

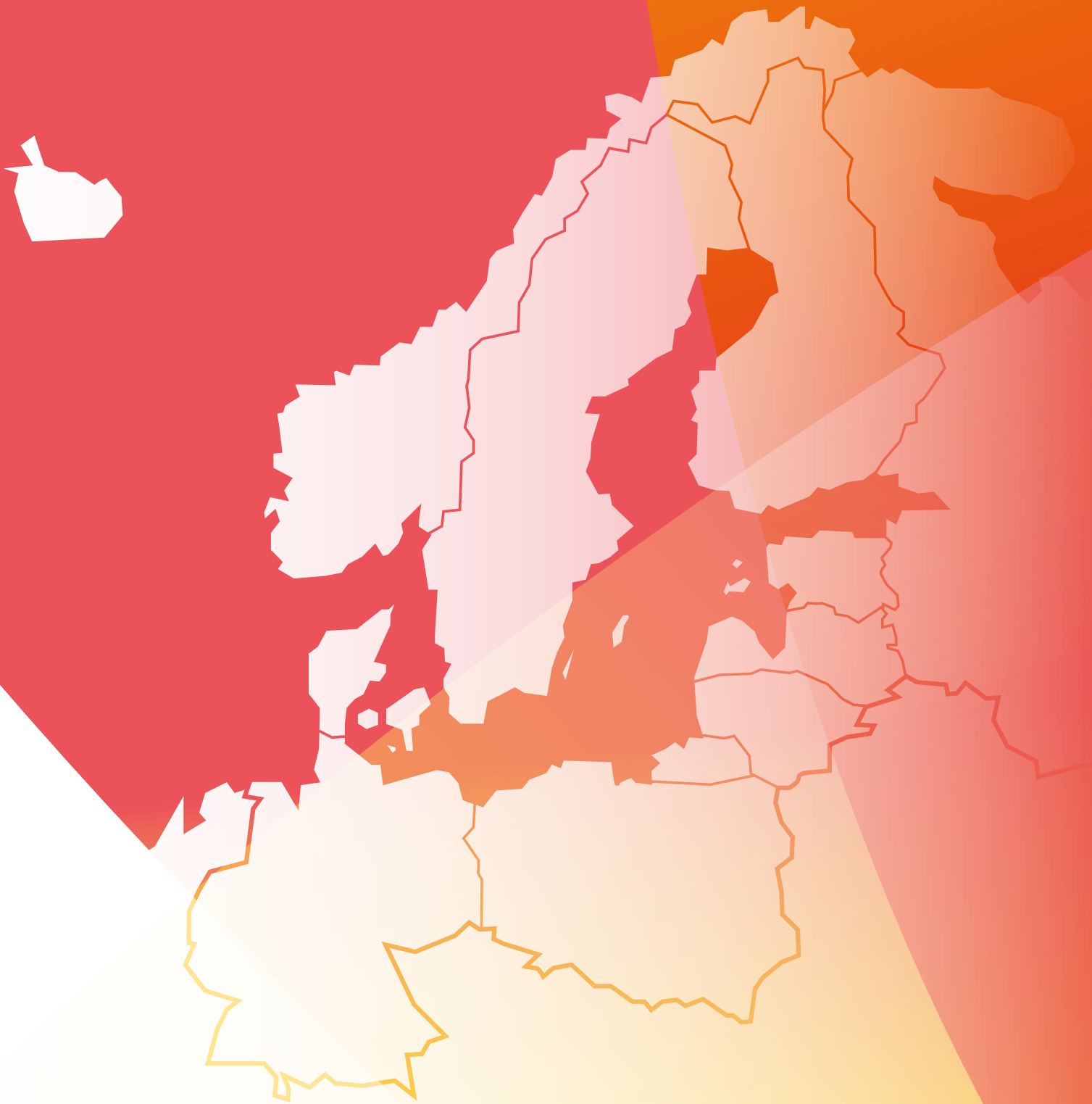
# POLITICAL STATE OF THE REGION REPORT 2016

Facing a New Reality  
in the Baltic Sea Region

sustainable growth  
innovation  
competitiveness



Baltic  
Development Forum



# CONTENTS

- 6** Overshadowed by the rift between Russia and the West
- 10** All hope in “soft” activities?
- 14** Energy cooperation in the Baltic Sea Region – tangible results, challenges ahead
- 18** Russia in the Arctic vs the Baltic Sea: the same or different?



# EDITOR'S FOREWORD

It is with great pleasure, BDF presents the fifth Political State of the Region Report for the 18th Baltic Development Forum Summit in Stockholm. Much has changed to the better in the region over the last 25 years, but developments over the last three years are calling into question many of the hopeful ideas about a successful region for trade, innovation and security. The Russian annexation of Crimea and conflict with Ukraine has created a new situation of unpredictability and distrust – especially for the Baltic States, but also the Nordic states are increasing defense spending and talking about deterrence.

Baltic Development Forum has arranged three roundtables during the last year to discuss the political situation in the Baltic Sea Region. In Copenhagen in February, Janis Kazocins, Security Advisor to the Latvian President presented the Baltic view on the situation. In June also in Copenhagen, Andrei Kortunov, Director General of the Russian International Affairs Council gave us a Russian assessment, and in Riga in September, Diana Janse, Senior Foreign Policy Advisor for the Moderate Party gave us a Swedish view.

We have asked a group of young researchers from Germany, Poland, Lithuania and Denmark to write about the situation from their perspectives. The young researchers took part in the roundtables and also met with BDF's chairman Lene Espersen, former minister for foreign affairs of Denmark.

In the report, Jana Puglierin is describing the overall political development in the region. Agnieszka Lada is looking for soft cooperation, while Linas

Kojala especially is looking at energy-cooperation and Ann-Sofie Dahl is comparing the Arctic and the Baltic region. We would have liked to include a Russian view, but did not succeed in finding a Russian participant. Despite this, we decided to go on, even if that may give some imbalance.

The report is describing the conflicts and challenges to the current cooperation with Russia. Obviously, it has only been possible to raise some aspects of the cooperation, and we are well aware that the topics described are much more comprehensive. Hopefully, the report still contains some useful inputs which can be discussed further during the Baltic Development Forum Summit and in future reports. The “collective” of writers have wished to go on producing a report for next year, and we hope to take in a Russian writer. Admittedly, the report does not paint a very optimistic picture about the perspectives for cooperation and what can realistically be achieved in this new reality in the Baltic Sea Region. Still the report clearly points to the need to continue the cooperation with Russia, despite the current difficult circumstances. In BDF, we will continue our efforts to engage in an open and frank dialogue and look for the “islands of cooperation”.

I would like to thank sincerely the Konrad Adenauer Stiftung Office in Riga for the excellent cooperation throughout the process of developing the report and for the financial support. Also, thank you to the Nordic Council of Ministers for their financial support. As always, it is important to stress that the views expressed in this report are not necessarily those of the sponsors.

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# OVERSHADOWED BY THE RIFT BETWEEN RUSSIA AND THE WEST

## COOPERATION IN THE BALTIC SEA REGION

Three years after the outbreak of the crisis in Ukraine, an end to the quarrel between Russia and the European Union and the Western world is still not in sight. Although all sides continuously implore their desire for common “dialogue” and emphasise their willingness to solve the conflict, the rift between East and West seems to widen constantly. The Baltic Sea region is one of the areas most affected by the conflict. It has had a decisive impact on regional stability and has changed the entire face of the region.

While up until spring 2014 the Baltic Sea Region was perceived as a model region for successful transformation, close regional cooperation, flourishing trade, and inclusive security, it is now at the center of confrontation. As if viewed through a magnifying lens, all challenges concentrate in this region; especially the Baltic States and Poland, but in the course of the crisis also Sweden and Finland, feel threatened by Russia, be it militarily as well as by non-military interference. Traditional territorial defense has experienced a comeback. At the same time, methods of hybrid warfare have moved to the center of attention

## CONFRONTATION AS THE NEW “USUAL”

This is mainly because Russia does not, or no longer, view a return to the previous “as usual” as legitimate. Moscow has made it very clear that it officially no longer accepts the fundamental principles of the European security order, which was established after 1990 and has been contractually recognised by Russia repeatedly. The Kremlin no longer feels bound by these rules – be it because Moscow argues that it was the West that broke the rules first or because the European security system is, according to the Russian interpretation, a construct of the West

that has been imposed on Russia after the collapse of the Soviet Union, without taking its interests into account.<sup>1</sup> In contrast to what many Western observers initially believed, Russia will not simply return to the fold of the West. Instead, the Kremlin wants to renegotiate its relationship with the West.

The West, on the other hand, neither wants to accept nor legitimate Moscow’s geopolitical demands and continues to hold on to its existing fundamental principles. However, the differences between the conflicting parties are so large that they seem irreconcilable. They encompass the core of what has thus far characterised the security order in Europe: the principle of state sovereignty as well as territorial integrity, a ban on violence, non-intervention in internal affairs, the inviolability of borders, and the national right to self-determination. Moscow and the West have developed very different interpretations of these principles, which date back to the Helsinki Final Act. Their interpretations are mutually exclusive. And they are embedded in similarly different historical narratives about the development of the current conflict, which form the prism through which both parties look at their relationship.

The realisation of the common “European Home,” envisioned by Russian President Mikhail Gorbachev in 1989, or the “united, free and peaceful Europe” that American President George H.W. Bush spoke of in the same year, seems even more unlikely today than after the end of the Cold War. Instead, due to the increasing estrangement of Russia from the rest of Europe and the Western world, the European continent has seemingly been catapulted back to the future.

However, it would be wrong to speak of a new Cold War. Russia’s confrontation with the West is “only” one of the big security challenges that Europe faces today. While Russia destabilises the post-Soviet

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<sup>1</sup> E.g. Fyodor Lukyanov, “Russia and the EU: A New Future Requested”, in: *Avoiding A New ‘Cold War’: The Future of EU-Russia Relations in the Context of the Ukraine Crisis*, LSE Ideas Special Report SRO20 March 2016, p. 16.

region, crises in Europe's southern neighborhood range from Morocco to the Caspian Sea. The conflicts in Syria, Afghanistan or Iraq have forced millions of people to flee their homes, many of which have come to Europe. The security situation at the entire European periphery deteriorates visibly. At the same time, growing populist and nationalist tendencies, which have gained increasing support due to the refugee crisis, the weak economy, and the inner-European terror attacks, weaken the unity of the European Union (EU). Finally, Brexit has emphasized the poor state of European unity. In light of all of the above, the current confrontation between Russia and the West is particularly dangerous. Firstly, it destructively influences other conflicts, as is the case in Syria in particular. Secondly, Russia supports those forces at the right and left spectrum of the European political landscape that categorically question the EU project – for example the Front National in France. Russia also uses targeted disinformation to directly influence public opinion in Europe, which became particularly visible in Germany with the so-called “Lisa-Case.” In this way, Moscow plays on various existing fears and frustrations in Western societies, trying to weaken Europe from within.<sup>2</sup> Thirdly, Russia is still the second-largest nuclear power in the world and the Kremlin has repeatedly emphasised its nuclear capabilities vis-à-vis the West since the outbreak of the crisis – or even openly used them as leverage in order to reach its political goals, as recently experienced by Denmark. And fourthly, Vladimir Putin's Russia has, by annexing Crimea with revisionist intent and military force, again shifted European borders. If it again becomes acceptable in Europe to enforce historical territorial claims through force, the potential for future conflicts has already been laid out. The Baltic States, in particular, are worried they will fall victim to this Russian revisionism. After all, it is difficult to trust a neighbor who eyes and desires another neighbor's territory.

## THE “SECURITISATION” OF THE BALTIC SEA REGION

In hardly any other European region are the effects of the confrontation with Russia as palpable as in the Baltic Sea region, where the frontline states directly face each other. A direct military escalation of the conflict would most likely take place here or in the

Black Sea Region. Therefore, the Baltic Sea Region has moved from the periphery of security politics to the center of attention. Today, fighter planes patrol the airspace over the Baltic States and war ships are stationed in the Baltic Sea and the Black Sea. This “securitization” of the entire Baltic Sea Region is being compounded by the fact that the Baltic and Nordic states are unable to guarantee their security by themselves and thus rely on their partners and NATO for defense and deterrence. However, the region resembles a hotchpotch of NATO-members and non-NATO countries, of EU member states and non-EU members: This complicates agreements and cooperation, which are still underdeveloped.

Finland, Norway, and the three Baltic states share common borders with Russia, which are often sparsely populated and difficult to control. The three Baltic States in particular lack “strategic depth” Instead, they are home to large Russian minorities, who – according to the concern of the Baltic States – are especially susceptible to Russian “propaganda” and could easily be taken advantage of in the course of hybrid warfare.<sup>3</sup> After all, President Putin has continuously underlined that Russia sees itself as the protectionist power of all Russians. Theoretically, this includes the large Russian minorities in Estonia and Latvia. In addition, the Baltic States and Finland are highly dependent on Russia in the area of energy supply. Moreover, the number of military near misses over and in the Baltic Sea has steadily increased since 2014. Against this background, the Baltic and Nordic states feel especially vulnerable. This is all the more relevant since Russia's comprehensive and radical military reform is still in full swing.

On top of all that, the Baltic region, located at the outer end of NATO and hopelessly inferior to Russian troops, is strategically particularly appealing to the Kremlin. Should the “Crimean-scenario” of a partial or full land grab through Russian troops repeat itself here, without NATO being able or willing to oppose this, it would most certainly be the definite end of the Euro-Atlantic security architecture. In order to reassure its Eastern partners and in order to deter Russia from attacking NATO-territory, NATO recently announced at the Warsaw Summit that four multinational battalions would be moved to the three Baltic States and Poland. The US supplied an additional rotating brigade for its Eastern allies.

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<sup>2</sup> See Stefan Meister/Jana Puglierin, “Perception and Exploitation: Russia's Non Military Influence in Europe”, DGAP Kompakt, Nr. 10/2015, <https://dgap.org/en/article/getFullPDF/27185>.

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<sup>3</sup> Claudia Major / Alicia von Voß, “Nordic-Baltic Security, Germany and NATO: The Baltic Sea Region Is a Test Case for European Security”, SWP Comments 2016/C 13, March 2016, [http://www.swp-berlin.org/fileadmin/contents/products/comments/2016C13\\_mjr\\_vos.pdf](http://www.swp-berlin.org/fileadmin/contents/products/comments/2016C13_mjr_vos.pdf).

From a Russian perspective, the decisions taken at the NATO summit for the Eastern territory confirmed the bad state of its relations with the West and demonstrated just how aggressively the Western alliance behaves towards Russia. What the West views as deterrence is interpreted by Russia as provocation and rearmament. Political reactions from Russia have so far been negative, although rather moderate. Contrary to what the West had feared beforehand, the Kremlin has not made any aggressive military moves in response to the summit. However, Russia still feels that it is being pushed to the outer rim of Europe by the Eastern enlargement of NATO and the EU, without having its need for security recognised and its position as the hegemon in the post-Soviet sphere accepted by the West. Therefore, Moscow reacted to the decisions taken at the summit with the announcement to reorganize its troops in the Russian western military districts and to strengthen them with three additional divisions. Consequently, and due to its troop strength, Russia retains its clear superiority over NATO in the Baltic Sea region.

As a consequence, the “securitization” of relations and the mutual distrust on both sides overshadow the willingness to cooperate in the Baltic Sea region – even in those “soft” areas where cooperation is a mutual interest, such as environmental protection, energy supply, or the fight against international terrorism and crime.

## CONSEQUENCES AND OPTIONS FOR THE BALTIC SEA REGION

For the states of the European Union, the unwanted conflict with Russia has led to a painful realisation: their policy toward Russia up until now, which has been based on the idea of partnership and common rules, has failed. Their hope that close cooperation would automatically lead Russia to adopt western values and interests has turned out to be an illusion. However, the “civilian power” Europe is badly equipped for a policy in its immediate neighborhood that is not based on partnership but is characterised by confrontation. It is difficult for Europe to endure the conflict with Russia. No one knows how to treat the “troublemaker,” who no longer plays by the established rules – and confusion prevails over which courses of action the actors might be able to take. This is particularly valid for the western neighboring states in the Baltic Sea region. Despite their increasingly convergent views in the field of threat perception,

there are still considerable differences among the states on how to counter a resurgent Russia.

Are there connecting factors behind the competing points of view that could help “overcome the speechlessness” and promote a “rapprochement” – as Germany’s Foreign Minister Frank-Walter Steinmeier had suggested?<sup>4</sup> Is it possible to selectively cooperate with Russia despite the substantial existing differences or even to establish “islands of cooperation”?

While the desire for reconciliation with Moscow and for a stable *modus vivendi* in the Baltic Sea region and in all of Europe is understandable, it must not cause us to ignore reality – or to sugarcoat it. At the moment, inclusive security with Russia can only be realized at the price of giving up all of those principles on which the Euro-Atlantic architecture depends. In order to fulfill the Russian expectations, Europe would have to accept a fundamental overthrow of these principles and institutions – and this does not only affect NATO and the EU but also the OSCE. The fundamental principles, which are reflected in the Helsinki Final Act and in the Paris Charter and have carried Europe safely through the end of the Cold War, have not become outdated today, more than 40 years later. The popularity that these principles still enjoy in an overwhelming part of Europe speaks for itself. The spirit of Yalta should not be revived; clearly defined areas of influence are out of the question and should be recognised by the West neither explicitly nor implicitly.

Since the major conflict between Russia and the West about the European security architecture is insolvable for the time being, strategic patience is necessary. All neighboring countries in the Baltic Sea region need to successfully manage the crisis. Russia and the West do not share a common vision (anymore). Therefore, in the immediate future the focus will have to lie on managing coexistence by preventing conflicts and any further escalation. Therefore, both sides should become more predictable for one another and avoid misunderstandings.

In order to reduce the risk posed by this unpredictability, the German government in particular has repeatedly emphasised the need to complement its “deterrence approach with meaningful and regular dialogue with Russia – be it nationally, in the EU, the OSCE or the NATO-Russia Council”. A dialogue, as it is put by German officials, “that addresses our

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<sup>4</sup> Interview with Frank-Walter Steinmeier on 23 April 2016, “Steinmeier: It’s Time to Talk”, *Handelsblatt Global Edition*, Nr. 415, <https://global.handelsblatt.com/edition/415/ressort/politics/article/steinmeier-its-time-to-talk>.



differences, but that does not prevent us from looking for common ground or trying to identify areas where interests match.”<sup>5</sup> This much-invoked dialogue is indeed vital. Dialogue, however, is not an end in itself and cannot alone lead to rapprochement, if the two sides are not prepared to move or are unable to do so. Therefore, one should not expect too much from a selective cooperation with Russia. Clear announcements and consequences following the non-compliance of agreements are indispensable. In addition, the neighboring western Baltic States need to continuously underline that dialogue does not mean acceptance – or legitimacy. Because even if Russia and the West sometimes seem to share common interests, both sides more often than not do not mean the same thing when it comes to the concrete implementation of these alleged shared interests on the ground. Syria is a good example.

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<sup>5</sup> Both quotes taken from: “The Future of Security in Europe” - Keynote by Markus Ederer, Secretary of State, at the Workshop “Lessons from the Ukraine Conflict: Fix the European Security Order, or Overhaul it?” organized by DGAP and Center for the US and Europe at Brookings, [http://www.auswaertigesamt.de/EN/Infoservice/Presse/Reden/2016/160920StS\\_E\\_Future\\_Security\\_Europe.html](http://www.auswaertigesamt.de/EN/Infoservice/Presse/Reden/2016/160920StS_E_Future_Security_Europe.html).



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# ALL HOPE IN “SOFT” ACTIVITIES?

The current political atmosphere in EU-Russia relations is more than tense. There is no consensus among the EU-members concerning what kind of cooperation with Moscow is still possible. In discussions, it is all too often forgotten that Russia is not only Putin, but also – if not first of all – Russian society, with its needs, hopes and fears. Taking it into consideration there is a consensus in the West that in the long run it is only the society that might bring a change in Russia. But the sense of being active in the field of civil society, social issues and democratisation is also sometimes questioned. Previous experience has shown that one can, indeed, be skeptical of their effectiveness when programs are realised together with the official Russian side. Here, a good example might be the introduction and implementation of the German concept of “modernization partnership.” Even though Russian authorities were interested in the technological support and development, they did not want to make use of or even allow political and/or civic change. Communication and cooperation requires willingness from both sides and a minimal consensus on common values and goals. Unfortunately, in the current situation, this is not the case on the side of Russian authorities who want to control and make any cooperation more difficult. European partners, however, should not give up collaboration and engagement with Russian civil society even in such difficult circumstances. Although for the moment there is little chance of developing and successfully implementing any broad strategy in this field, it is all the more so important to take up timely activities. There are, however, also some negative or controversial lessons that need to be learnt along with examples of “good practice.”

## GOOD INTENTIONS AND REALITY

Looking at the example of the “modernization partnership,” we see that the EU side has a tendency to think in typical “Western” categories and expects implementation to yield results that would be expected from this strategy in their own countries. In Russia, things go in a different way. Similarly, when considering the currently discussed concept of a free trade “from Lisbon to Vladivostok”, one

should have many reservations and not expect that economic cooperation and making investments easier will have any visible or desirable effect on the state of Russian democracy or civil society. Moreover, forcing this project can make such EU-members as Poland and Baltic states suspicious of their Western partners who are pushing for this concept.

All this does not, however, mean that we should not have any ties in the field of civil society when the official Russian side is engaged. Rather, the guiding idea for Europeans in their cooperation in the field of people-to-people contacts should be to continue, first of all, these projects that already exist. Cultural and youth exchange, research projects – all should continue, as cutting these ties would much more affect “normal Russian citizens” than the authorities. So, there were it is possible we should try to deepen the existing cooperation and consolidate initiatives. Starting new initiatives – on the basis of contacts with the Russian authorities – is also important, but one needs to be extremely careful – as in many other fields – to meet the balance between not legitimising Russian politics and not isolating the Russian society. Also continuing existing ties has, however, already become more and more difficult. Getting a visa to Russia nowadays is such a long and challenging process that many from the West will think twice about whether they really want to go for that. Also, we should not forget that the Russian authorities will always perceive foreign NGOs acting in their country not as independent entities, as is the case in Western democracies, but much more as an arm of the Western countries meddling in Russia, so we can expect problems and obstacles and little trust. The same is with most Russian NGOs that are perceived as a tool for the Russian authorities to realize Russian politics.

Furthermore, a balance between actions aimed at the elites and grassroots society is more than needed. Indeed, there are a number of projects intended for businessmen, students, academics or bigger NGOs. Without reaching “normal citizens” as well, the results of such activities – which still should be continued and even strengthened – will not help to change Russian reality, even in the long run. The challenge is how to reach “normal citizens.” Here, using existing networks and experience is called for.

## “COME-AND-SEE” PRINCIPLE

The visa issue poses a very tricky question in the current situation. On the one hand, the liberalisation of the visa regime means easier access for many Russian citizens to EU countries, getting to know and see how democracy works and taking part in exchanges with their peers. But one shouldn't exaggerate the potential advantages. The wealthy Russians flooding Berlin or Paris shopping malls do not really care about how the political system in the country they are visiting works or whether there would be a chance to push the Russian one in this direction. So, above all, scientists, students and NGO representatives should be granted an easier visa process that would help them in their development and contacts. It would be also an important symbolic gesture towards Russian society.

On the other hand, talking about visa liberalisation is nowadays harder than before for several reasons. Starting this discussion might give hope to those who support easing sanctions towards Russia that some movement in this respect is possible. Secondly, the visa question is discussed not only with Russia, but also with Georgia and Ukraine. Taking further steps towards the Russians before the already-negotiated rules with these two countries come into force, would be very badly perceived by the Ukrainians and Georgians. One should also not forget the negotiations with Turkey on the visa issue make the situation even more complicated.

So, the present state of play on the visa issue should be continued without taking any further steps in the very near future.

## SMALL BORDER TRAFFIC – BETTER SMALL THAN NONE

The continuation of small border traffic is necessary. Currently it exists between the northeast region of Poland and the Kaliningrad Region,<sup>6</sup> but was suspended by the Polish government for an unknown period of time. Even though expectations regarding the development of the people-to-people contacts with the introduction of this instrument were higher than reality proved, there are arguments for investing in this kind of cooperation. First of all, it is still one of the few communication channels that EU and

Russian citizens have. One can say – even if it is only for a limited group of people and just for buying cigarettes or spend a weekend in a Polish spa – such contact helps those involved to get to know the other side, its way of thinking and acting. It also offers the possibility for many smaller entities, such as local schools, to stay in touch with their partners on the other side of the border. Otherwise, the visa costs prove an effective barrier to visit the other country. The recent decision of the Polish government to suspend small border traffic with the Kaliningrad region – extended after the NATO summit and World Youth Days with explanations that national security is still in danger – does not only have an unfavorable economic impact (less Russian customers coming to Polish supermarkets and less tourists), but it also negatively influences people-to-people ties. It also gives the Russian side arguments that it is the EU that makes the cooperation difficult.

There are also other possibilities for making the common border with Russia more of a tool for joining than simply a dividing line that fall under the broader term of trans-border cooperation. The collaboration of fire brigades and developing joint infrastructure on both sides of the border is always profitable. It is too difficult at this point, however, to evaluate and discuss the real effectiveness of trans-border cooperation.

## RUSSIANS IN THE EU – AN UNKNOWN ENTITY

Russians who have migrated to EU-countries in recent years are a group that seems insufficiently taken into consideration while working with Russian civil society<sup>7</sup> Their numbers and opinions are not really known. While a certain number of them support Putin and are engaged in Russian propaganda activities, there are also Russians who stay neutral or are in opposition to the current Russian regime. Today, all the doors opened by the Internet allow them not only to follow the situation in their home country, but also to communicate and take part in debates there. Figuring out how they could be supported and urged to be active and – with their help – how to reach people in Russia itself might be an important tool. Of course, reaching these people is a challenge – how to be sure who of them live and work in the EU and are not just visiting for shopping. A part of them likely are not amongst the best paid workers and might have

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<sup>6</sup> See more at: <https://mswia.gov.pl/en/news/740,Local-border-traffic-with-the-Kaliningrad-Region.html>

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<sup>7</sup> The paper does not discuss the issue of Russian minority in the Baltic states – with all challenges it brings – as this topic should be described broader separately.

fears about their security. As long as they feel secure and their situation is stable, they won't look in Putin's direction. The Western countries need to use this opportunity; they should firstly, make sure they are well-integrated in the host society (which is not always the case) and ensure them a degree of social security, and secondly, support those of them who are engaged towards building democratic society in Russia.

## **CIVIL SOCIETY FORUM – A GOOD TOOL THAT NEEDS MORE PR AND SUPPORT**

An important, yet not very widely known and under-supported organization is the Civil Society Forum EU-Russia (CSF)<sup>8</sup>. Its members are registered and non-registered non-profit and non-governmental organisations, civic initiatives, and social movements from the European Union and Russia. Today the Forum counts 159 members – 62 from the EU, 83 from Russia and 14 international organisations. The EU-side is, however, represented by a large number of NGOs from Central Europe and Germany, and so, from the countries traditionally interested in relations with Russia. There are still too few organisations from West European countries. It would be recommended that the authorities from the underrepresented countries show their social partners how important this initiative is and support their engagement there (for example, by financing travel costs to the Forum's meetings and common initiatives of its members). Also other help – not only financial help, which is always needed (the continuation of the EU funding is crucial) – such as demonstrating openness towards CSF's recommendations and participating in its events is more than needed. More initiatives for engagement run by Russians living in the EU-countries should also be developed.

Another group of NGOs from both sides that would be much needed members in the Forum would be those dealing with social issues: health, supporting the homeless etc. It is especially in these fields, that real help and projects developed for Russians can reach the lowest levels of Russian society.

As a typical network, the Forum, first of all, brings together organisations that exchange ideas, information and opinions and issue common statements. So it fosters contacts and better understanding and also shows that Russian and EU

NGOs are able to speak in one voice by preparing joint declarations. Furthermore, CSF publishes policy papers and coordinates projects among its members. Here, an especially important aspect of the Forum's activity is the principle of dealing with issues that are difficult and challenging both for the EU and Russian partners, such as respecting human rights and democratic principles. The EU is not presented as the only right model for Russia, and both sides are treated as equal partners, not in a teacher-student relation, as happens in many other formats. Still, it must be stressed that in many fields Russia is not at the same level as countries in the European Union (as in health care or democracy rules, just to give some examples) and one shouldn't fall into the trap of political correctness by saying that all challenges in our countries are comparable or the same.

## **LISTEN TO THE RUSSIANS**

Cooperation with Russian civil society does and will meet many obstacles. Those Russian NGOs that receive money from external sources are obliged, according to Russian law, to register as foreign agents. On the other side, more and more foreign organisations that used to be active and present in Russia have been forced to close their offices and leave the country or their work made impossible in other ways. Still, many Russians are willing to cooperate with Western partners – risking a lot, even putting themselves at personal risk. Now more than ever, the West needs to respect their conditions for cooperation and suggestions how to support civil society in their country. They know the situation, atmosphere and possibilities in Russia much better, so their opinions can make sure the implemented activities might achieve the desired results, even though the methods and tools might be, at the first glance, assessed as insufficiently reliable. Difficult topics shouldn't be here omitted. It is also crucial, the European side attends meetings with their Russian peers well prepared and treats them on an equal level. They need to feel they are secure.

Of course, such contacts – individuals and organisations – need to be carefully verified. The above-described Civil Society Forum or such recognised and experienced organisations as the German-Russian Exchange would be good partners for assisting in such screening.

Several regional cooperation frameworks and funding instruments are available for cooperation with Russian partners. For example, under the EU

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<sup>8</sup> More at: <http://eu-russia-csf.org/>

Strategy for the Baltic Sea Region, Russia has recently made some EUR 4 million available to finance the participation of Russian organisations in the current second call for applications for the Interreg Baltic Sea Region Program.<sup>9</sup> The Nordic Council of Ministers has also recently launched a new Open Call Programme for cooperation with Northwest Russia aiming to foster closer relationships and cooperation between Nordic and Russian partners including NGOs. This programme complements existing programs in environment and climate, health, and education and research.<sup>10</sup> Also, the Northern Dimension aims to support stability, well-being and sustainable development in the region via practical cooperation within a wide range of sectors.<sup>11</sup>

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9 <https://www.interreg-baltic.eu/news-detail/news/funding-available-for-russian-participation-in-joint-projects.html>

10 <https://russia-open-call.norden.org/>

11 <http://www.northerndimension.info/>



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# ENERGY COOPERATION IN THE BALTIC SEA REGION – TANGIBLE RESULTS, CHALLENGES AHEAD

The Baltic Sea Region is one of the most dynamic and rapidly developing parts of Europe. Energy is a vital component in this regard, enabling and encouraging broader regional cooperation, while at the same time creating opportunities for economic prosperity and growth. Adding to this, close regional coordination of energy policies is crucial in terms of energy security. Therefore, it is politically sensitive, rather than only economic, issue.

Looking back, two key events have shaped the development of energy policy in the Baltic Sea Region. The first one is the 2004 enlargement of the European Union (EU). Encompassing countries of Central-Eastern Europe, this expansion “changed the political and institutional landscape of the region” substantially, with EU regulatory norms and principles being implemented into national legislation of the newly joined member states. What is more, the ongoing armed conflict in Ukraine, which started in 2014, has altered the geopolitical situation in the region radically. Resurgent Russian revanchism has once again brought into the question the security of the region in general and its energy security in particular.<sup>12</sup>

## ENERGY COOPERATION IN THE REGION: FROM BASREC TO BEMIP

Energy cooperation in the Baltic Sea region dates back to 1998, when the intergovernmental Baltic Sea Energy Cooperation (BASREC) framework was founded by the ministers of energy of the region and the European Commission. It has served as a regional forum for dialogue on energy policy and climate change, with the central objective of promoting sustainable growth, based on competitive, efficient and well-functioning energy markets. In particular, BASREC has played a substantial role in pushing

through energy efficiency measures, promoting renewable energy sources and developing new, low-carbon and energy-efficient technologies.<sup>13</sup>

The next major development in terms of energy cooperation in the region took place in 2009, when the European Council approved the EU strategy for the Baltic Sea Region. Among other things, this strategy provides an integrated framework for improving energy interconnections, aimed at increasing competitiveness, security of supply, energy efficiency and the use of renewables within the region.<sup>14</sup> The key target of this framework is the rapid implementation of the Baltic Energy Market Interconnection Plan (BEMIP)<sup>15</sup>. BEMIP thus came to be known as an unprecedented regional initiative, strengthening energy interconnections (via the Connecting Europe Facility) among countries in the region and integrating them into an operative regional energy market. In particular, integration of the Baltic states – long seen as “energy islands” within the EU – into the single European energy market, currently under construction, has been one of the critical goals of this project.

Such basis for regional cooperation has already proven effective, as some of the strategic projects have already been completed, facilitating the establishment of a fully-fledged energy (electricity) market in the Baltic Sea region. The ESTLINK 2, enhancing the interconnection between Estonia and Finland, and the interconnections linking Lithuania to Sweden (NORDBALTC) and to Poland (LITPOLINK) are primary examples of this. The latest one, LITPOLINK, is also a proof that neighbouring countries, Lithuania and Poland, are able to efficiently cooperate, in spite of other bilateral issues. These new links have connected the Baltic countries to both Scandinavian

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<sup>12</sup> Jakub Godzimirski, Ramūnas Vilpišauskas, Romas Švedas, *Energy Security in the Baltic Sea Region: Regional Coordination and Management of Interdependencies*. Vilnius University Press, 2015, p. 6

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<sup>13</sup> Council of the Baltic Sea States, *Baltic Sea Region Energy Cooperation* visited on 7 September 2016.

<sup>14</sup> EU Strategy for the Baltic Sea Region, *Priority Area Energy (PA Energy)* <http://groupspaces.com/eusbsr-energy/> visited on 7 September 2016.

<sup>15</sup> European Commission, *Baltic Energy Market Interconnection Plan*, <http://ec.europa.eu/energy/en/topics/infrastructure/baltic-energy-market-interconnection-plan> visited on 7 September 2016.

and continental European electricity grids, creating new routes for electricity imports and exports in the region. This expansion of existing infrastructure has also had a strategic outcome; it has significantly decreased the dependence of Lithuania, Latvia and Estonia on electricity imports from Russia.

The BEMIP umbrella covers projects not only linking the Baltic markets to Scandinavian and continental European ones, but also strengthening the interconnectedness among the three Baltic countries. For instance, the third electricity interconnection between Latvia and Estonia (to be built by 2020) will increase transmission capacities to levels necessary for a sufficiently functioning electricity market in the Nordic-Baltic region, without congestions (“bottle-necks” between the Baltic states) that have so far undermined its effective day-to-day operation.

With an increasing level of across-border interconnectedness and an operative electricity market, the Baltic Sea region may be regarded as a “best practice” example for other EU sub-regions. It is evident that Europe-wide initiatives, such as the creation of the single energy market, are facing substantial difficulties and practical delays (especially in a period when the EU is facing a vast range of challenges, ranging from Brexit to the ongoing refugee crisis). At this uneasy time, sub-regional projects and initiatives have proven to be more effective and could arguably function as a catalyst for wider-scale cooperation in the energy domain.<sup>16</sup>

## COUNTERING RUSSIAN ENERGY INFLUENCE IN THE REGION: ELECTRICITY

Despite the positive developments following the increasing integration of regional electricity markets, the Baltic Sea Region, especially the Baltic countries and Poland, still have a long way to go in order to free themselves from deeply rooted Russian energy influence. In the current geopolitical context, ensuring adequate level of energy independence becomes of critical importance, as it is widely acknowledged that the Russian side employs energy means for reaching political goals – for instance Ukraine’s gas crises in 2006, when the cut-off of gas flows had a direct impact on many European countries, as well as in 2009 and again in 2014.

In this vein, it is crucial to realize that even with increased electricity interconnections, a large part of the Baltic Sea Region remains closely connected to the old Soviet-era electricity system. In particular, Latvia, Lithuania and Estonia are all still part of the Russian IPS/UPS system, which is one of five different synchronous zones in Europe. A synchronous area is a geographical area in which power generators operate at the synchronised frequency and time, meaning that the electricity sector of the Baltic states remains more closely connected to third countries rather than other EU member states – with the electricity switch still located in Kremlin. In order to ensure fully-fledged Baltic integration into the regional, as well as the wider single EU energy market, de-synchronisation from the BRELL energy ring is required, followed by synchronisation with the continental European system.<sup>17</sup>

Looking from today’s perspective, what is needed for this purpose is first of all, the expansion of existing electricity transmission capacities. In practice this means the construction of the second line of electricity interconnection between Lithuania and Poland – LITPOLINK2. For this to become reality, continued closer cooperation among Lithuanian and Polish governments is necessary, while putting coordinated effort into adding this project into the list of EU Projects of Common Interest (PCIs). Apart from the need to secure EU funding, ensuring adequate domestic energy generation capacities is also a challenge.

These capacities are crucial in order to prepare for autonomous functioning of the system once de-synchronisation from the BRELL energy ring takes place. With the abandonment of the Visaginas nuclear power plant project in Lithuania due to the fact that the Baltic states’ governments and Poland could not find a compromise, there is an apparent lack of sources of domestic energy generation needed for this purpose. Under these circumstances, synchronisation with the continental European grid is likely to take place by 2025 at the earliest – when the interconnectedness and local generation issues are finally dealt with.

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<sup>16</sup> Godzimirski et al, p 68.

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<sup>17</sup> Communication from the Commission to the European Parliament and the Council “European Energy Security Strategy” (COM(2014) 0330), Brussels 28.5.2014, p. 24.

## COUNTERING RUSSIAN ENERGY INFLUENCE IN THE REGION: NATURAL GAS

Apart from the electricity domain, the natural gas sector has long been the principal element of Russian influence in the Baltic Sea region. Nevertheless, the last several years have witnessed a substantial shift in the regional gas sector, with a rapid expansion of liquefied natural gas (LNG) infrastructure. The floating LNG terminal that started operating in Lithuania in late 2014 turned the country from 100 % dependent on Russian gas into practically independent from imports provided by “Gazprom”; that led to the terminal’s official name, “Independence”. This terminal has definitely had a regional significance – it has the capacities to satisfy around 90% of the annual gas demand of the three Baltic nations. At the same time, there are plans to further exploit the Lithuanian terminal further – by transforming it into a regional one, which could supply gas to the broader range of countries, particularly in Scandinavia.<sup>18</sup>

Adding to this, Poland also started the operation of its LNG terminal in Swinoujscie in late 2015. The country is intending to radically reduce the amounts of Russian gas imports, while at the same time considering possibilities exporting gas from the terminal to the Czech Republic, Slovakia, Ukraine and Lithuania. However, for this to happen, Poland needs to continue developing gas interconnections with its neighbouring states, particularly Lithuania – GILP, expected to link the Baltic States’ gas markets to the broader Central-Eastern region.<sup>19</sup> Furthermore, the successful experience of Lithuania and Poland when constructing their LNG terminals, coupled with increased geopolitical tensions in the region, has encouraged Estonia to make moves forward with the construction of the “Baltic LNG” terminal (to be finished by 2019). Plans to build a gas interconnection between Estonia and Finland – the “Baltic Connector” – would also help to further boost the energy security parameters of the region.<sup>20</sup>

However, none of these “hardware” developments will lead to truly operative energy markets in the Baltic Sea countries or decreased Russian influence until the

“software” part is dealt with. While all other countries in the region have already implemented the EU Third Energy Package, which implies separating production and supply activities, Latvia is one country that is still lagging behind. While Latvia has made progress solely in the field of electricity, authorities have postponed the enforcement of the provisions of the Third Energy Package until 2017 in gas sector. This has helped to maintain the dominant position of “Gazprom” in the national gas market, particularly the transmission and distribution systems, and has severely limited third party access, especially to the strategically important Inčukalns underground gas storage facility.<sup>21</sup>

## NORD STREAM II

The Nord Stream pipeline, running through the bottom of the Baltic Sea, links Russia directly to Germany, bypassing the Baltic states and Poland. The project started its operation in 2011 and was constructed with the central aim of providing gas imports directly to Germany and other European partners while bypassing Ukraine (following the 2006 and 2009 gas disputes). While it has increased the reliability of gas supply to Germany, this pipeline has at the same time boosted EU energy dependence on Russia.

Losing importance as the principal gas transit route from Russian to European markets, countries in the region found their energy security levels decreasing, with a fear that their vital interests would be sidelined. This feeling of insecurity has been further fostered by recent talks, both in Moscow and in Berlin, about the expansion of the project – Nord Stream II. Any further development of this project lacks the economic basis, as the usage of the existing gas transmission capacities is far from the maximum level available.

Looking from the perspective of the Baltic Sea region, Nord Stream II poses a challenge in the energy domain, as it does not add to the central idea of a single integrated European market, based on regional and sub-regional components. At the same time, it is incompatible with the fundamental goal of the EU energy strategy – reducing dependence on imported energy. Nord Stream II should thus be seen in a negative light – as an outright Russia’s attempt to block any real

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18 Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of Regions “Progress Towards Completing the Internal Energy Market”. Accompanying document – Country Reports. SWD (2014) 311 final, Brussels 13.10.2014.

19 Ibid, p. 27.

20 Ibid, p. 112–113.

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21 Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of Regions “Progress Towards Completing the Internal Energy Market”. Accompanying document – Country Reports. SWD (2014) 311 final, Brussels 13.10.2014, p. 134–135.



progress in establishing a functioning internal EU energy market, while ensuring its dominant position in Europe's gas consumption (which currently stands at around 30%).<sup>22</sup> Therefore, any developments of this project would be a substantial step backward for European energy integration, which has been the key driving force behind regional energy integration for the Baltic Sea countries.

## WAYS FOR THE FUTURE

To sum up, developments in the energy sector represent an example of active and successful cooperation among Baltic Sea states. While this cooperation still needs to continue in order to form a truly functioning regional energy market, the record of regional cooperation may serve as an example for other regions within the EU. However, it also reveals substantial differences among the countries in question, as the Nordic countries are way ahead of the Baltic states in terms of infrastructure and linkages; it could encourage sharing of best practices not only in the phase of implementation of key infrastructure projects, but also in terms of energy efficiency. This is of critical importance, as closely integrated regional "building blocks" represent the fastest and most direct way of forming an operative EU-wide Energy union. As the goals of Energy Union include diversification of Europe's sources of energy, creation of a fully-integrated internal market via interconnectors that enable energy flows freely, increase of energy efficiency, as well as reduction of emissions,<sup>23</sup> regional integration progress of the Baltic Sea states proves to be one of the leading ones.

The Baltic Sea countries must keep the rapid pace of implementing sub-regional and state-to-state integration initiatives (electricity and gas links), which would further boost the level of interconnectedness within the region. The central goal for countries in the region should be to finalise the creation of the single European energy market, while forming its integral part and, at the same time, reducing reliance on third-party suppliers. On a broader scale, countries in the region should seek the removal of the remaining regulatory and physical barriers to trade in energy resources not only within the EU, but also globally.

A good way to start would be the Trans-Atlantic Trade and Investment Partnership (TTIP), which has the potential of bringing vast US energy resources to Europe.<sup>24</sup> According to European Commission, TTIP is essential to "promote sustainability in the use of traditional fuels and develop the new green energies of the future", as it would eliminate existing limits and base cooperation on openness mutually agreed rules and competition friendly relationship.<sup>25</sup>

<sup>24</sup> Godzimirski et al, 60–65.

<sup>25</sup> Energy and raw materials in TTIP  
[http://trade.ec.europa.eu/doclib/docs/2015/january/tradoc\\_153015.2%20Energy%20and%20raw%20materials.pdf](http://trade.ec.europa.eu/doclib/docs/2015/january/tradoc_153015.2%20Energy%20and%20raw%20materials.pdf)



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<sup>22</sup> Judy Dempsey, Germany's Ambiguity Toward Russia and Energy Security <http://carnegieeurope.eu/strategieurope/?fa=62243> visited on 7 September 2016.

<sup>23</sup> Energy Union and Climate [https://ec.europa.eu/priorities/energy-union-and-climate\\_en](https://ec.europa.eu/priorities/energy-union-and-climate_en)

# RUSSIA IN THE ARCTIC VS THE BALTIC SEA: THE SAME OR DIFFERENT?

The Arctic may seem like far from the Baltic Sea, and indeed it is. However, since the general impression is often of a more cooperative Russian behavior there than in the Baltic Sea, it is worth taking a closer look at the pattern in the High North. Is the impression of peaceful cooperation as the basis for Russia's presence in the Arctic correct, and in that case, how come – and will it last?

Since the Russian intervention in Ukraine in 2014, and the illegal annexation of Crimea, the security situation in the Baltic Sea region has deteriorated to a level of tension not seen since the 1980s. As a result of countless occasions of Russian provocations against the countries in the region during the last few years – including simulated nuclear bombing attacks, submarine intrusions, reckless flying with transponders turned off by Russian pilots, and various other forms of military intrusions and provocations – the unstable security situation in the Baltic Sea region has been described by the Nordic Defense Ministers and others as a “new normal”. The Russian military intervention in Syria provides an additional example of the aggressive policy pursued today by Moscow.<sup>26</sup>

While Russian aggression is at display both in the East – the Baltic Sea region and Ukraine – and the South – Syria – the North, with the Arctic region, however still appears relatively calm, in spite of an increased Russian military presence and significant national interests in the High North for Moscow. Rather than the assertive and provocative military stance that Russia has taken in other regions, and in particular the Baltic Sea, Russia's activities in the Arctic appear, at least at first glance, to depart from a spirit of cooperation with the West, also after the Ukraine crisis exploded in early 2014.

## A MIXED PICTURE

The diplomatic course pursued by Russia in the Arctic is indeed based on continuity. The dramatically deteriorated political relations between the West and Russia that resulted from the intervention in Ukraine, with for instance a suspension of the activities in the NATO-Russia Council, have thus not had any immediate repercussions on the Arctic region.

Instead, the Russian Arctic policy comes across as to a large extent characterised by a pragmatic line of cooperation with its Western partners, with the Arctic Council at the core of the policies. The decision by Canada, then chairman of the Council, and the US to boycott the meetings that were held in Moscow shortly after the Russian intervention in Ukraine, were met with a subdued Russian response.

Furthermore, in March 2014, only weeks after the Russian intervention, the eight countries of the Arctic Council, plus a number of organisations, agreed to jointly establish an economic forum, the Arctic Economic Council (AEC), with the aim to promote economic development in the Arctic region, which is a top priority for Russia.

Russia had signed the Ilulissat Declaration already in 2008, in which the five Arctic littoral states declared international law as the basis for their actions, including future settlements of territorial disputes. A practical consequence of this could be seen in 2010, when Norway and Russia somewhat unexpectedly settled a border conflict in the Barents Sea which had been disputed by the two countries for 40 years. When Denmark presented its territorial claims in the Arctic region, which stretched quite far into the North Pole, the initial reaction by Russian officials was that the Danish claims were “surprisingly extensive”, only to soon thereafter be described as “unproblematic”.<sup>27</sup>

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26 Ann-Sofie Dahl (ed.), *Baltic Sea Security. How can allies and partners meet the new challenges in the region?* (Copenhagen: Center for Military Studies, January 2016). Russia has also been suspected of involvement in the migrant flows that crossed Europe in particular in the fall of 2015. See Ann-Sofie Dahl, *A Continent in Chaos: The Security Implications of the European Migrant Crisis* (Scowcroft Paper No. 2, The Bush School of Government, Texas A & M University, June 2016).

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27 Cited by Kristian Søbø Kristensen and Casper Sakstrup in *Russisk Politik i Arktis efter Ukraine-krisen* (Copenhagen: Center for Military Studies, May 2016), p. 17. Also in *Arktis og Ukraine-krisen. Perspektiver for Rigsfællesskabet* (Copenhagen: DIIS, 2015:10).

In addition, the cooperation between the Norwegian and the Russian Coastal Guards has continued as before, with the first meeting of the newly formed Arctic Coast Guard Forum, which assembles the Coast Guards of all eight countries to discuss issues of maritime safety in the region at the highest level, held in 2015.

These and other examples seem to confirm Foreign Minister Lavrov's statement that the Arctic shouldn't be seen as "a potential conflict zone"<sup>28</sup>. Russia would seem to have everything to gain from maintaining a peaceful atmosphere in the region, considering the enormous economic values at stake, and the equally enormous potential that lies in the exploration and exploitation of the gas and oil resources in the Arctic.

As Medvedev stated in 2008, turning the Arctic into "a resource base for Russia in the 21st century" is defined as a fundamental task, and in that context, the shipping route through the Northeast passage of great importance.<sup>29</sup> The sanctions imposed by the West following the Ukraine crisis have made the natural resources in the Arctic region even more crucial for the Russian economy; though on the other hand, the sanctions also make it more difficult to exploit the resources in the Arctic.

## MILITARY BUILDUP

Economic growth and development of resources require stability and continuity. However, parallel with this picture of Russian policy in the Arctic as based on pragmatic cooperation and peaceful diplomatic relations with the West, another one emerges, with a substantial military build-up and modernisation of the Russian forces in the region. Even though Russian officials have stated that there are "no problems that require a military solution" in the Arctic, the extensive and numerous military activities in the region suggest otherwise.<sup>30</sup>

A number of events over the past decade has painted a picture of a more confrontational Russian line in the Arctic. The most spectacular of these was the placing of a Russian flag on the seabed below the North Pole by polar explorer Artur Chilingarov in 2007. A new Russian strategy for the Arctic was presented the following year, and a new national security strategy in 2009. In 2014 – the year of the Ukraine intervention

– the Russian Military Doctrine for the first time identified the core task to "protect Russian interests in the Arctic", a region where Russia considers itself to hold special rights as well as demands.<sup>31</sup>

In 2015, two events again posed question marks around the peaceful nature of Russian politics in the Arctic. In April, Dmitry Rogozin – chairman of the Russian Arctic Commission whose name is on the West's list of sanctions – landed on Svalbard and proceeded to inform the world, including the Norwegian authorities, of his arrival by Twitter. Yet another spectacular landing was performed the same year by 100 Russian special operation forces on the ice near the North Pole.

Apart from such provocative acts, a number of new military bases have been opened, and old Soviet ones reopened, such as the one on the island Kotelnjy in Northern Siberia<sup>32</sup>. Two new brigades have been based strikingly close to the Norwegian and Finnish borders, respectively. A new Arctic Command has been established, Northern Fleet – United Strategic Command, in Murmansk Oblast, the home base for the Northern Fleet, which has been heavily reinforced and modernised, including with regard to the strategic nuclear capabilities. It now regularly patrols near Norwegian and Danish waters.

The list of military activities in the Arctic also includes an increased number of exercises of all sizes since 2012, including large-scale "snap exercises". The largest so far took place in 2015, with an estimated total of 38,000-45,000 troops, 110 aircraft, 41 naval units and much more. All of the above – to which many more examples could be added – creates the impression of an offensive, rather than defensive, character of the Russian military activities, which is particularly troublesome after the Russian aggression in Ukraine, and previously in Georgia in 2008.

## CONFLICT OR COOPERATION IN THE ARCTIC?

So how should this mixed and, in many ways contradicting, picture of Russian policies and activities in the Arctic be interpreted? On one hand, the far-reaching economic and commercial

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28 Ibid, p. 9.

29 Ekaterina Klimenko, "Ruslands politik i Arktis", Udenrigs, April 2016.

30 Cited in Soby Kristensen & Sakstrup 2016, p 26.

31 Klimenko 2016, p 43.

32 The military activities are described and listed by e.g. Heather A. Conley & Caroline Rohloff in *The New Ice Curtain – Russia's Strategic Reach to the Arctic* (Washington, DC: Center for Strategic and International Studies, August 2015).

interests that Russia has in the Arctic point in the direction of a policy of peaceful continuity and cooperation, which is also the impression given by Russian statements and activities in the Arctic Council, and in its sober response to the resolution of territorial disputes with the Nordic Arctic states.

It would seem to be in Russia's interests to pursue a policy based on cooperation with its neighbors in the Arctic, especially with the rapidly declining oil prizes and the economic troubles ahead for the country. Russia also needs access to foreign competence and technology for the exploitation of its Arctic territories.

On the other, the lengthy list of military activities, often of an undeniably provocative nature, and the heavy investments in the military infrastructure in the Arctic – which go far beyond a mere modernisation – is a cause of obvious concern for the other states in the region. The stronger rhetoric that has been heard since the Ukraine intervention on the need for Russia to protect its interests in the Arctic, and the emphasis which is put on the region's symbolic role for the Russian history and national identity, as well as with regards to the region's key position in its grand strategy, all add to the worries presently felt by the country's neighbors.

This policy of double, and mixed, signals is, as Russian experts point out, characteristic for Putin's Moscow, and part of an overall ambition to confuse, split and divide the West which can also be seen elsewhere where Russia is engaged.<sup>33</sup> In that sense, the lack of transparency and the seemingly contradictory behavior is therefore not all that unique for the Arctic.

The stepped-up Russian military presence in the Arctic has led to suggestions in the US defense community that it is time for a "comprehensive assessment" of US Arctic policy.<sup>34</sup> Norway has long been a proponent for a greater focus, and a more visible NATO-profile, in the Arctic and the High North, and the Norwegian Defense Minister has repeatedly stressed the need for NATO to make maritime security a priority. Primarily Canada, but also Denmark, have so far been generally reluctant – or even opposed – to such involvement by NATO, and thus by non-Arctic countries in the region but may have to revisit this strategy. The future Russian course in the Arctic is therefore

surrounded by multiple question marks. The region holds a key role, both for the economy and from a historic and symbolic perspective, where Russia sees itself as having a special role and core national interests that need protection. The interventions in Ukraine in particular, but also in Georgia, have demonstrated the Russian readiness to use military force when its national interests are deemed to be at stake. The balance between the pragmatic cooperation which we see at the political level and the increased military activities might thus be rapidly overturned.

## THE ARCTIC VS THE BALTIC SEA

Nevertheless, there is an obvious difference between the Russian behavior in the Arctic and in the Baltic Sea region, where there are no signs of the cooperative political spirit still displayed in the High North. Why is that?

One explanation might be found in the different roles which the two parts of the Nordic-Baltic region seem to possess in Russian strategy. While the Arctic may be described as approached from a regional perspective by Russia, a global perspective is assumed in the Baltic Sea as one of the main battlegrounds for challenging the present international system and the US role in the world.<sup>35</sup> In particular, NATO is seen as having performed an unacceptable act of intrusion into Russian spheres of interest by including the three Baltic states on former Soviet territory into its membership. As a region of global competition, according to Moscow, the room for collaborative ventures is therefore limited in the Baltic Sea for the foreseeable future as the Russian military aggression, and the quest for global control of which it is part, continues.<sup>36</sup>

The Arctic, although increasingly significant in terms of national security, remains primarily dominated by substantial economic and commercial interests; by the exploration and exploitation of natural resources of enormous value to the Russian economy, and consequently, also a need for continuity and cooperation in order to ensure safe and open sea lines of navigation and traffic etc. Within that space, significant islands of cooperation could

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<sup>33</sup> See for example the writings by Danish Russia expert Samuel Rachlin, such as his book: *Jeg, Putin. Det russiske forår og Den russiske verden* (Copenhagen: People's Press, 2014).

<sup>34</sup> Michael Green et al, *Asia Pacific Rebalance 2025* (Washington, DC: Center for Strategic and International Studies, April 2016).

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<sup>35</sup> Tobias Etzold and Christian Opitz present a somewhat more optimistic view on cooperation in "The Baltic Sea Region: Challenges and Game Changers – a discussion paper by Baltic Sea Think tank Deep Water" (Copenhagen: BDF Summit, November 2015).

<sup>36</sup> Dahl, January 2016.

conceivably be found in areas such as environmental issues, and Search and Rescue projects.

The increasingly militarised Russian presence – and the greater emphasis on national interests and the symbolic significance of the Arctic – is however, as we have seen, also highly problematic. As the other Arctic states experience a need to strengthen their own military in response to a more militarised Russian presence, relations in the Arctic may gradually become more global in character. A report by two Danish researchers concludes: “... Russia will, from time to time, conduct diplomatic and military actions that decrease her trustworthiness, stepping up conflict dynamics and potentially contributing to undermining Russia’s own key economic interest in maintaining regional stability”.<sup>37</sup>

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<sup>37</sup> Soby Kristensen & Sakstrup, 2016, p III.



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