003. http://www.australia.mid.ru/press2003/10_rus.html.

2004-2008, the focus was on advocating the integration of Lithuania's Eastern neighbors into the EU. Bilateral relations with Russia were characterized by sometimes open confrontation expressed on various occasions, including debates in EU institutions, and the use of the EU-Russia agenda to promote national priorities. The most visible expression of this policy could be found in Lithuanian efforts in the first half of 2008 to link the drafting of the new EU and Russia partnership and cooperation agreement with the acknowledgement of a series of demands to Russia: to restore supplies through the Druzhba pipeline and commit to the Energy Charter, to resolve the "frozen conflicts" in Georgia and Moldova, to start legal cooperation regarding the judicial cases of the Medininkai Massacre and events in Vilnius on 13 January 1991, and to remunerate Lithuanian citizens deported to the Soviet Union. Bargaining inside the EU resulted in several declarations adopted by EU institutions. The Russian Minister of Foreign Affairs Lavrov described the Lithuanian veto as an "internal problem"⁵⁴ of the European Union.

Thus Russia's moderately positive expectations of EU enlargement were not fulfilled, at least in the eyes of its elites. Russia hoped that EU membership would contribute to limiting US influence in the region and would encourage Lithuania to improve relations with Russia. In practice, Lithuania preferred the option of opposing Russia within framework of the EU, which included the export of democracy to the post-Soviet region in the framework of the emerging EU Neighborhood policy, corresponding to the US initiative "Enhanced Partnership in New Europe" (e-PINE). The general deterioration of Russia-West relations after 2004 contributed to worsening bilateral relations.

In 2009 the new President of Lithuania Dalia Grybauskaitė altered the rhetoric of Lithuanian foreign policy towards Russia as

54 Исакова Е. Сергей Лавров: Россия и ЕС должны сотрудничать на равноправных началах // Голос России. 30 April 2008. <http://rus.ruvr.ru/2008/04/30/811102.html>.

well, discussing pragmatism and constructive positions. Later the Ministry of Foreign Affairs of Lithuania took over the optimism with talk of a “new era” of relations between the two countries. Nevertheless, there has been no significant change in the content of bilateral relations and especially the outcomes intended by Lithuania. Neither has Russia showed any interest, nor have the opinions of the Lithuanian leaders about Russia changed. The visit of Lithuanian Prime-Minister Audrius Kubilius to Russia in March 2010 confirmed that the positions of the two countries on interpretation of history and energy cooperation are incompatible. The hopes that President Grybauskaite would bring some positive elements to the bilateral agenda have also remained unfulfilled. Although the approach has become more “pragmatic” and less openly confrontational, the actual change in tone has not (yet) brought any tangible results in achieving the country’s objectives. Around 2011-2012, the focus on supporting integration of Eastern partners into the EU has been revived and active efforts have been made, for example, in trying to convince the leadership of Ukraine to undertake domestic changes required for signing and ratifying Association agreement with the EU. The visit of President Grybauskaite in 2012 to Kiev and the statements made by her during the visit of Ukraine’s President Yanukovich in early 2013 were the most visible expressions of this approach. Forthcoming Lithuania’s EU Presidency and the Eastern Partnership Summit planned for November 2013 as the key event during the Presidency have reinforced this policy.

From 2008-2009, the main priorities of Lithuania included the adoption of the EU third energy policy package, namely, the option of complete unbundling of ownership in the natural gas and electricity sectors. This was considered as a means of restructuring the energy sector, reducing the influence of Gazprom and involving the European Commission in bilateral energy relations between Lithuania and Russia.

The other priority was in the realm of the politics of history – to achieve the recognition of Stalinist crimes at the EU level. This policy was connected with the official Lithuanian policy of demanding compensation for damages wrought during the Soviet occupation.

The Politics of History

The politics of history is best exemplified by the differing interpretations of the 1940 occupation question and the demands for compensation for the damage done and crimes committed during the Soviet period. The general question for Lithuania is simple – since the events in 1940 were the occupation of Lithuania by the Soviets, how should it be compensated? Naturally, the question is important for both sides. Lithuania believes that since it was a Soviet occupation, then Russia is responsible for its aggression against a sovereign state, and must therefore apologize and pay compensation. However, Russia's opposition implies that another interpretation is possible, namely Lithuania was indeed incorporated into the Soviet Union but the process can not be described as an occupation with consequences falling on the Russian Federation. Russia does not evade from discussion on the problem issues of history, but believes that it should not complicate a bilateral agenda and prefers it to be carried out on the expert level – in framework of the Commission of historians, convoked in 2006.⁵⁵ Besides, Russia cannot accept equating Nazism and Communism (Stalinism), which can lead to devaluating the role of the USSR in liberating Europe in the Second World War. Finally, from the point of view of Russia, the attempts to link discussion on history and the issue of compensation are counterproductive. As Dmitri Trenin argues, “they [the Baltic States] need to make sure, as

55 “Неудачи легче объяснить происками других”, интервью заместителя Министра иностранных дел России В.Г.Титова // Литовский курьер, 7 апреля 2011 года

Estonia has done from the beginning, that the Soviet Union's occupation of their countries carries no financial consequences for the Russian Federation, whose population suffered from Stalinism as much as any other country."⁵⁶ So, the difference between the positions is huge and is connected with the identities of both countries, so that the debate seems to entail incompatible positions.

It is not a new problem to arise. Already on 4 June 1991, the Supreme Council of the Republic of Lithuania adopted a resolution On Compensation of the Damage Inflicted by the USSR on the Republic of Lithuania and its Citizens during 1940-1991.⁵⁷ In June 1992, the referendum On the Withdrawal of the Russian Army and Compensation for the Damage Caused during the Occupation took place with the majority of the citizens in favor of the position that "the damage inflicted upon the Lithuanian people and the State of Lithuania should be compensated". Initially, Lithuanians tried unsuccessfully to raise the question during negotiations on the withdrawal of the Soviet troops and after 1993 little effort was made by the new government to raise the issue.

This relative calm lasted until the year 2000, when in June the Chairman of the Seimas Landsbergis initiated the Law on Compensation of the Damage Resulting from the Occupation by the USSR. The proposal was accepted. The law created the obligation for the Lithuanian government to negotiate with Russia regarding compensation and to calculate the damages "including payments to Lithuanian citizens for the damage caused during the USSR occupation and its consequences, as well as expenses related to the homecoming of deportees and their descendants."⁵⁸

56 Trenin, Dmitri. *Russian Policies Toward the Nordic-Baltic Region // Nordic-Baltic Security in the 21st Century. The Regional Agenda and the Global Role / R.Nurick and M.Nordenman (Eds.). Atlantic Council, September 2011. P. 49.*

57 Seimas of the Republic of Lithuania, *Law on Compensation of Damage Resulting from the Occupation by the USSR, 2000.* http://www3.lrs.lt/pls/inter3/dokpaieska.showdoc_l?p_id=104885S.

58 Ibid. Article 2.

On 9 June 2000, in reaction to the debates in the Lithuanian parliament, the Russian Ministry of Foreign Affairs issued a statement asserting that it is incorrect to consider the inclusion of Lithuania in the USSR as a unilateral act by the latter, and that statements about aggression or occupation ignore the political, historical and legal reality, and are therefore groundless.

Putin was very clear about his position as well: “take a look at the resolution passed by the Congress of People’s Deputies in 1989, where it is written in black and white that the Congress of People’s Deputies denounces the Molotov-Ribbentrop Pact and considers it legally invalid. It did not reflect the opinion of the Soviet people but was the personal affair of Stalin and Hitler. ... We consider this issue closed.”⁵⁹

Since 2005 Lithuania, together with Latvia and Estonia, has sought to criminalize the Stalinist period and the denial of its crimes, to the same level and degree as was applied towards the crimes of Nazism. Gradually, by 2010 the Council of European Union had condemned the crimes of Stalinism and in 2009 the European Parliament declared 23 August (the date when the Molotov-Ribbentrop pact was signed) the European Day of Remembrance for Victims of Stalinism and Nazism.⁶⁰

In response, Russia pursued a policy of the marginalization of Lithuania in the European context, presenting it and the other two Baltic States as countries where the “glorification of Nazism” and

59 Press Statement and Responses to Questions Following the Russia-European Union Summit, Great Kremlin Palace, Moscow, 10 May 2005. http://www.ln.mid.ru/Brp_4.nsf/arh/1F66A6A4BB7104DFC325700000218403?OpenDocument.

60 See the text of the Resolution at [http://www.europarl.europa.eu/sides/getDoc.do?reference=P6_TA\(2008\)0439&language=EN](http://www.europarl.europa.eu/sides/getDoc.do?reference=P6_TA(2008)0439&language=EN). Report from the Commission to the European Parliament and to the Council. “The Memory of the Crimes Committed by Totalitarian Regimes in Europe”, COM(2010) 783 Final. Brussels, 22 December 2010. http://ec.europa.eu/commission_2010-2014/redding/pdf/com%282010%29_873_1_en_act_part1_v61.pdf.

“rewriting of history” were taking place, as well as trying to emphasize the divide between “old” (true) and “new” Europe. One indication of this policy was the celebration of the 750th anniversary of Kaliningrad (Konigsberg) in June 2005, to which the leaders of France and Germany were invited, while the heads of neighboring Poland and Lithuania were absent. In July 2008 the State Duma adopted the Statement “On Actions of the Lithuanian Authorities Aimed at the Deterioration of Russian-Lithuanian Relations”, which de facto recognized the growing crisis in bilateral relations. The document criticizes Lithuania for its attempts to equal the crimes of Nazi Germany and the Soviet Union during World War II.

The issue regarding the occupation resurfaced in public debates in Lithuania during intense discussions as to whether President Adamkus should go to Moscow to commemorate the 50th anniversary of the victory in World War II. It became an important issue in Lithuanian politics at that time, probably one of the most publicly debated issues from the Lithuanian-Russian agenda.

The invitation of President Adamkus to the celebrations triggered a debate on the interpretation of the end of World War II. In Lithuania many political activists, NGOs and analysts saw the participation in the ceremony as an acknowledgement of Stalinist policies. Therefore, when President Adamkus asked for a public debate a number of activists voiced their opposition to the participation of Lithuania’s President in the Moscow celebration. One of the main business interest groups, the Lithuanian Industrialists’ Confederation, lobbied for a different position and requested President Adamkus to take part in the event. This was a reflection of the activity of some business groups which due to their trade links with Russia, especially the imports of energy resources, have often tried to influence the official policy of Lithuania in support of the status quo and strengthening economic ties with Russia rather than reorienting them to the EU countries. However, ultimately the President decided not to go to Moscow. Interestingly, the participation of the

Latvian President Freiberga was seen in Lithuania as yet further evidence of Russia's policy of "divide and rule" in its relations towards the Baltic States – using a differentiated approach towards each of the three countries in order to reduce their joint bargaining power and the moral appeal which was often used by Lithuania.

Russia views Lithuania's attempts to gain recognition for the occupation and compensation for damage as aimed at complicating bilateral relations, and rejects both the fact of occupation and any responsibility for the actions of the Soviet Union. In addition, Russia entirely rejects Lithuania's attempts to accuse it of responsibility for the events of January 1991 in Lithuania, arguing that at that time Lithuania was not an independent country.⁶¹

It should be noted that after the Parliamentary elections in 2008 and the formation of a new government led by conservative Prime Minister Audrius Kubilius, the issue of compensation for the damage done by the Soviet occupation was pushed to the margins of Lithuania's foreign policy agenda until the 2012 elections, when the debate resurfaced.⁶² The positions of the two countries and the differences in their viewpoints have not changed, however.

61 Брифинг Официального Представителя МИД России А.А.Нестеренко. 29 January 2010. http://www.mid.ru/brp_4.nsf/briefview/D74932BE5E34F-16EC32576BD00399371.

62 See: BNS. Kubilius: Okupacijos žalos atlyginimo klausimas turėtų tapti ES ir Rusijos dialogo dalimi. 17 July 2012. http://www.alfa.lt/straipsnis/15032663/Kubilius..okupacijos.zalos.atlyginimo.klausimas.turetu.tapti.ES.ir.Rusijos.dialogo.dalimi=2012-07-17_10-42/; Karaliūnaitė, Ugnė. A.Kubilius: Sovietų žalos atlyginimo gali tekti palaukti ir turime tam pasiruošti. 17 July 2012. <http://www.delfi.lt/news/daily/lithuania/akubilius-sovietu-zalos-atlyginimo-gali-tekti-palaukti-ir-turime-tam-pasiruosti.d?id=59128571>. For the reaction by Russia see: Ответ официального представителя МИД России А.К. Лукашевича на вопрос СМИ о высказываниях премьер-министра Литвы А.Кубилюса по российско-литовским отношениям 25 July 2012. <http://www.mid.ru/bdomp/ns-reuro.nsf/348bd0da1d5a7185432569e700419c7a/c32577ca0017442b44257a4600261d2a!OpenDocument>.

Energy relations

Lithuania's dependence on Russia for energy resources has often led to controversy and uncertainty among Lithuanian political elites. The question of links between party finances and the energy companies dealing with Russian suppliers of natural gas and electricity has surfaced regularly during political debates.⁶³ The above mentioned story with Druzhba oil pipeline is often used as an example of the manipulation of energy relations and links between business and politics in Russia. The recent reaction of President Putin to the case initiated in 2012 by the European Commission against Gazprom on the basis of possible violation of EU's competition policy norms, as well as the decree that the Government of Russia, rather than Gazprom itself, should be dealt with on matters of Gazprom business, including prices, was interpreted in Lithuania as yet another sign that in the energy field Russian elites still treat Lithuania and other Baltic States differently from most other EU members.

Regardless of which party has been in power, membership in the EU has been used by successive Lithuanian governments as an opportunity to Europeanize bilateral relations with Russia and to involve the EU, or at least the European Commission, in some of the most controversial issues, such as the supply of natural gas and regulation of this sector. At the same time, Lithuanian authorities have expressed strong concern about the energy projects of Russia, which could increase its bargaining power and enable it to supply other EU countries, such as Germany, without transiting the Baltic States. The Nord Stream project has been a key issue and is perceived as a possible instrument of just such manipulation, allowing Russia to bypass the Baltic States and to cut supplies of natural gas without serious consequences for the Kaliningrad Region, which

63 Smith K.C. *Lack of Transparency in Russian Energy Trade. The Risks to Europe*. Washington, D.C., 2010.

has until now been viewed as a kind of safeguard by the Lithuanian authorities, should Russian leaders decide to use energy policy for political purposes.

Since 2004, Lithuania has taken the opportunity to bring to the EU-Russia agenda those issues which are important from a bilateral perspective. As noted, it was during the debate on the renewal of the EU and Russia Partnership and Cooperation Agreement when Lithuania decided to raise several issues in the EU format, such as a renewal of the oil pipeline supply. This demand was raised together with the Polish request for Russia to rescind its ban on the import of Polish meat to Russia. While Poland later withdrew its veto on approving the mandate for negotiations with Russia, in Spring 2008, Lithuania presented further issues regarding Russia: Russia's accession to the Energy charter, the issue of compensation for damages arising from the Soviet occupation and for the deportations to Siberia and criminal prosecution of persons who participated in the January 13th events in Vilnius, and also the resolution of conflicts in Moldova and Georgia.

Although these issues were noted by EU partners, the outcomes of these efforts have been rather modest, both in terms of attracting the attention of the EU, and also in terms of achieving the declared objectives. To a certain extent, it could be argued that the situation on some of these issues has actually worsened since then, for example, in Georgia and its territories of South Ossetia and Abkhazia. In fact, these events strongly reinforced the concern in Lithuania about the intention of Russia to increase its influence in the Eastern neighborhood and the means used for this purpose.

The decision of the Lithuanian government to adopt the strictest version of the EU third energy package, which foresees the complete unbundling of ownership in the electricity and natural gas sectors, has also caused debates with Russian investors, e.g. Gazprom, which has a stake in Lithuanian Gas. On this issue, the

Lithuanian government also decided to adopt the Europeanization approach, by trying to involve the European Commission in its discussions with the natural gas supplier from Russia and to place the issue on the EU-Russia agenda. So far the efforts of Lithuanian authorities to involve EU institutions seem to be quite effective, although it remains unclear how the actual unbundling will take place in the natural gas sector, where the dominant company is partly owned by Russian and German investors. It should be noted that a center left coalition government formed in Lithuania in late 2012 after Parliamentary elections and led by Prime minister A. Butkevicius has declared its commitment to continue with the plans to implement the ownership unbundling in natural gas sector. This issue and the continuation of other energy projects has been also discussed during the first visit of Butkevicius to Brussels in his meetings with European Commission officials indicating the intentions to continue with the policy of involving European Commission into energy relations with Russia.

The plans to build an LNG terminal on the Baltic Sea coast and to link Lithuania's gas network with Poland's are the main projects aimed at reducing Lithuania's dependence on natural gas from Russia, which is currently the only source of supply. The issue of natural gas prices – seen as being set deliberately high by the Russians to get a premium from Lithuania – continues to be one of the main issues on the political agenda. Unlike Latvia and Estonia, Lithuania did not receive a gas price discount in 2012. Also, the debate on exploration of shale gas in Lithuania which started in late 2012 and early 2013 was seen by international media as influenced by possible meddling of Gazprom concerned about potential competition from this source if the prospects for commercial exploitation of shale gas are proven in Lithuania⁶⁴.

64 DELFI, “Financial Times”: skalūnų dujos Lietuvoje kelia grėsmę GAZ-PROM“, 2013.02.08, available at <http://verslas.delfi.lt/energetika/financial-times-skalunu-dujos-lietuvoje-kelia-gresme-gazprom.d?id=60622811>.

In the electricity sector, the priorities include electricity linkages to Sweden and Poland, which also aim to reduce dependence on Russian electricity imports and to create the conditions for switching from the former Soviet electricity system (BRELL) in order to synchronize the Baltic States with the electricity system of Western Europe. It is ironic that since the end of 2009, when the second reactor of the Ignalina nuclear power plant was shut down in accordance with the EU Accession Treaty, Lithuania's dependency on the Russian electricity supply increased, and in 2011-2012 it imported 60% to 70% of its electricity from Russia. Although significant steps have been taken since 2010 to establish a Baltic electricity exchange modeled on the basis on the Nordic electricity exchange, and to be merged with the latter in the future, so far there has been little real competition in this area. Conditions for real competition will be in place after the construction of electricity bridges to Sweden and Poland in 2015.

In addition, the right-center Government of Lithuania has tried to promote the construction of the new Visaginas nuclear power plant in cooperation with Estonia, Latvia and Poland. Poland withdrew from the project, while the support of Latvia and Estonia as well as Japanese investor will depend on the eventual concrete conditions of participation in the project and the position of the new Lithuanian Government formed after Parliamentary elections in 2012. The debate on the construction of the Visaginas nuclear power plant has also been poisoned to a large extent by suspicions of Russia's meddling in this project by trying to obstruct it with the arguments of green activists and others, while simultaneously supporting competing projects in the Kaliningrad region (Baltiskaja nuclear power plant) and in Belarus. Russian energy companies have become much more active after the formation of the new center left government in Lithuania led by social democrats meeting newly appointed officials to discuss natural gas and electricity projects. This increased activity has been seen by many

in Lithuania as an attempt to reverse some of the energy projects aimed at reducing dependency from supplies from Russia⁶⁵.

From Russia's point of view, the energy cooperation between two countries has been subject to excessive politicization. In spite of numerous accusations, Russia claims to have been a reliable supplier of energy resources as well as investor into Lithuanian energy sector. The unilateral actions of Lithuanian government lead to reciprocity from Russia and Gazprom, which refused to grant a price discount, although Lithuanian officials point to the allegedly illegal practice of altering the price formula of natural gas thus breaking the contract. The non-cooperative conduct is a characteristic of Russian-Lithuanian relations in nuclear energy sphere, where Lithuania viewed the project of the Baltic (Baltijskaja) NPP in the Kaliningrad Oblast as a competition to its own station in Visaginas and a distraction from the plans to integrate into the Western electricity transmission system UCTE (or ENTSO-E).

Conclusions

Since 1991, Lithuanian presidents have visited Russia twice. No Russian leader has ever visited Lithuania. Neither side would describe the history of their relations as either perfect or even good. A more appropriate description would use terms such as mistrustful and stagnant.

The initial rather positive relationship based on the need to gain independence from the Soviet Union and to support each other in this process lasted only briefly. Later, Lithuania's efforts to re-es-

65 See for example, DELFI, A. Butkevičius: „Rosatom“ atstovai labai suinteresuoti Kruonuo hiroakumuliacine elektrine. 2013.02.23. available at <http://verslas.delfi.lt/archive/article.php?id=60759435>; DELFI, E. Lucas apie Rusijos įtaką diskusijose apie skalūnų dujas: tereikia sujungti visus taškus. 2013.02.28. available at <http://verslas.delfi.lt/archive/article.php?id=60781127>.

establish itself as a sovereign nation-state and to become as autonomous as possible from the former empire meant limiting the role of Russia as much as possible. Integration into NATO and the EU was also an important factor influencing bilateral relations. Membership was one means for Lithuania to distance itself from the Soviet past as well as an instrument to increase its bargaining power and its ability to manage interdependency with Russia. Russia is the biggest existential Other for Lithuanian identity politics, and perceptions of its threat drive the main foreign and domestic policies of the country. As bilateral relations have always been and still remain asymmetrical, with Russia acting from a position of power and often negligence, the dominant strategy of Lithuania has been to internationalize and later to Europeanize its policy towards Russia. The status of the relationship continues to be defined by disputes linked with the treatment of the past, divergent assessment of security concepts in the region, and the difficulties of managing economic relations, especially in the field of energy.

Although relations with Lithuania are not a priority for Russia, the dynamics during the past twenty plus years have produced certain significant issues, as indicated by the debates over Kaliningrad, energy and the politics of history. During the past two decades Russia has employed a wide range of policy tools for arranging relations with Lithuania. The elements of coercion and pressure have included the threat of an energy blockade and delayed ratification of bilateral documents. In a practical sense, opportunities for real economic sanctions were limited by Russia's dependence on transit via Lithuania to Kaliningrad. Attempts at reassurance have been manifested by Russia's proposals on security guarantees, while the common projects on Kaliningrad have shown a certain amount of engagement.

It is difficult to foresee any substantial changes in the condition of bilateral relations in the near future. Nothing ground-breaking can be expected on a bilateral level: the disagreements are already

clear, repeated ad nauseam and hardly negotiable, and the bilateral agenda is dominated by three challenges – the issue of energy, the politics of history and the challenges connected with the Kalinin-grad region.

Lithuania is pursuing an energy security policy aimed at diversifying the sources of supply and introducing real competition into the electricity and natural gas sectors still dominated by Russian suppliers. The status quo can be changed only by major shifts in the patterns of mutual dependency, such as Lithuania's connection to the Northern and Western electricity and natural gas markets, or by domestic politics in Russia. It is the creation of conditions for competition and alternative sources of supply which is planned for 2015-2016 that might become an important factor allowing Lithuanian politics to be less influenced by Russian suppliers and potential manipulation of energy dependency, and therefore might contribute to more constructive bilateral relations with Russia. At least from the Lithuanian point of view, this is a fundamental precondition for less suspicious bilateral relationship and a natural completion of the process of economic integration into the EU Single market.

The political rhetoric of Lithuania in its relations with Russia and discussions in the EU have emphasized the importance of values such as human rights and the rule of law, in particular in the years since the EU accession and during the debates in the EU in 2007-2008. Recently there has been a change in the rhetoric of Lithuanian leaders prioritizing pragmatism, but this has not brought any more intensity or cooperation to bilateral relations. Although trade disputes and friction regarding Lithuanian imports on the Russian market have become less frequent, the dispute regarding the reform of the natural gas sector and the price of gas seems to dominate the bilateral agenda. The next several years might be crucial in breaking the habit of these disputes if the breakthrough is achieved in connecting Lithuanian energy infrastructure to the Northern and Western European market.

Although different tactics have been tried since 2004, the overall result still seems to be the same – mistrust and misunderstanding arising from both recent historical experience and from the lack of positive advances in re-establishing mutual trust and confidence. Lithuania expects that greater adherence of Russia to the democratic values of Western liberal societies could reduce mutual mistrust and divergences in the assessment of recent history. Russia, in turn, is not satisfied with the deterioration of relations with Lithuania, but believes that the first step towards their improvement should be taken by Vilnius.