



POLITICAL STATE OF THE REGION

REPORT

EXTERNAL EARTHQUAKES, INTERNAL ADAPTATION? BREXIT, TRUMP AND THE BALTIC SEA REGION

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EDITOR'S FOREWORD

We are happy to present the Baltic Development Forum's (BDF) sixth Political State of the Region Report for the 19th BDF Summit in Berlin. It is the aim of this report to identify trends and directions in the Baltic Sea Region as well as to put spotlight on opportunities for regional cooperation.

The last year has shown a number of political changes in the world, from the British decision to leave the European Union, to the election of Donald Trump as president of the United States of America. BDF has asked a group of young researchers from Germany, Poland, Lithuania, Denmark and Russia to describe the consequences and thinking in their countries and for the region.

Jana Puglierin is describing what the changes mean for German policy, Agnieszka Łada explains what it has entailed for Poland, Sergey Reveda evaluates the impact in Russia, while Linas Kojala tells us about the influence in the Baltic States. Ann-Sofie Dahl is looking into security cooperation in the Nordic countries, and Tobias Etzold follows developments in the international institutions in the Baltic Sea Region.

Baltic Development Forum and Konrad Adenauer Stiftung arranged two roundtables in the preparation of this report. The first in Berlin in March and the second in Riga in April, gave us the opportunity to discuss political developments with a

number of leading experts. The writers have exchanged views on the texts and discussed the consequences. Let me for good reason mention that the scripts were delivered by May 1, 2017 – so in these fast-moving times, it is inevitable that events will take place between then and our publication date, which we will describe next year.

It should also be mentioned that the views expressed in this report are those of the researchers and are not necessarily those of Baltic Development Forum and Konrad Adenauer Stiftung.

I would like to thank the Konrad Adenauer Stiftung Office in Riga and the young researchers for an excellent cooperation throughout the process – we are looking forward to continuing this work next year.

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EXECUTIVE SUMMARY

It is interesting to see how Brexit and the Trump election have influenced the thinking of all the countries in our region. But it is also evident that it has influenced the countries in very different ways.

Jana Puglierin describes Brexit and the Trump election as earthquakes for Germany, since both events were perceived as threats to German foreign policy. She also tells that the greater demand on German leadership puts new pressure on Berlin. Germany is looking for further integration of EU, but is also aware that German dominance is seen as part of the problem by some, rather than the solution. Many in Berlin likewise see the new American president as a source of global instability. Germany wants to lead through international institutions, and sees the potential to deepen cooperation amongst Germany and the EU-member states of the Baltic Sea Region (BSR). On the other hand, their different status makes it difficult to find common ground and form a regional bloc.

Also for Poland, the changes provide challenges for its foreign policy, says Agnieszka Łada. The United Kingdom was seen as a main partner in EU and a strategic partner in NATO. But contrary to Germany, the Polish government advocates a policy of weaker integration. A particular problem which Poland shares with the Baltic states, is the status of the many Poles now living in Great Britain. Contrary to the German government, the Polish government supported Donald Trump and does share the concerns found in the liberal expert community of the Baltics, Germany and the Nordic states, that Trump could change the main foreign policy priorities which affects the region. Most Poles still see Germany as their main partner.

Sergey Reveda thinks the media image ties Donald Trump's election with a "revolution from the top". He sees it as the excessive personification of processes, and underestimation of the interests of the parties; compromising international institutes and rules. He does not see some big deal or restart in Russia-US relations. The dialogue between Washington and Moscow will be focusing on combating international terrorism and

religious extremism, while it is still unclear what will be US-policy on the post-Soviet space. The third important issue is the militarisation of Eastern Europe; a backdrop in Russia-US talks. Brexit has no crucial significance for Russia, but EU-disintegration would be economically unfavourable to Moscow. So all in all, Brexit and Trump's election are seen as a tectonic shift on the world, stage the prospects of which are yet to be determined.

For the small Baltic states, Brexit and Trump's election were seen as "earthquakes". As already mentioned, the status of Baltic citizens in United Kingdom is an issue, as are the economic changes within the EU, when the UK leaves. Finally the Baltic states view Britain as an important security partner, Linas Kojala reports. Additionally, the statements from Donald Trump on NATO and Russia made the Baltic politicians anxious. The appointments of traditional Republicans to the Foreign and Security positions of the administration have been seen more as a continuation, rather than a shift in US policy towards Russia.

Ann-Sofie Dahl describes how Brexit will see the Nordic countries lose their main partner among the big European powers. With regards to security and defense, there will likely be an effort to develop the Common Security and Defence Policy (CSDP) by France, when the UK will no longer be there to block activities. On the other hand, it is clear that the UK is presently making an effort to strengthen its military and political ties with all the Nordics, both bilaterally and in international fora. Brexit is likely to strengthen Nordic cooperation in security and defence in the Nordic Defence Cooperation (NORDEF), as well as the Northern Group. Donald Trump's victory was seen as a setback by the Nordic countries, and the prospect of some kind of realignment with Russia has been seen as particularly troublesome to the Nordics.

Tobias Eitzold explores the implications on the regional cooperation around Norden and the Baltic Sea. The Nordic Council of Ministers wishes to intensify and deepen cooperation after Brexit, while the Nordic

Council increasingly engages in debates on highly political issues. The Council for the Baltic Sea States continues to deal with soft issues that remain relevant in the regional context. The EU Strategy for the Baltic Sea Region is proceeding slowly, while the Northern Dimension is under strain from the Ukraine crisis. The Nordic-Baltic cooperation (NB8) has been tightened and extended, while the Northern Future Forum with the UK has been established.

We can conclude that multilateral cooperation around the Baltic Sea remains important for the region's development and prosperity. Regional cooperation however, needs to adapt and adjust constantly to external circumstances. Hard security cooperation has become more important, but it falls outside the traditional formats of regional cooperation. Traditional formats and themes of regional cooperation should not be neglected, which could provide a certain sense of regional stability in unstable and uncertain times.

HOW DOES THE BREXIT REFERENDUM AND THE ELECTION OF DONALD TRUMP AFFECT GERMANY?

The United Kingdom's 'Brexit' referendum and the election of Donald Trump felt like political earthquakes for Germany, at least in the days and weeks that followed each event. In both cases, Germans had gone to bed in high spirits and woken up to a new reality. Both events were perceived as existential threats to core parameters of German foreign policy dating back to the foundation of the Federal Republic in 1949, which has always been based on the twin pillars of the EU and a strong transatlantic alliance.

For the first time since the end of the Second World War, both pillars seem to be simultaneously at risk.

With Britain having started the process of leaving the EU and unprecedented uncertainty about the future of US foreign and security policy, more eyes are now fixed on Germany. There is a greater demand for German leadership not only within the EU, but also on issues like Syria, Iraq, and Russia. Suddenly, Chancellor Merkel has become the 'Leader of the Free World' in the eyes of many international commentators. These colossal expectations put a great deal of pressure on Berlin, which is more daunted than flattered, and not entirely comfortable with its new role.

GERMANY'S FIRST PRIORITY: HOLDING THE EU²⁷ TOGETHER AFTER BREXIT

In her immediate reaction to the Brexit vote, Angela Merkel said: "We take note of the British people's decision with regret. There is no doubt that this is a blow to Europe and to the European unification process." She also stated that "Germany has a particular interest and a particular responsibility" to make European unity a success.

Her last sentence alludes to what has been the key goal of Merkel's policies throughout her tenure. Since she came into office in 2005, she has been a staunch supporter of the EU, deeply believing that European integration and co-operation are the cornerstones of German foreign policy. As is

true for most German politicians, European integration has become part of Merkel's political DNA. Sophia Besch and Christian Odendahl hit the nail on the head: "[F]or no other country in Europe is the European project more important than it is to Germany."¹ Nonetheless, confronted with accusations that Germany is becoming the new European hegemon and dominating the EU through its sheer size and the lack of countervailing powers, Merkel's policy in recent years has been a constant struggle to prevent the collapse of the European Union and its key political pillars. Consequently, Merkel has made it very clear that countries with third country status – like the UK after Brexit – will not have the same rights as members of the European Union, let alone more.

In responding to Brexit, it is essential to Germany that the EU does four things: strengthen the cohesion of the remaining 27 member states, prevent further disintegration, address the UK with a single, European voice and develop a plan for the future of the EU.

Given the current differences between member states, this is a Herculean task with uncertain results. Expectations are high that Germany will hold the rest of the EU together.

At the same time, many member states regard German dominance as part of the problem rather than an appealing solution. The European financial and banking crisis and the refugee crisis have clearly demonstrated that several EU member states – including some in the Baltic Sea Region – do not buy into Berlin's role as the European white knight. Angela Merkel's refugee policy has estranged Poland, the Baltic States, and most of the Nordic countries. Moreover, for non-Eurozone members Poland, Sweden, and Denmark, London

¹ Sophia Besch and Christian Odendahl, *Berlin to the rescue? A closer look at Germany's position on Brexit*.

CER Policy brief, 17 March 2017, p. 2. [<https://www.cer.org.uk/publications/archive/policy-brief/2017/berlin-rescue-closer-look-germanys-position-brexit>].

has always played an important role as a counter-balance to the more integrationist bloc around France and Germany within the EU. Without Great Britain, the main challenge is to avoid being shut out should the EU move forward in deepening its structures.

German concerns that member states might show less understanding for German positions and less readiness for cooperation in the wake of Brexit are therefore well founded. Berlin is especially apprehensive that the British government might use 'divide and rule' tactics during the Brexit negotiations, offering special deals to some member states to later use them as Trojan horses, splitting the EU²⁷. Additionally, some in Berlin fear the election of Donald Trump might have further exacerbated negative feelings about Germany and the already existing disintegrative tendencies within the EU. In an interview with the *British Times* and the German *Bild* in January 2017, Donald Trump praised Britain as "smart" for opting out of a European Union that he believed was a "vehicle for Germany" and on the brink of collapsing. Many in Berlin were left with the impression that the American president might actively seek to break up the EU. Even though Trump has softened his criticism of the EU and moderated his tone since then, many Germans still vividly remember these initial remarks.

But the Germans are not unhappy about Brexit merely because they worry that other EU member states may be tempted to follow the British example, or form an alliance against them. The British exit will have direct economic and political consequences for Germany. The UK is Germany's third most important trading partner. Lack of clarity on the country's future relationship with the European common market will damage British-German trade relations and impede German economic growth. Moreover, Germany might have to make up for a large amount of the lost British contribution to the EU budget.²

² See Jana Puglierin / Julian Rappold, *The EU Grapples with Brexit*, DGAP Standpunkt 5, June 2016, p. 2.

Even more problematic is the fact that Germany will lose an important ally in the fight for free markets, deregulation, and reducing bureaucracy. The German government has seen the UK – together with the Nordic countries and the Netherlands – as an important ally for the causes of economic liberalism and smaller EU budgets. The British decision to leave changes the balance of power in the ECOFIN Council to the advantage of those states in favor of introducing a more state-led and interventionist economic policy. It would therefore be in Germany's interest to strengthen relations with the Nordic and Baltic countries, which share a similar economic culture and could provide natural support for Germany.³

TRANSATLANTIC RELATIONS IN THE ERA OF DONALD TRUMP

The election of Donald Trump as the 45th president of the United States was seen as a watershed moment for transatlantic relations in Berlin. It was by no means the preferred outcome for most Germans – only the right wing Alternative für Deutschland (AfD) had voiced support for Trump during the campaign and celebrated his victory after the vote. The rest of Germany was in deep shock, and has had difficulties recovering. While this critical stance on Trump was never shared by the Polish government,⁴ and has shifted rather rapidly in the Baltics,⁵ many in Berlin still believe that the new president has turned the United States into a source of global insecurity. They do not buy into the commonly held belief that President Trump will not be as bad as was initially feared; instead, even dyed-in-the-wool Atlanticists like Thomas Kleine-Brockhoff expect “more disregard for individual freedom, more nationalism, more contempt for multilateralism, more negligence of old alliances, more condescension toward Europe, more active dismantling of the liberal international order.”⁶

While political elites in Warsaw, Riga, Vilnius, and Tallinn have become convinced that mainstream foreign

policy experts like James Mattis and H. R. McMaster have moderated Trump's instincts and guaranteed strong American commitment to Europe and European security, Berlin's foreign policy elites don't fully share this sense of relief.

One of the reasons for this view, is that the election of Donald Trump was a particularly rude awakening for Germany. While President Obama's foreign policy program resonated very well with German foreign policy elites,⁷ Donald Trump seems to be Merkel's ideological opposite. While she champions globalism, open borders, and international institutions, he believes globalism is damaging the United States and immigration is destructive, and has threatened to undermine the very institutions that Germany sees as linchpins of global diplomacy, especially the EU.

Trump's indifference to a scenario where the EU is breaking up was a direct attack on Germany's core political identity. Whereas Obama had called Merkel his “closest international partner,” the relationship between Trump and Merkel has seemed rather tense from the beginning. In his first 100 days in office, Trump has accused Germany of currency manipulation and other unfair trade practices. On Twitter he has blasted Germany for owing the United States and the Atlantic alliance “vast” sums of money for its defence, and during his campaign he accused Angela Merkel several times for “ruining” Germany by taking in large number of refugees. During their meeting in the White House on March 17, 2017, Donald Trump even refused a handshake with Merkel in front of the press. From a German perspective, there is every reason to believe that transatlantic relations face an existential threat.

Meanwhile Angela Merkel – who was a staunch supporter of strong transatlantic ties even during the Iraq War in 2003 – knows very well that the US remains vital to German and European security. Even if the EU were to move ahead much faster and more vigorously with the creation of a European ‘defence union’, something Germany has been pushing for some time, it would not reach strategic autonomy in the foreseeable future. Merkel is aware that the US remains one of her country's most important economic and military allies. She has therefore always tried to find a way for pragmatic cooperation, despite significant and lasting disagreements between the two

sides of the Atlantic. There is absolutely no desire in the Chancellery to risk a major dispute with the US. Instead, Angela Merkel and her foreign policy advisors have worked hard to overcome initial tensions and find avenues of continued cooperation. This seems to have been successful – at least for the time being. Recent remarks and tweets by President Trump indicate that he now tends to see Merkel as a valuable, important ally.

However, cosyng up too much to Donald Trump could create problems at home, since a vast majority of the German public is not well-inclined towards the American president. Merkel's main opposition party, the SPD, is already building a campaign in part around attacks on Donald Trump, whom the German majority does not see as a reliable partner. During Ivanka Trump's visit to Berlin in April 2017, German Foreign Minister Sigmar Gabriel said that her role in the White House “smacked of nepotism” and that the administration resembled a “royal family”. Referring to Donald Trump, SPD candidate for chancellor Martin Schulz denounced what he called the president's “misogynistic, anti-democratic, and racist rhetoric” at an SPD party meeting in Berlin in March 2017.

The issue of defence spending is especially toxic: Donald Trump has indicated that he would make the Article 5 principle of collective defence dependent on whether member states have paid their fair share. Whereas Angela Merkel has said that Germany would do “everything we can in order to fulfil this commitment,” Martin Schulz has made it very clear that he intends to disregard US President Trump's demands for Germany to increase its military spending to 2 % of the country's gross domestic product – ignoring the fact that all members of NATO already agreed to meet this goal back in 2014.

This should come as a warning sign for all those in the Baltic Sea region who hope that Germany will naturally follow in the UK's footsteps, serving to politically anchor the transatlantic security link in Europe.

But the implication that Germany's defence spending is determined by Donald Trump is not the only reason why meeting the 2 % goal is particularly demanding for whom-ever is chancellor in Berlin. NATO and transatlantic security guarantees have been the backbone and framework for Germany's security and defence policy. This allowed Berlin to spend little on defence (compared to both the US, and EU member states such as France and Britain) and to rely on others

3 See Tobias Etzold, “Deutsche Ostseepolitik im Zeichen der europäischen Schuldenkrise”, SWP-Aktuell 47, August 2012.

4 See Agnieszka Lada's contribution on Poland to this report.

5 See Linas Kojala's contribution on the Baltics to this report.

6 Thomas Kleine-Brockhoff, “Transatlantic Views on President Trump's First 100 Days in Office”, GMF Transatlantic Take 360, April 2017, p. 3.

7 See Christopher S. Chivvis / Jana Puglierin, “Europe's President”, 14 October 2016 [berlinpolicyjournal.com/europes-president/].



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for protection, consuming rather than providing hard security.

To reach NATO's 2 % goal would mean that Berlin would have to nearly double its defence spending. Although this would not be a reason for concern for most countries in NATO, Berlin is worried that Poland and France would be none too enthusiastic about having the largest army in Europe at their doorsteps.

OUTLOOK AND CONSEQUENCES FOR THE BALTIC SEA REGION

Even before Brexit and Donald Trump's election, there has been a strong push among German leaders to take on more global responsibility and pursue a more active foreign and security policy. The country has significantly increased its willingness to provide military forces for NATO, EU, and UN operations.

This is particularly visible in Eastern Europe. Since the annexation of Crimea, Germany has taken over the main leadership role in managing the so-called conflict between Russia and Ukraine. Berlin has been a trustworthy and reliable partner of East European governments, including those of the Baltic states, in their struggle against a more and more hegemonic Russia. Germany has tremendously increased its security commitment, to the Baltic states and Poland in particular.⁸ It has also already raised its defence spending – although it is currently only about 1.2 % of Germany's GDP.

It is however, important to note that Berlin prefers to lead through international institutions, especially the EU. Although Berlin's leadership style has appeared unilateral sometimes, Berlin does not actually feel very comfortable when it has the feeling that it is on its own.

Many in Berlin now fear that in the aftermath of Brexit and Trump the very institutions and organizations through which Germany is best able to exercise leadership are at risk of crumbling away, most notably the EU and NATO. Holding both institutions together is therefore a key strategic interest for the Merkel government. This would also be true for a Schulz government, although Germany's engagement in NATO

might probably be somewhat different with an SPD chancellor. At least Martin Schulz has already made clear that "a policy where you have a highly armed military in the middle of Europe doesn't seem to me to be a priority objective of German foreign policy." He then continued by saying, "What we need isn't an arms race but initiatives for disarmament."

Regardless of the outcome of the German election in September, Berlin will continue to pursue voluntary integration in the EU to guard its political and economic interests and to exert influence on the regional and global order. Angela Merkel's administration has promoted the idea of a multi-speed EU with different paths of integration and enhanced co-operation.

With the UK's exit, Berlin is looking for allies and partners within the EU, while Poland, the Baltic states and the Nordic countries are all simultaneously losing one of their key allies. This offers huge potential to deepen cooperation amongst Germany and the EU member states of the Baltic Sea Region, for example when it comes to a common digital market.⁹ On the other hand, the EU member states in the Baltic Sea Region are rather different in terms of their status and participation in different elements of EU integration, with Poland, Sweden, and Denmark still outside the eurozone. This makes it difficult to find common ground and form a regional bloc, especially given recent tensions between Germany and the PiS government in Warsaw. A crucial question for future relations will therefore be whether the states of the Baltic Sea Region will meet the even greater relative strength of Berlin with a higher level of mutual trust, or rather with a revival of historical fears and prejudices. In order to gain trust, it would be wise for Berlin to stop pushing for the Nord Stream 2 pipeline, which irritates the region and is counter-productive to Berlin's other policies.

It is important to note that while the Baltic Sea Region offers some potential for enhanced cooperation, it will always remain just one aspect of a comprehensive German European policy. Therefore it will be crucial for Germany to manage expectations and to make policies towards the region complementary to its other goals.

⁸ See Claudia Major, *Nordic-Baltic Security, Germany and NATO*, SWP Comments 13, March 2016, p. 6.

⁹ See Tobias Etzold, *Nordic Europe after the Brexit Vote*, SaWP Comments 42, September 2016, p. 4.

CHANGES BY THE STRATEGIC PARTNERS – CHALLENGES FOR THE POLISH FOREIGN POLICY

The United Kingdom and the United States traditionally have been close partners with Poland. Specifically in their positions towards Russia – the country perceived as the biggest security threat by the Polish society - they have shared the same approach as Poland. There are, however, many reasons why the changes that have occurred in these two countries in 2016 have big influence on the Polish foreign policy. To understand the Polish position towards these challenges it is, however, needed to take a step back and explain the current Polish attitudes towards European integration and foreign policy under the Law and Justice (PiS) government in power since late 2015.

Polish national narrative regarding European integration is heterogeneous, reflecting deep political polarisation of the elites and society at large, which translates into multiple stakeholders voicing different sets of arguments regarding the challenges facing the EU. While the government and its supporters would like to see the integration process partially reversed, there is a sustained pro-EU sentiment among a large portion of opinion-making elites and majority of ordinary sentiments, backed by vibrant civil society groups. The Law and Justice government's policy on Europe is driven by domestic political considerations, rather than a consistent vision of EU reforms and Poland's place in Europe. It all has also a direct influence on the attitudes towards Brexit and the assessment of the Donald Trump's policy.

WHEN THE ALLY IS LEAVING

The Law and Justice Party's foreign policy refers to the United Kingdom as the main partner, and this was stated in the speech given by the foreign minister Witold Waszczykowski in early 2016. Polish and British conservatives, building the European Conservatives and Reformists (ECR) group in the European Parliament together, share many views on the EU future. However, Polish public support for the membership in the EU remains relatively strong and despite the lack of a

common Polish narrative on the desired future of Europe, withdrawal from the EU (so called POLEXIT) is considered one of the untouchable topics in public discourse. The support towards European integration has never dropped below 70 % over the last decade in the national polls, reaching a peak of 89 % in 2014¹⁰ and dropping only slightly to 88 % in April 2017. In the same poll only three % of Poles supported the hypothetical withdrawal from the EU, whereas 41 % were for the deepening the integration and 32 % wanted to maintain the status quo¹¹. The available empirical data however, shows worrying signs about the citizens' perceptions of some aspects of Poland's membership, such as refugee quotas or the adoption of the Euro, which are both opposed by the majority of the citizens.

The British decision to leave the EU is a big challenge for Warsaw's government. Poland will be faced not only with the loss of its strategic partner, since the UK was the only large non-euro state in the EU, but also in regards to the restrictions on the rights of Polish nationals residing in the UK and cuts to the EU budget.

Firstly, in the upcoming process of negotiating the status of the countries outside the eurozone, Warsaw's government will be much weaker among other EU partners without London's support. It will strongly affect the current Polish policy under the Law and Justice Government which includes a demand for EU treaty changes and focuses on the alleged need to reduce the powers of EU institutions and "return them" to national governments; a position earlier represented also by the Britons. At the same time the Polish Government uses the Brexit example to advocate for the policy of a weaker integration.

¹⁰ B. Badora, 'Wybory do Parlamentu Europejskiego' [Elections to the European Parliament], *Komunikat z badań 40*, Centre for Public Opinion Research, 2014.

¹¹ B. Roguska, 'Jakiej Unii chcą Polacy? [What kind of Union do the Poles want?], *Komunikat z badań 50*, Centre for Public Opinion Research, 2017.

Secondly, Poland is losing an important European ally regarding security issues and whose anti-Russian position was always in line with the Polish one. Furthermore, a large amount of the missing British contribution to the EU budget might affect Poland as the biggest recipient of the EU-funds in the upcoming years. According to some assessments it can even reach 10 billion euros annually from altogether 82 billion euros structure funds for the years 2015-2020. Brexit will affect also Polish-British economic relations with UK being the second, after Germany, Polish export destination.

The main problem for the Polish government in the upcoming Brexit negotiations will be, however, the status of citizens of the European Union countries in the UK. Since 2004 many thousands of young, well-educated Poles have left their own country and been living in the British Isles. Including the children born in the UK to Polish parents, there are approximately one million Poles living in the UK; making them the largest group of EU citizens living in Britain. Their rights after Brexit is not just a major issue, but a test for the effectiveness of the Polish foreign policy still calling the UK an important and close ally. The PiS government seems, however, to understand that these questions must be negotiated together by the 27-EU member states in order to reach a solution in this matter.

The Baltic countries, who have also had a huge percentage of their citizens immigrate to the UK, could be seen as important Polish allies in the negotiations process. Additionally, shared views on the Russian threat bring these states closer. However, it should be taken into account that the three Baltic states belong to the eurozone and will therefore have a different approach to the EU-future than the current government in Warsaw. Here some lines with non-eurozone Nordic states, could be developed.

SHARED COMMONALITIES – DONALD TRUMP IN THE EYES OF LAW AND JUSTICE (PiS)

Also the changes in the United States, a country that has traditionally been an important partner for Poland in security issues, as well as a destination for Polish migrations through centuries, motivates a rethink of the Polish orientation towards this country.

In this matter, society and political elites are very much divided. The liberal parties

and many experts had hoped for Hillary Clinton to be elected the next president and are very concerned about the future of the global order under the Trump administration. The conservative ruling party supported Donald Trump, praising his proclaimed domestic policy and promises from the election campaign. The slogan “make America great again” can be compared to the PiS promises “standing up from the knees” and rebuilding Poland, a country that “has been in ruins” as PiS claimed in the 2015 election campaign.

At the same time the early uncertainties over the US commitment to NATO and the security guarantees in Article Five should make PiS afraid. For Poland, NATO has always been the most important security and foreign policy goal. In this matter it is not European partners but rather the US that matters to Warsaw and traditionally, all possible moves towards closer EU integration in security issues were only supported by Poland if they did not compete with NATO interests. The Polish government, however, did not want to hear Donald Trump claiming NATO to be obsolete while many experts shared, at the same time, similar worries concerning the policy of the new elected American president as Germans or others did. The later shifts in Donald Trump’s approach to Russia (from being very Russia friendly) and NATO (saying it is no more obsolete) were taken by PiS as a confirmation of its position. Furthermore, the PiS politicians stress that Trump praises those countries which military spending amounts 2% of GDP. Poland has been reaching this level for some years already, so according to the government, it shouldn’t worry.

Reassurance of the American commitment to NATO came in the form of realising the promise made in 2016 by sending American troops to Poland. The warm welcome shown by Polish society was in clear opposition to some German critical voices that could be heard as the American tanks were driving through Germany to the Polish borders. According to the minister of foreign affairs, Witold Waszczykowski, the decision made by the Obama Administration in sending troops is not going to be changed by Donald Trump.

Furthermore, the anxiety of the liberal expert community that Trump could change the main foreign and security policy priorities which directly affect the region – represented broadly in the Baltics, Germany or the Nordic states – is not shared by the Polish government. The PiS

cabinet still counts on US engagement in Europe and on the special Polish-American relationship. The American president was invited to come to Poland in summer 2017 for a summit of the head of states of the region from Adria, and the Black Sea to the Baltic Sea (the so called Intermarium area). Additionally, it is hoped that under the new Administration, Poles - being the only Schengen nation that still needs visas for travel to the US - will be finally allowed to enter the US and its territories visa free. Having observed the immigration policy of Trump's cabinet, this hope is under question.

In just half a year, the policies of two countries that were Polish important allies changed, however a question mark still hovers over American policy given the contradictory nature of the messages emerging from the White House. Since both the UK and the US currently have conservatives in power whose policies are in many domestic issues very close to the PiS ones, the Polish government does not comment critically on the situation in either country. The political opposition and elites close to it however, are much more concerned, sharing the doubts of the Baltic countries, Nordic states and Germany. When Polish citizens were asked with which countries Poland should closely cooperate with going forward, far fewer said the US or the UK, compared to previous polls. In recent polls only 26 % of the respondents answered the US (compared with 39 % in 2016) and 16 % responded with the UK (versus 25 % in 2016). The numbers remained the same for Russia in both polls¹².

LOOKING FOR PARTNERS

The main partner that the biggest group of Poles want their country to cooperate closely with, remains Germany (43 %). Despite the difficult history, Poles neither perceive it as a military threat (65 % saying no) nor as a political one (57 % saying no)¹³, being in their assessments more German policy friendly than some Polish government's representatives and journalists close to the ruling party.

From the government and Jarosław Kaczyński's interviews one can hear very different statements. At one end of the spectrum, references that once more Germany is Poland's most important partner; at the other are accusations of Berlin being a dangerous hegemon in Europe, trying to subordinate everything for its national interests. Pragmatic cooperation in many fields runs simultaneously with domestic oriented anti-German rhetoric. Ultimately however, collaboration does not develop in many issues.

To balance the claimed German domination in Europe by making the Central European region stronger, the PiS, fresh from their election win, came back to the old Polish idea of Intermarium - a plan pursued after World War I¹⁴. It this vision Poland should have a lead among all countries between the Black Sea, Adria and the Baltic Sea, and speaking with one voice in different policy fields. In 2017, one year after the idea was launched, there is not much to hear about it, while the countries belonging to the claimed group seem rather uninterested in such cooperation.

Going forward will the Polish government try to make bilateral deals with both countries or rely rather on the strength of the EU-unity? The current Polish policy, which is sceptical towards the EU institutions (that criticise the Polish abuse of rule of law) lets us assume that the unilateral actions might be possible, but do not have to be a rule.



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¹² A.Łada, *Deutsch-polnisches Barometer 2017. Polnische Ansichten zur deutschen Politik und zu den deutsch-polnischen Beziehungen, Institut für Öffentliche Angelegenheiten, Warschau 2017.*

¹³ *Ibidem.*

¹⁴ *It was an idea for a federation of Central and Eastern European countries: Lithuania, Latvia, Estonia, Finland, Belarus, Ukraine, Hungary, Romania, Yugoslavia and Czechoslovakia.*

WHAT WILL BREXIT AND TRUMP MEAN FOR RUSSIA?

Donald Trump's election as the president of the United States of America is an ambivalent event for Russia. However, it should be regarded on two levels; there is a media image of this event (and Trump himself) and then there is the real situation.

The media image ties Donald Trump's election with a "revolution from the top", allegedly inevitable both in the USA, and in international politics. On one hand, such a view is based on the candidate's "non-system image", taking into account the controversial reviews of Trump's rhetoric and methods given not only by the Democratic Party, but the Republican Party as well. On the other hand, Donald Trump's media image is backed up with confrontational rhetoric, which the politician demonstrated during the campaign and the first weeks after inauguration.

However, this image of the US president in Russia is worth very little, having been largely created by the print media, rather than federal TV, which maintained a reserved positive attitude towards the new American president. This can be explained not only by the political context, within which any media exists, but also by the enormous public interest in the American elections. In this regard, materials on Donald Trump attracted much more reader attention, which was obviously noticed by the media executives and editors. The increase in materials meant that public interest in the issue grew as well. This is how the media 'Trump spiral' unwound in Russian media.

Such a situation highlighted a very important problem that plagues today's international relations in general. This problem exists in the foreign policy of almost all major players on the international stage; it is the excessive personification of processes. There is no doubt, we are in the middle of a crisis in international relations – a crisis which has been brewing since 1991 – the collapse of the old bipolar system of international relations. This crisis was formed under the influence of multiple mistakes made by different players in the international stage and underestimation of the interests of the parties, compromising

international institutes and rules. But the crisis was inevitable in circumstances of monopolar system of international relations – interests of all countries of the world cannot coincide with interests of the countries which constitute the only pole of power. After 1991 Russia came to the realisation of the inferiority of this model and began trying to work towards a multipolar system.

In this context, singling the nature of the crisis down to one man, be it the Russian, American or any other president, is meaningless. Such simplification and personification is doubtlessly convenient for the media and some irresponsible political elites, but it is useless for strengthening international security. The nature of the crisis is a painful transition from a monopolar to a multipolar system of international relations. So along with the media image of Donald Trump, as noted above, real consequences exist for Russia, triggered by the elections of a new US president. And these consequences are much more vague than the media portrayal would suggest.

It is certain that Donald Trump's election will not lead to some 'big deal' or a 'restart' in Russia-US relations. The main reason is already mentioned above: the change in specific people does not cancel the built-up tensions in US-Russia relations. Moreover, the current Russian and US administrations act and will continue to act on the world stage, specifically following only their own national security interests and not ideological issues or spreading values. A good illustration and proof of this is the US missile strike on the Syrian Shayrat air base¹⁵, which happened on the night of 7 April 2017, during the supposed improvement of the dialogue between Russia and US over Middle Eastern problems.

Additionally, according to President Vladimir Putin's, after Donald Trump assumed office, "the level of trust between USA and Russia on a working level, especially on a military level, did not improve,

¹⁵ Syria war: US missiles 'took out 20% of aircraft' – <http://www.bbc.com/news/world-middle-east-39561102>

rather it degraded.”¹⁶ Due to this, the main problems in US-Russia relations are still military escalation and the erosion of the “rules of the game” which were acknowledged by both sides and encompassed the whole complex of bilateral relations between Moscow and Washington.

Therefore, it is necessary to regard the key cases in Russia-US relations separately. First, the dialogue between Washington and Moscow will apparently focus on combating international terrorism and religious extremism, and of course, a resolution to the Syrian issue. The dialogue between both sides on this issue is unstable.

On one hand, USA and Russia's base interest – combating terrorism – coincides. For Moscow, this problem was further emphasized by the terrorist attack in Saint-Petersburg¹⁷ (along with the murder of two police officers in Astrakhan¹⁸). In Spring 2017, we could see Moscow and Washington sharing goals with regards to Syria. In March, Nikki Haley, US Ambassador to the United Nations, said that Bashar al-Assad's removal from power is no longer a priority for the United States.¹⁹ And in Ankara, US Secretary of State Rex Tillerson, emphasized that the White House's priority in Syria is fighting ISIS, and al-Assad's fate should be decided by the Syrian people.²⁰

Moving closer to a real ceasefire in Syria was made possible with the discussion grounds in Astana, bringing both the official Damascus and armed opposition to the table. This ended up setting the groundwork for a resolution of the Syrian issue. However, the situation was greatly changed by the surprising chemical attack of the Khan Shaykhun town in the Idlib province and the following US missile strike on the Syrian air base. Washington

once again, drastically changed its stance on the Syrian issue, now declaring that al-Assad must resign.²¹ However, during the US Secretary of State visit to Moscow on 11-12 April 2017, the tension between sides has been lowered. There was even an agreement between the special representatives from the Russian Foreign Ministry and the US State Department to analyse the existing problems in the two countries' relations. Rex Tillerson said that his meeting with Russian Foreign Minister Sergey Lavrov was productive and that al-Assad's departure from power must be smooth.²² The effectiveness of the negotiations is supported by the fact that Tillerson made these statements on the same day he met with the Russian president.²³ Even so, when only one provocation has led to such dire consequences, this shows that the Russia-US dialogue is highly unstable on Syria, as well as other important issues.

Second, a serious uncertainty for Russia still remains in US policies on the Commonwealth of Independent States (CIS) region, which for Moscow – as stated in the officially adopted foreign policy strategy²⁴ – remains a priority region for developing relations. It is positive that the new US administration does not see Russia as the principal existential threat to itself, which means the competition of the parties in the region may lower. This is important, as to not let any other country in the region go the Ukrainian route, which came from not just Ukraine's internal problems, but a clash between Russia and the West.

Before the Vilnius Eastern Partnership Summit, Kiev was placed in front of a false geopolitical or ‘civilisational’ choice

between European integration and Russia, and the Customs Union. The sides had a chance to avoid the Ukrainian crisis in October 2013. Kiev kept proposing to create a permanently active consulting council – the Ukraine-EU-Customs Union – in order to look for compromises in trade.²⁵ This idea was eventually even supported by Russia.²⁶ However, the Lithuanian Foreign Minister Linas Linkevičius, speaking for the European Union, denounced the initiative, saying “The proposal for a trilateral dialogue is not an option and has no precedent. EU proposal on bilateral association remains on the table, and we see no role for third countries in this process.”²⁷ Conflict could have been avoided by creating such a precedent; an example of two integrational projects cooperating in one country. The creation of such a precedent was hindered by the geopolitical perception of the situation from Ukraine at the time, and lead to competition, rather than cooperation. Less attention from the US to the East European region should lower the probability of similar geopolitical competition and views of the Eurasian Economic Union as a geopolitical project.

For example, the successful coexistence of the EU and the Eurasian Economic Union (EAEU) may come to pass in Armenia. In Autumn 2013, Erevan refused to sign the EU Association Agreement and voiced its desire to join the processes of Eurasian integration. Currently Armenia, as a member of EAEU, is in talks with the EU on forming a new legal base and adopting a framework agreement with the European Union.²⁸ This may become the first successful example of EU and EAEU cooperating within one country, unless the process will once again be disrupted by geopolitics. Aside from that,

16 Кремль констатировал ухудшение отношений с США после прихода Трампа – <http://www.interfax.ru/russia/558069>

17 Теракт в Петербурге совершил смертник из ИГИЛ – <http://www.fontanka.ru/2017/04/06/058/>

18 Неизвестные застрелили двоих полицейских в Астрахани – https://lenta.ru/news/2017/04/04/zastr_poolice astr/

19 US priority on Syria no longer focused on ‘getting Assad out’: Haley – <http://www.reuters.com/article/us-mideast-crisis-syria-usa-haley-idUSKBN1712QL>

20 Tillerson says Assad's fate to be decided by Syrian people – <http://in.reuters.com/article/mideast-crisis-syria-usa-tillerson-idINKBN1711QL>

21 Trump, Tillerson suggest Assad should be removed, in apparent reversal – <http://www.cnn.com/2017/04/06/trump-tillerson-suggest-assad-should-be-removed-in-apparent-reversal.html>

22 Russia and USA, after Tillerson talks, agree modest steps to mend ties – <http://www.reuters.com/article/us-usa-russia-tillerson-relations-idUSKBN17E2IC>

23 Путин встретился с Тиллерсоном в Кремле – <http://www.rbc.ru/rbcfrenews/58ee46649a7947f0566b9c7c>

24 Foreign Policy Concept of the Russian Federation (approved by President of the Russian Federation Vladimir Putin on November 30, 2016) – http://www.mid.ru/foreign_policy/news/-/asset_publisher/cKNonkJE02Bw/content/id/2542248?p_p_id=101_INSTANCE_cKNonkJE02Bw&_101_INSTANCE_cKNonkJE02Bw_language-id=en_GB

25 Янукович предложил создать совет Украина–ЕС–ТС для поиска компромиссов в торговле – <http://tass.ru/tamozhennyi-konflikt-rossii-i-ukrainy/711057>

26 Путин предложил провести трехсторонние переговоры Россия, Украина, ЕС до Вильнюсского саммита – <http://zn.ua/POLITICS/putin-schitaet-cto-peregovory-v-for-mate-rf-ukraina-es-vozmozhny-lish-do-podpisanija-soglasheniya-133322.html>

27 Statement of Foreign Minister of Lithuania Linas Linkevičius on Decision of Ukrainian government – <http://www.eu2013.lt/en/news/statements/statement-of-foreign-minister-of-lithuania-linas-linkевичius-on-decision-of-ukrainian-government>

28 Countries and regions: Armenia – <http://ec.europa.eu/trade/policy/countries-and-regions/countries/armenia/>



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this ease in competition does not mean that a swift and easy solution of the Ukrainian, Nagorno-Karabakh and Transnistria conflicts is on track.

The third important issue is the militarisation of Eastern Europe. Although this political tendency leads to a dead end, there is no reason to expect it to change any time soon. Donald Trump's statements have mentioned increased spending on the army and US military infrastructure. Moreover, Trump sees the needs of the army as one of the driving forces of America's reindustrialisation.²⁹ Fears that Trump will disband NATO upon winning the election turned out to be vastly exaggerated. The US president officially said that he has re-evaluated his stance on the Alliance and no longer sees it as obsolete.³⁰ However, it appears that Eastern Europe will not be a priority region for the new Administration's policies – the problem of Eastern European militarisation still remains the backdrop to Russia-US talks. The Syrian issue has shoved the other US-Russia relation problems to the sidelines, namely medium-short range missiles, strategic offensive arms (New START), missile defence and the power balance in Europe.

It should also be noted that Trump's election as the US president is frequently grouped with Brexit in Russia. Brexit has no crucial significance for Russia – it will not affect Russia's economic ties with the EU or the UK in any key ways, nor it will not change the political dialogue between the countries.

However, one can discern the indirect consequences, mostly political and ideological in nature, tied to the evolution of the European Union. President of the European Commission Jean-Claude Juncker presented five possible scenarios of how the European Union might evolve after Brexit.³¹ Among them, the most relevant so far is the two-speed Europe scenario, and the process of differentiating European

integration.³² Russian experts frequently tie this trend with the 'right uprising' and growth of 'Trumpism' in Europe. And by 'Trumpism' in this case they mean the so-called 'redneck values' – the value of a productive economy as a basis for stable wellbeing of society, the value of reindustrialisation, the value of supporting their own labour resources, healthy protectionism and isolationism, traditionalism in culture and dominance of national interests over global ones in foreign policy. In Europe, the Euro-sceptics are the ones who profess these values and they will have a chance to gain additional support in a multi-speed Europe.

In summary, on one hand Russia faces EU disintegration, which is economically unfavourable to Moscow, considering the rather tight and technological ties of the European Union and Russia, even with the 'sanction war.' On the other hand, a bilateral dialogue between Russia and EU countries is traditionally more successful and efficient than talking with Brussels and the EU bureaucracy. The growth in influence (and rise to power) of Trumpist political powers in Russia creates more favourable grounds for Russia's negotiation capabilities. With this, it is important to note that such a change in European country elites does not signal the dissolution of the EU, rather it opens the prospect of a 'reset' of the project with the new values in its foundation.

In Russia, the unexpected Brexit and Trump's election are viewed as elements of a global, tectonic shift on the world stage, the prospects and results of which are yet to be determined. Right now, it can only be said that such unpredictable events, or 'exceptions', will only become more frequent and their influence on the world state will keep increasing. Some experts class this state of international relations as a 'new normality', in which we will have to live in the nearest future.

²⁹ Trump's full inauguration speech transcript, annotated - https://www.washingtonpost.com/news/the-fix/wp/2017/01/20/donald-trumps-full-inauguration-speech-transcript-annotated/?utm_term=.28667ce8beba

³⁰ Trump says NATO not obsolete, reversing campaign stance - <http://www.reuters.com/article/us-usa-trump-nato-idUSKBN17E2OK>

³¹ Commission presents White Paper on the future of Europe: Avenues for unity for the EU at 27 - http://europa.eu/rapid/press-release_IP-17-385_en.htm

³² Plans for two-speed EU risk split with 'peripheral' members - <https://www.theguardian.com/world/2017/feb/14/plans-for-two-speed-eu-risk-split-with-peripheral-members>

“BREXIT EARTHQUAKE” AND “STUNNING TRUMP WIN”; THE BALTIC PERSPECTIVE

On June 24, 2016, newspapers all over the globe trumpeted about ‘Brexit earthquake’, “Birth of a new Britain” and “Over. And out”. Just a couple of months later, they had to do it again with “Trumpquake”, “Stunning Trump win” and “He is hired”. Unexpected decision by the Brits to leave the European Union and Americans’ choice of Donald Trump as their new president caused shockwaves in the Baltics. While the long-term impact of these events is still unclear, the process of adaptation for the Baltic states has already started.

DIRECT EFFECTS OF BREXIT ON THE BALTICS

As the emotions of the referendum calmed down, three factors were emphasised in the Baltic states with regards to Brexit.

First, it is still unclear whether the status of citizens of European Union countries will change after the United Kingdom leaves the EU. As the post-Brexit environment and tensions led to increase rate of hate crimes, with migrants for Eastern or Northern European states being targeted, the UK government decided against giving any guarantees until the official negotiation process with EU starts. Officially, there are at least 150,000 of Lithuanians (5.4 % of overall population), more than 60,000 of Latvians (3 %), and less than 10000 of Estonians (0.7 %) in UK. Unofficially the number may be even higher, making this issue of direct importance. While the pre-negotiation consensus is that the status of those already working in the UK will probably not change, the prospect for arrivals in the future is vague.

However, the chance of a wave of returns of emigrants from the UK to the Baltic states are rather slim. For instance, an opinion poll of Lithuanians living in the UK showed that only 7 % seriously consider returning in the near future. Brexit was also not regarded as a reason to leave the UK and come back to Latvia.

Secondly, the EU entered a period of relative instability, as a precedent was

being created for one of its biggest member countries deciding to leave. This would be regarded negatively in countries such as Lithuania, Latvia and Estonia, who are among the leading EU-optimists, according to the polls. It also poses a risk for the economy. For instance, Lithuania and Latvia are among the countries that export more to the UK than they import (Estonia import more than export). Furthermore, the UK is the second-largest net payer in terms of contributions to the EU’s common budget, while the Baltics are still on the receiving end.³³

Standard & Poor’s rankings, which analysed the EU countries most vulnerable to the economic impact of Brexit, showed that Lithuania is the leading nation due to possibility of a decreased EU budget, the number of migrants living in the UK and other factors. Lithuania is closely followed by Latvia, while Estonia took up the sixth place after Hungary, Poland and Slovakia. According to other estimates, the Baltic states could expect a loss of less than 0.5 % of GDP up to 2030 due to the Brexit, while the EU average is slightly higher.³⁴

Brexit, as well as European Commission’s White Paper on EU’s development scenarios, also caused a wide-ranging debate on the future of EU. The opinion among the Baltic states are on a similar pro-EU tone. For example, Lithuanian President Dalia Grybauskaitė clearly emphasised willingness to be among the most integrated countries of EU, as it is a core interest of Lithuania. She also said that EU needs to adapt to the changing circumstances and not be afraid of change, even if that means some states leaving the union. Latvian President Raimonds Vejoņis agreed that the EU is strong enough to overcome any difficulties and that Europe has no other alternatives. Estonian President Kersti Kaljulaid also noted that there is no problem with multi-speed Europe if countries working more closely together, allow for others to join that cooperation.

³³ Kinga Ras, *The Baltic States on Brexit and EU Reforms*. PISM, November, 2016

³⁴ Michael Emerson, *Economic impact of Brexit on the EU27*. European Parliament, IMCO Committee workshop. February, 2017

However, while the strategies seem compatible, the vision of the Baltics on Europe may have slightly different characteristics. That is being shaped by foreign policy vectors, with Lithuania clearly emphasising close partnership and cooperation with Germany in recent years, while Estonia is closely related to its neighbour Finland.

Thirdly, UK was regarded as an important security partner for the Baltic states, as it sends its troops to Estonia as a part of NATO's enhanced forward presence. Even though the UK government emphasises willingness to continue its role in European security policy, any rift between EU and UK could cause additional anxiety. Moreover, despite strong German leadership, there are some doubts whether the EU will remain united on sanctions on Russia. The UK was always seen as a close ally of the Baltics, Poland and other states which emphasise the need to maintain a principled position on Russia due to its foreign policy incursions.

TRUMP'S RHETORIC CAUSED ANXIETY

US presidential elections were widely discussed in the Baltic states. It gained more prominence than ever before due to the 'show-like' tendencies of Donald Trump's candidacy and controversies that surrounded his rivalry with Hillary Clinton. However, the main focus was on foreign policy and security issues, as the US is regarded as a key NATO ally at the time of regional geopolitical tensions with Russia.

Statements by Trump about NATO and Russia were especially surprising for many in the Baltics. These, rather than domestic controversies, were a media focus in the Baltics. For instance, Trump emphasised that NATO is "obsolete" because it "wasn't taking care of terror".³⁵ Moreover, he had doubts whether the US should defend the NATO allies that do not contribute 2 % of GDP to their defence. In 2017, only Estonia exceeded the spending requirement, while Lithuania and Latvia, at 1.8 and 1.7 % respectively this year, will reach the target in 2018.

His statements on Russia were even more controversial, as it suggested a much softer stance towards the Kremlin despite the annexation of Crimea, an ongoing warfare

in Eastern Ukraine and atrocities in Syria. Trump said "Why do I have to get tough on Putin?...President Trump would be so much better for US-Russian relations. It can't be worse".³⁶ Trump was also seen as 'unpredictable' as he does not have any governmental or military experience; furthermore, often-occurring shifts in rhetoric led to the conclusion that he does not have ironclad principles.

Meanwhile Clinton's position on Russia was regarded as much more 'traditional' and nurtured during the long career at the State Department, Senate and elsewhere. Her ideas were also very different to Trump's. For example, she talked about strong support for the NATO alliance and maintained that Vladimir Putin is "a bully", to which "you have to continually stand up to because he is somebody who will take as much as he possibly can unless you do".³⁷

Therefore, the Baltics were clearly anxious that Trump could change the main foreign and security policy priorities which directly affects the region. There were doubts about the future of American support for NATO and its initiatives to strengthen deterrence in the Baltic states. For instance, Republican Newt Gingrich, who supported Trump, said that "Estonia is in the suburbs of St. Petersburg... I'm not sure I would risk nuclear war".³⁸ And the broader role of the US in European politics was discussed, as Trump emphasised the slogan "America First", criticised the European Union and mentioned a possibility of a retreat to the domestic issues. Finally, the continued American support for Ukraine and other post-Soviet states currently struggling in their relationships with Russia was supposedly under review. Clinton was a much 'safer' choice in this regard, as she emphasised continuation of Obama's policies.

It is no surprise that Hillary Clinton was widely perceived as a more favourable candidate for the Baltic states. For instance, a

public opinion poll conducted in Lithuania during the campaign showed considerable support for Hillary Clinton – 47 % of respondents would have chosen to vote for Democratic candidate, while Donald Trump was preferred by only 13 %.³⁹ The same tendency was observed in Latvia, where the support for Clinton stood at 46 % on September, far ahead of Trump (22 %).⁴⁰ A similar poll in Estonia showed that 53 % favour Clinton, while Trump was seen as a better candidate by only 13 %.⁴¹ Another, less formal poll in Estonia showed that the elite is also supportive of Clinton. At the event in the local US Embassy, guests were asked the question of which candidate is their choice. An absolute majority of almost 700 participants backed Clinton (73 %), while Trump got only 16 % of the vote. On the highest political level however, the leaders of the Baltic states maintained neutral stance towards both candidates.

Controversy of Trump's position on Russia and the perception of the Baltics was summarised in art, as the painting on the side of a barbecue restaurant in Vilnius, Lithuania was unveiled. In it, Trump is seen kissing Putin, similarly to the historic photo of East German leader Erich Honecker kissing the Soviet premier Leonid Brezhnev. It gained attention on international media and was used as a symbol of the proposed 'rapprochement' of the Trump's US towards Putin.

Hence Trump's election victory was both a surprise and cause for anxiety. However, the critical stance on Trump shifted rather rapidly. The main reason for that was the importance of the US, as well as the hope that 'candidate Trump' will be very different from 'President Trump', who will be surrounded by mainstream Republican foreign policy experts and political leaders.

35 Trump worries Nato with 'obsolete' comment. BBC, January, 2017 <<http://www.bbc.com/news/world-us-canada-38635181>>

36 Timeline: Donald Trump's praise for Vladimir Putin. CNN, July, 2016 <<http://edition.cnn.com/2016/07/28/politics/donald-trump-vladimir-putin-quotes>>

37 Clinton describes relationship with Putin: 'It's... interesting'. Politico, January, 2016 <<http://www.politico.com/blogs/live-from-charleston-sc/2016/01/hillary-clinton-vladimir-putin-its-interesting-217926>>

38 Newt Gingrich: NATO countries "ought to worry" about US commitment. CBS, July, 2016 <<http://www.cbsnews.com/news/newt-gingrich-trump-would-reconsider-his-obligation-to-nato>>

39 Apklausa: ką lietuviai norėtų matyti JAV prezidento poste (Opinion poll: Who Lithuanians want to see as the US President). Delfi, July, 2016 <<http://www.delfi.lt/news/daily/lithuania/apklausa-ka-lietuviai-noretu-matyti-jav-prezidento-poste.d?id=71910300>>

40 Каждый второй житель Латвии отдал бы свой голос за Хиллари Клинтон (Every second Latvian would vote for Clinton). Delfi, September, 2016 <<http://rus.delfi.lv/news/daily/latvia/kazhdyy-vtoroj-zhitel-latvii-otdal-by-svoj-golos-za-hillari-klinton.d?id=47939715>>

41 Опрос: жители Эстонии предпочитают Клинтон Трампу (Opinion Poll: Estonians prefer Clinton over Trump) ERR. August, 2016 <<http://rus.err.ee/233812/opros-zhite-li-jestonii-predpochitajut-klinton-trampu>>

Republican candidates are traditionally seen as more favourable to the Baltics due to their assertive stance on Russia. Therefore, after the elections the Baltics were keen to develop as close cooperation with Trump as possible. For instance, Lithuania even increased a budget for trips of Parliament members to the United States, to ensure stronger dialogue.

Hopes surrounding continued cooperation were strengthened with a decision to appoint General James Mattis as the Secretary of Defence, who is known for being a strong supporter of NATO. For example, during the Senate Hearings Mattis agreed with Senator John McCain that American troops should be permanently stationed in the Baltic states to deter Russia. Other appointments, such as H.R. McMaster for the National Security Advisor's role and Fiona Hill for the White House National Security Council, strengthened this argument and were emphasised in the Baltics' public commentary. The first official statements by the new Administration also proved to be more of a continuation of strong US policy towards Russia rather than a shift. For instance, State Secretary Rex Tillerson emphasised that the new administration "understand that a threat against one of us is a threat against all of us, and we will respond accordingly".⁴² While Trump's personal position on these matters remains rather ambivalent, even he changed his opinion and said that NATO is "no longer obsolete".

Moreover, Trump's rhetoric that Europeans should take more responsibility on security issues could be interpreted as an opportunity rather than a threat for the Baltics. As all Baltic states are on the verge to reach the 2 % spending target, they could prove to be among the leading nations in the Alliance in a matter that directly concerns Trump. These facts were underscored in the meeting of the Presidents of the Baltic States with Vice President Mike Pence during the Munich Security conference.



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⁴² At NATO, Tillerson Pledges US Support For Ukraine And Continued Russia Sanctions. RFEL, March, 2017 <<https://www.rferl.org/a/nato-tillerson-spending-plans/28402111.html>>

WHAT WILL BREXIT AND TRUMP MEAN FOR THE NORDICS?

The Leave victory in June, 2016 in the UK and the Trump win on November 4 were both received as the worst possible outcome in the Nordic countries. With Brexit, the Nordics will lose their main partner among the big European powers and a true 'soul mate' in the EU. The Nordics and the UK share an emphasis on free trade as the EU's prime task, and the Nordics consider London to be an important balancing force with regards to the federalist ambitions on the Continent. The UK is also seen as providing a bridge to other members of the Union for the small Nordic countries.

According to a study from the Swedish Institute for European Policy Studies, the countries in Northern Europe, such as Denmark, Sweden, the Netherlands and Ireland, will be the most impacted by the UK leaving the EU. Sweden is the EU country which has most frequently voted with the UK in the Council of Ministers; nine out of ten times since 2009, according to the study.⁴³

With Brexit, there is a risk that the Northern tier of Europe will be severely weakened while Russia - with an aggressive and provocative military behaviour in the region - will strongly benefit from a divided Europe. There is also concern that Brexit will encourage other member countries to leave, including Denmark which has something of a 'special relationship' with the UK - this has traditionally also been the case for non-EU Norway - especially in the military field, and is often perceived as an EU-skeptic.

A recent Euro-barometer however challenged that perception by placing Denmark as the third most EU-positive country, while Sweden and Finland, which are generally seen as much less critical and whose populations more pro-EU, ranked only as number ten.⁴⁴ This result may in part be explained, at least for Sweden, by the impact of the refugee crisis in 2015 and 2016. The

crisis was seen as handled poorly by the EU, and the reluctance of the other Europeans to accept Swedish proposals for a more even distribution of the migrants among the nations was considered to be disappointing.

The great movement of migrants and refugees across the continent also resulted in an all-time low - at least in modern times - in the neighbourly relations between Sweden and Denmark, with opposite approaches to the crisis and to migration.⁴⁵ The decision in November, 2015 to impose tight border controls in Sweden - a country which has traditionally cherished open borders and has cherished a welcoming attitude towards immigration, but has seen a rapid increase in the support for anti-immigration policies in the last few years - was in many ways historic. As the border controls set up already on Danish territory were eased by the Swedish government in early May, 2017, only a few weeks after the terrorist attack in Stockholm, a discussion emerged in Denmark on whether to impose its own controls on those traveling from Sweden.

A somewhat unexpected development after the vote on Brexit was the surge in applications for citizenship from British citizens in Denmark and Sweden, jointly with Ireland and Italy. The number of applications in Denmark was tenfold compared to the previous year - with 300 applications - and threefold in Sweden, with 1,100 applications. This may indicate that the image of Sweden is still that of an EU-positive country, at least for many Brits.⁴⁶

The two non-EU Nordics, Norway and Iceland, have chosen to boost their cooperation as a result of the upcoming Brexit, by coordinating their policies, developing

⁴³ *Brexit: konsekvenser för EU och Sverige.* (Stockholm: Svenska institutet för europeapolitiska studier, 2017:1.)

⁴⁴ *Eurobarometer in Handelsblatt, Mittwoch, 4 January, 2017.*

⁴⁵ *On the refugee, or rather migrant, crisis, and the different approaches by Sweden and Denmark, see Ann-Sofie Dahl, "A Continent in Chaos: The security implications of the European migrant crisis" (Scowcroft Paper, No. 2, Scowcroft Institute of International Affairs, The Bush School of Government, Texas A & M University, June 2016).*

⁴⁶ <https://www.theguardian.com/politics/2016/oct/19/huge-increase-britons-seeking-citizenship-eu-states-brexit-looms>

common strategies and sharing information to influence the EU-legislation of relevance to the European Free Trade Association (EFTA) group. Oslo has strengthened the bilateral dialogue with London and expressed a desire to be included in the EU-talks with the UK, while Iceland – whose biggest trading partner is the UK – has expressly welcomed Britain into EFTA.⁴⁷

SECURITY AND DEFENCE

With regards to security and defence, there will likely be an effort to develop the CSDP primarily by France, as a result of Brexit, when the UK will no longer be there to block activities. As Claudia Major and Alicia von Voss conclude, “Brexit thus formalises the reluctance that the UK has had towards the CSDP”.⁴⁸ There is concern among the Nordics and others that this might lead the CSDP to focus on the Southern front, with the problems in the North-East and the Baltic Sea lost in the process.

Any such efforts will be complicated by a significant loss of military capabilities after Brexit. Alternative capabilities will, the Nordics point out, need to be found and developed, for the EU to be able to embark on operations without a NATO involvement.

The only two Nordics directly affected by developments in the CSDP are the two nonaligned countries, Sweden and Finland. Following the British vote, several countries presented non-papers on how to take the CSDP to the next level, including Finland. Helsinki has however made a point of underlining that the Finnish thinking does not include any wishes for the CSDP to set up its own military HQ or create a military force of its own, but should instead focus on tasks such as intelligence sharing and crisis management.⁴⁹

Proposals for strengthening the crisis management component in CSDP would be supported by the two countries; after all, Sweden and Finland were instrumental in including the Petersberg Tasks – such as

peacekeeping, humanitarian tasks, and crisis management – in the Amsterdam Treaty in 1997. In Sweden, which has a “solidarity declaration” inspired by the EU’s solidarity clause, Article 42.7 is by some seen as an alternative – or rather the alternative – to membership in NATO. Generally speaking, the EU has attracted more attention by previous governments than the present Red-Green coalition led by the Social Democratic party, which true to tradition has a greater ideological attachment to the UN and ‘Norden’.

Following the Brexit vote and the decision to trigger Article 50 of the Lisbon Treaty, the focus for the Nordics and other member states has been on practical aspects such as the division of UK positions in the EU among the remaining 27 countries, budget issues etc, but also on ways to maintain a UK presence in Europe, and in the Northern part in particular, where possible. For instance, issues related to whether the EU will still be able to use the HQ in Northwood, UK participation in the various Centres of Excellence, and a continued British military presence in the Baltic region.

It is clear that the UK is presently making an effort to strengthen its military and political ties with all the Nordics, both bilaterally and in multinational fora. The Joint Expeditionary Forces (JEF), with Denmark, Norway, the Baltic countries and the Netherlands, and the VJTF, are seen as formats which could be of further use to enhance the UK presence in the Nordic-Baltic region, also by the Brits themselves. “The Brexit vote on 23 June 2016”, Håkon Lunde Saxi writes, “made the JEF seem even more important to both Britain and its northern European allies and partners”.⁵⁰ In February 2017, the UK formally invited nonaligned Sweden and Finland to join the JEF, a step which is viewed as militarily very attractive but politically sensitive, particularly in Sweden.

In the High North, the UK, the US and Norway have restarted the joint underwater surveillance in the waters around Scotland, Iceland and Norway; yet another instrument for keeping not only the UK but also

the US involved in the wider Nordic-Baltic region.⁵¹ In addition, the UK is presently examining ways to jointly reduce the costs of new capabilities with the Nordics, for example the F-35 aircraft and the P-8 maritime patrol aircraft with Norway.⁵²

The good news for security in the Baltic Sea is that Brexit is likely to strengthen Nordic cooperation in security and defence. NORDEFCO has lately attracted a growing interest from London. NORDEFCO has at times been disregarded in some quarters as marginal, but has lately gained broader significance and recognition and is seen as a viable instrument also by previously critical Denmark, though now less so by Norway.

NORDEFCO should be judged, not by the limited success in grand, multinational procurement projects but by the hundreds or even thousands of projects and programs which bring the Nordics – and thus, increasingly also others – together, such as training, education, joint operations, and procurement at “lower levels”, meaning anything from nails and uniforms to ammunition. A spectacular example of successful NORDEFCO can be found in the very north, where Finnish, Swedish and Norwegian pilots train on a daily basis in the Cross Border Training (CBT) in Lapland.⁵³ The CBT program has repeatedly been extended to include also the US and the UK in the joint air exercises. Another example is SUCBAS (Sea Surveillance Baltic Sea), in which also, among others, the UK participates and which presents yet another format for keeping the UK in the region, and reversely, for the UK to remain involved.⁵⁴

Of particular interest in the present situation is the Northern Group, an initiative launched in 2010 by the UK, which brings together not only the Nordics and the three Baltics but also Poland, Germany and the Netherlands, and thus, the UK. With all seven JEF countries also members of the Northern Group, the two formats are closely related. The Northern Group can be expected to have a much greater role post-Brexit, and also to move from its present loose

⁴⁷ <http://www.independent.co.uk/news/uk/politics/norway-want-brexit-talks-uk-eu-leaders-european-union-a7591491.html>

⁴⁸ Claudia Major and Alicia von Voss, “European defence in view of Brexit”, (SWP Comments 10, Stiftung Wissenschaft und Politik, Berlin, April 2017).

⁴⁹ Riina Kaljurand et al, “Brexit and Baltic Sea security” (Tallinn: ICDS, November 2016), p10.

⁵⁰ Håkon Lunde Saxi, “British and German initiatives for defence cooperation: the Joint Expeditionary Force and the Framework Nations Concept” (London: Routledge, 06 April 2017).

⁵¹ Steen Kjærgaard, “Danmarks nye udenrigs-og sikkerhedsstrategi efter valget i USA: Nødvendigt at samarbejde om sikkerhed i Østersøregionen”, (Copenhagen: DIIS, February 2017).

⁵² Håkon Lunde Saxi, 2017, p 20.

⁵³ Ann-Sofie Dahl, “NORDEFCO: “smart defence in the North?” (Rome: NATO Defense College, May 2014).

⁵⁴ www.suchas.org.



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format which meets at the margins of other events, to evolve into a more structured format.

THE TRUMP VICTORY

Only less than five months after the Brexit outcome, Donald Trump's victory was another major setback for the Nordics, which had anticipated and rooted for a new President Clinton. Initially, the impact was particularly expected to be felt in several ways.

First, the uncertainties with regards to the US commitment to NATO and the security guarantees in Article Five. Contradictory signals emerged from various parts of the new US administration, where the President himself referred to NATO during his campaign as "obsolete" while the Vice President, the Secretary of State and the Defence Secretary all have confirmed the US commitment to NATO, and US support for the EU and EU-NATO cooperation.

Second, the signals from Washington and in particular the president concerning the relationship with Russia and President Putin, and the prospect of some kind of strategic realignment with Russia have been seen as very troublesome to the Nordics and to Baltic Sea security generally. The same is obviously the case with the renewed mentioning of 'spheres of influence'.

While this is disconcerting to all the Nordics, the two nonaligned countries have cause to be particularly worried, since they have opted to stay outside the collective defence mechanisms and instead invested in bilateral defence agreements with the US, without any tangible and hard security guarantees at a time of increased tension in the region. Especially in the Swedish case - the country with the lowest military spending in the Baltic Sea region - it is unclear how and whether Stockholm will be able to convince the US and President Trump of its strategic significance.

However, in the course of just a few months, two events have moved things in a positive direction from a Nordic perspective. The replacement of General Flynn with General McMaster as the US National Security Adviser was seen as reaffirming by those worried by the Administration's pro-Russian tendencies. And, the US launch of 59 Tomahawk missiles on a Syrian air base in response to the Assad regime's poison gas attack on civilians also suggested

the start of a new chapter in the relations between Presidents Trump and Putin.

Third, thus, military spending: there will now be pressure on the European allies to live up to the commitments to increase their defence budgets made at the Summit in Wales in 2014. Of the Nordic NATO allies, Norway is in a better position in that regard than Denmark, whose defence budget is only around 1.1 % and which therefore would have to double the spending to live up to the 2 % goal - which is clearly not doable. It may also be more difficult in the future for Denmark to compensate by taking on an activist military role, since the number of available expeditionary operations may go down, according to some analyses.

Such concerns may have been at least partly calmed by the announcement that Denmark in 2018 will assume command of the Standing NATO Maritime Group One (SNMG1) which is part of the NATO Response Force, and also covers the Baltic Sea. The contribution by Denmark in the campaign against ISIL in Iraq and Syria was also praised by President Trump at the meeting in early April, 2017 with Prime Minister Lars Løkke Rasmussen; representing, in the President's terms, "a very good ally" and only the fourth European PM to meet with the new president in the White House.

Almost six months after the inauguration of the new US president things thus seem to slowly return to a more normal and less agitated state of affairs. In addition, the populist uprisings that characterized 2016 - peaking with the Brexit vote and the Trump victory - appeared to have come to a stop with the elections in the Netherlands and France. The still unclear status of the US -Russian relations however continues to give cause for concern, especially for the countries surrounding the Baltic Sea.

IMPLICATIONS OF CURRENT INTERNATIONAL CHANGES ON REGIONAL COOPERATION AROUND NORDEN AND THE BALTIC SEA

Overall it is too early to know the exact implications, if any, of the anticipated Brexit and Donald Trump's US-Presidency for regional cooperation and its institutions around Norden and the Baltic Sea. Neither the UK nor the US are formal members of any of the regional institutions. But as members of bigger international organisations (i.e. NATO) and close allies to most of the Baltic Sea littoral states, these countries exert some impact on regional developments. Certain indications for how these international changes could affect Nordic and Baltic Sea cooperation are visible already today as described below. As regional cooperation does not take place in isolation, also the regional institutions in Northern Europe will have to adapt to the new international circumstances and challenges only few years after the crises around Ukraine and in EU-Russia relations has shaken up the region.

NORDIC COOPERATION

Shortly after the Brexit referendum, the Secretary General of the Nordic Council of Ministers (NCM), Dagfinn Høybråten, expressed his belief that Nordic cooperation will further intensify and deepen as a consequence of the vote.

According to Høybråten, the Nordic countries' possibilities to take care of their common interests within the EU will be larger when they act together than when acting on their own.⁵⁵ There is a continuous need for regional cooperation which could take the lead and show the way to cooperation and integration.⁵⁶ To be able to do so, Nordic cooperation needs to be renewed continuously. The reforms within the NCM that were kicked off in 2014 must be continued to

ensure that Nordic cooperation can remain relevant in a changing world.⁵⁷

Even more in the light of the Brexit vote, the Nordic region has displayed a fresh attempt to position itself as a strong and influential part of Europe. In summer 2016, plans were revealed to establish more Nordic cooperation/coordination on EU matters within the NCM framework. Such plans however, date back a long time but have not materialised so far. Nonetheless, the willingness and the commitment to change matters now seem stronger than before. The programme of the Norwegian NCM Chairmanship 2017 mentions three policy areas of strategic interest for closer Nordic cooperation within the EU context: energy, climate and environment, and digitalisation.⁵⁸ This does not come as a surprise, as these issues traditionally belong to those in which the five Nordics have common or at least similar interests and where they feature as fairly strong, advanced front-runners within European and international frameworks. However, while in general these policy areas are without doubt highly important, in the currently tense political situation in Europe they do not seem to have the highest priority. Concerning seemingly more urgent themes such as the unresolved refugee situation, security, the eurozone and the future of the EU (within the Brexit context), the Nordic countries have partly very divergent interests and are only within tight limits able (and/or willing) to speak with one voice. In addition, it still is a matter of deliberations and discussions in what formats such closer Nordic cooperation on the EU level should and will take place, whether in rather informal settings or within the institutional framework of traditional Nordic cooperation.

The parliamentary component of Nordic cooperation, the Nordic Council (NC), increasingly engages in debates on highly political issues that exceed the official mandate of Nordic cooperation (security, migration and refugees). It recently has also become more engaged in EU affairs and in late 2016 decided to open a liaison office in Brussels

⁵⁵ 'Nordens roll i Europa påverkas', 23 June 2016, <http://www.norden.org/sv/aktuellt/nyheter/nordens-roll-i-europa-paaverkas>

⁵⁶ Dagfinn Høybråten, 'Nordens tid er nu', October 2016, <http://www.norden.org/en/nordic-council-of-ministers/the-nordic-council-of-ministers/the-secretary-general/the-secretary-generals-blog/nordens-tid-er-nu>

⁵⁷ Ibid.

⁵⁸ Nordisk Ministerråd 'Program for Norges Formannskap i Nordisk Ministerråd 2017', p. 15.

in autumn 2017. At its meetings in early April 2017, the Nordic Council discussed the new preconditions for Nordic-US relations, enquiring what the recent political developments in the US will imply for the Nordic countries.

It has been an open debate with very divergent opinions, revealing that the Nordic countries do not have one relationship with the US but rather different attitudes and traditions. Among the different party groups splits became obvious and owing to these, the debate has been short on solutions.⁵⁹ Nonetheless, also in relation to Donald Trump the need for more Nordic cooperation and coordination has been emphasised, creating more Nordic impact when acting together.⁶⁰ This in particular applies to areas in which the Nordic countries are good and strong in and where they can contribute to stability and peace such as crisis management, peace negotiations, development aid, the environment and climate change management. Several MPs opined that Nordic values such as gender equality, human rights, tolerance and openness should be emphasised even more strongly now.⁶¹ To make Nordic positions heard, various channels such as US-congressmen, federal states, civil society and academia should be used, instead of focussing solely on Donald Trump.⁶²

In sum, the need for a stronger and more political Nordic cooperation addressing the current international challenges has become more obvious lately, as the awareness has been growing that the latter have an impact on the Nordic region and Nordic cooperation. This is reflected in current debates within the NCM and the NC. But concrete political action still is to follow.

BALTIC SEA COOPERATION

The Baltic Sea Region (BSR) knows a vast number of different cooperation formats on various political levels, intergovernmental, EU, sub-national, trans-national and local. While it is not possible to include them all

in this analysis, a small selection of formats will be scrutinised here.

The Council of the Baltic Sea States (CBSS) is an intergovernmental international organisation established in 1992. It embraces all nine Baltic Sea littoral states, plus Iceland, Norway and the EU (European Commission/EU External Service). The Council's current main priorities are to create a regional identity, to contribute to a sustainable and prosperous region as well as to a safe and secure region. The CBSS had lost some standing since the Ukraine crises and the consecutive tensions in EU-Russia relations, affecting the relations among those CBSS-members that are part of the EU and/or NATO and Russia.

Most of its political activities have come to a hold, with only a very few political meetings on higher levels taking place in the past three years. It seems that the CBSS has more and more been dealing with 'soft' issues that remain relevant in the regional context, but less so within the current wider geostrategic one. In this respect, it is doubtful whether the CBSS will be much affected by Brexit and Trump's Presidency. For the organisation, it indeed appears more important that the overall relations between EU countries and Russia will be improving again. Within limits, the CBSS still has a potential to contribute to such improvement. Once this is the case and the will for closer cooperation has revitalised, the CBSS could again build on its strengths and conduct its activities more effectively and result-oriented than under the current circumstances.

A comparatively fresh approach to regional cooperation around the Baltic Sea is the EU Strategy for the Baltic Sea Region (EUSBSR). Based on an initiative by the European Parliament in 2006, it has been adopted by the European Council in 2009 and entered the phase of implementation in 2010. Other European macro-regions – the Danube basin, the Ionic-Adriatic area and the Alpine region – followed suit. The macro-regional approach offers an integrated framework relating to member states and third countries in the same geographical area, addressing common challenges that are too broad for the national level but too specific for the EU28.⁶³ The macro-regions there-

fore form an intermediate level between Brussels and the nation states for closer cooperation aiming at economic, social, and territorial cohesion in specified policy areas relevant to the people and for the people of a macro-region, such as the BSR).

Based on this ambition, at least in theory the macro-regions could have a potential to contribute overcoming the European institutional crisis. However, the macro-regional strategies are not treated as political priorities by the member states and are hardly known to a broader public. Their implementation proceeds only slowly and with difficulties, the number of tangible results remains small so far, as does their added value in relation to existing regional cooperation. Overall the theoretic potential of the macro-regions and relating strategies has not been utilised and it is unclear whether it will be in the near future. In the assessment of the European Commission, the added value of the macro-regional idea will become bigger only once the member states have taken more political responsibility for the respective strategy.⁶⁴

An interesting question within the Brexit context is, whether this approach, as it also includes non-EU-member states, could be of interest to British regions such as Scotland and Northern-Ireland, possibly within the framework of a North Sea macro-region, to retain at least some connections to relevant EU policies. By the same token, it is worth mentioning that Scottish stakeholders have shown a great interest in the Nordic welfare model and Nordic cooperation and that the possibilities of closer cooperation among Scotland and the Nordic countries are in the process of being investigated.

The Northern Dimension (ND) is another even older instrument of the EU to foster regional cooperation in Northern Europe. It predominately deals with economic and soft security issues. In 2006 the ND has been reformed into a common policy of the EU and the non-EU members Norway, Iceland, and the Russian Federation, allowing these countries an equally important role in the ND decision-making and implementation process. The new ND has been focussing on North-West Russia and has been becoming more instrumental as a regional expression of the four Common Spaces forming

⁵⁹ Aleksandra Eriksson, 'Nordic states divided on Trump', *EUObserver* 5 April 2017, <https://euobserver.com/nordic/137507>

⁶⁰ 'Livlig nordisk debatt om USA och Norden', 4 April 2017, <http://www.norden.org/sv/aktuellt/nyheter/livlig-nordisk-debatt-om-usa-och-norden>, and 'Nordic states divided on Trump'

⁶¹ 'Livlig nordisk debat om USA och Norden'

⁶² Eerola and Wallström cited in 'Nordic states divided on Trump'

⁶³ Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions concerning the European Union Strategy for the Baltic Sea Region, COM(2012) 128 final, Brussels, 23.3.2012, p. 3.

⁶⁴ Report from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions on the implementation of EU macro-regional strategies, Brussels, 16 December 2016, COM(2016) 805 final, p. 9.

the core of the anticipated EU-Russia strategic partnership. Therefore, with the EU-Russia relations under strain, politically the ND is weakened since the Ukraine crisis. However several projects continue within the framework of the four Northern Dimension partnerships: environment, public health and social wellbeing, transport and logistics as well as culture.

NORDIC-BALTIC COOPERATION (NB8)

Nordic-Baltic Cooperation is not institutionalised but still of relevance for the exchange between Nordic and Baltic governments as well as parliaments. In recent years, the cooperation has been tightened and extended, adding further policy areas to the group's activities. Amongst others, cooperation within the field of hard security has become more relevant within the Nordic-Baltic context. In April 2017, ministers agreed on closer Nordic-Baltic cooperation in the field of digitalisation, aiming at digitalisation of public services and within the business sector across borders as well as strengthening the development of a regional digital market, contributing to the EU's ambitions for a digitally integrated Europe.⁶⁵

NB8 also started to reach out to neighbouring countries/regions such as the Visegrad group. In 2011 a new format was established that added the United Kingdom to the Nordic-Baltic group. What has become known as the Northern Future Forum gathers in person of the prime-ministers once a year in one of the countries' capital to discuss current - mainly (socio-) economic - issues of common concern. The format rather had an informal and non-binding character. Due to the Brexit turmoil, the meeting planned to be held in Stavanger in November 2016 has been cancelled. No information whether an event will take place in 2017 has been available so far. Thus in this case at least, Brexit has been affecting a concrete regional format of political exchange and cooperation already at this stage.

CONCLUSIONS AND OUTLOOK

In uncertain times, the multilateral cooperation around the Baltic Sea and Norden and their related institutions remain important for the region's development and prosperity. They, however, need to adapt and adjust constantly and continuously to new external circumstances and challenges to remain relevant for their stakeholders and to be able to tackle the challenges, and to contribute to finding solutions.

While not a big theme in regional cooperation in Northern Europe until 2014, defence and hard security cooperation has since become more important. However, in both the Baltic Sea region and Norden they fall outside the traditional formats of regional cooperation. It therefore might be useful to establish new regional formats with a stronger hard security focus along the example of the Northern Group (see Ann-Sofie Dahl's chapter in this report). Simultaneously, traditional formats and themes of regional cooperation such as the environment, social affairs, soft security risks, shipping, culture etc. should not be neglected. Current debates often seem to solely circle around security questions, reflecting a somewhat one-sided picture of the region's challenges and opportunities. The existing formats of regional cooperation should be effectively used and strengthened. This could provide a certain sense of regional stability in unstable and uncertain times.



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⁶⁵ 'Norden och Baltikum ska samarbeta kring digitalisering', 25 April 2017, <http://www.norden.org/sv/aktuellt/nyheter/norden-och-baltikum-ska-samarbeta-kring-digitalisering>

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