

1. Overcoming Alienation: Kaliningrad as a Russian Enclave inside the European Union

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Introduction

This report is the first of a series of papers which are planned to present the viewpoints of the Polish non-governmental community regarding important European-Integration-related international issues.

The project was initiated by the Stefan Batory Foundation and we are inviting various NGOs to work alongside us in the preparation of subsequent reports.

The text presented herein was prepared jointly with the Centre for International Relations and the "Borussia" Culture Society. Independent experts have also been involved in various works leading to this report.

We would like to express a warm thank you to everyone involved in this project for their kind help and valuable comments.

In keeping with the formula for policy papers, we would like to talk about those issues affecting the future of Europe in a manner understandable to the Western reader. We would also like to further encourage discussion on such matters in Poland.

It is not intended to merely present Polish viewpoints and Polish concerns. It is vital for the papers to offer a pan-European perspective and constitute a material input to the debate on what the external policy of the EU should be.

We believe that NGOs may play an important role in the discussion. Their hands are not tied by the numerous restrictions associated with the current political state of affairs and the ongoing delicate negotiations with the EU. It also appears that the opinions of Polish NGOs may turn out to be interesting, for we certainly perceive many issues from a perspective quite different to that of current EU member states.

We wish you a pleasant read and welcome any subsequent discussion.

Stefan Batory Foundation

One of the important challenges to an enlarged European Union, comprising both Lithuania and Poland, will concern relations with the Kaliningrad, which will become a Russian enclave surrounded by territories belonging to the European Union. Discussions on the future of Kaliningrad as an enclave inside the Union are currently taking place both in the EU and in Russia. However, only preliminary drafts for conceivable solutions have thus far been presented.

As immediate neighbours of the Kaliningrad, Lithuania and Poland are also participating in the discussion.

The present report, published by the Polish NGO community, is a contribution to the ongoing European debate as to the nature of future relations between the European Union and the Kaliningrad. Although we include in it the experiences drawn from the fact of Poland being in direct neighbourhood, the basic approach of the actions that we propose to be taken encompasses the perspectives and interests of Europe as a whole .

The issue of the orientation of the development of EU-Kaliningrad relations needs to be resolved within the next few years, so as to ensure that along with Polish and Lithuanian accessions to the European Union there should be no sudden deterioration in the relations of the said with the outside world.

I. The Situation of the Kaliningrad

1. The Region's Society and distinguishing features

For the community inhabiting the Kaliningrad one of the most important changes to take place after the disintegration of the USSR involved the process which may be loosely described as the “phenomenon of the opening”. After years of total isolation during the cold war period, when there was entirely out-of-bounds to foreigners, the world started opening up. In the early 1990s contact with immediate neighbours began: with Poland, and also Lithuania, which subsequent to its proclamation of independence became a foreign country for the inhabitants of Kaliningrad. Travel to those countries was facilitated by arrangements allowing for border crossings without the need for visas. At that juncture, the process of constructing ties with hitherto “eternal enemies” such as Germany or the Scandinavian countries became more natural.

This embodied a certain paradox. On the one hand, the new political situation in Europe had led to the isolation of Kaliningrad from its *mother country*, whilst on the other hand it facilitated greater contact with the outside world. It turned out that the case of the enclave presented both a handicap to and an opportunity for the region.

In the eyes of Kaliningrad's inhabitants and Russians from other parts of the Russian Federation the new situation was perceived, above all, as an opportunity. This is backed up by data on migration behaviour. During the past decade more people have moved to the enclave than have migrated away from it. This positive influx has compensated for natural population decline due to a negative birth rate, so the number of inhabitants continues to hover around the figure of 950,000. It is interesting to note that the phenomenon of a spontaneous positive migration balance runs contrary to the opinion, popular among the Moscow elite, that Kaliningrad is a region, which like other Russian regions would have limited opportunities for development.

Recent years have witnessed the gradual emergence and formation of a regional identity among enclave inhabitants. It is clearly not a matter of forming a “Kaliningrad nationality”, but rather the recognition of their own particularity within a greater Russia.

This phenomenon is particularly interesting due to the fact that the entire Kaliningrad population consists of immigrants who settled there after the Second World War, i.e. under USSR administration. Owing to national diversity, the population at that time was characterised, above all, by a Soviet rather than Russian identity. Identification with the Soviet Union was made more obvious by the fact that Kaliningrad was a militarised zone. At present, strong pro-USSR sentiments are visible there among older generations. The middle-aged and younger generations are to a large degree more accepting of the new realities.

The same applies to the majority of Kaliningrad's political and economic elite, which came to power following the most recent elections of Kaliningrad governor, and to the Duma [assembly of deputies]. This elite understands the specific character of its place of residence and for that reason it is also interested in improving ties with Kaliningrad's immediate neighbours, as well as with the EU.

2. Military Potential of Kaliningrad

The Formation of the Armed Forces of the Russian Federation in the Kaliningrad has undergone a thorough restructuring process during the past few years. The Baltic Fleet, which has come to include all the units stationed in Kaliningrad, currently belongs to the best operational forces of the Russian army in terms of organisation and training. It is probably the only structure of the Armed Forces of the Russian Federation at that level, which has adapted to the new geopolitical and economic situation of Russia. This success can be directly attributed to the commander of the Fleet for many years, Admiral Vladimir Yegorov, currently governor of Kaliningrad. The capacity of the Fleet has been maintained at the same level for a number of years, a level unlikely to change over the next few years. According to Admiral Yegorov, Russia is currently uninterested in developing its armed forces in the, "neither from an economic, nor a military point of view". Numbers in the Armed Forces of the Russian Federation in the Kaliningrad do not exceed 25,000 (both officers and soldiers).

The navy and air force of the Baltic Fleet constitute a small team (in fact the fleet has been reduced to the size of a Flotilla, the nomenclature being upheld merely for reasons of prestige), nonetheless maintaining outstanding tactical values. The core of the Fleet consists of small missile units intended for submarine and minesweeper combat. Large surface vessels and submarines serve above all as targets during exercises. The ships are relatively new by Russian standards. Approximately 70% of them have been in service for less than 15 years. The state of the Fleet's air force is comparable.

The profile of the marine component of the Baltic Fleet, after the changes in the second half of the nineties, is typically defensive (following the withdrawal of most of the larger ships, the idea of an attack on the Danish straits has been abandoned). The nature of the exercises conducted leads to the hypothesis that in the event of a possible conflict, the objective of the Fleet would be to paralyse Baltic Sea navigation.

The land units of the Baltic Fleet are either undermanned or staffed insufficiently. Close to half of the brigades and regiments of the different armed services function as Bases for the Storage of Arms and Military Equipment. Owing to the necessity to replenish the staff levels, land forces would be unable to launch any operation before first effecting a mobilisation.

Recent public opinion has been concerned by reports on the locating of nuclear warheads on Kaliningrad territory. It should be remembered that small depots of artillery nuclear devices

from the 1950s and tactical nuclear warheads for SCUD launchers have probably existed for many years in the region. In spite of Russian démenti it cannot be unequivocally confirmed whether any recent locating of new tactical nuclear arms has indeed taken place or not. The transportation of such arms would have certainly precipitated a deterioration in the international political climate, including relations between the EU and Russia.

Apart from the units of the Armed Forces of the Russian Federation, other units of so-called military forces are stationed in the area: the Frontier Troops of Border Guard Services of the Russian Federation (some 5 thousand) and Internal Forces of the Ministry of Internal Affairs of the Russian Federation (approximately 1 thousand). Current Russian military potential in the Kaliningrad should be seen vis-a-vis the operational capacity of the region. What justifies the permanent presence in Baltijsk – the sea base of the Baltic Fleet in Kaliningrad – of some 70% of the Baltic Fleet, is the fact that this harbour is the only Russian port on the Baltic that does not freeze in winter.

The retiring personnel of the Baltic Fleet remains, as a rule, in the Kaliningrad. Its functioning centres around business activities conducted at the interface between local administration, the military and the so-called shadow economy. A part of the military starts to become active in business whilst still in service. This especially involves logistics officers. The decision of former military staff to remain in Kaliningrad and the orientation of their activities as civilians is largely influenced by the particular standing of the military therein. In proportion to the general estimate of 950 thousand inhabitants of Kaliningrad, the economic significance of the Baltic Fleet cannot be overestimated. It generates huge purchasing power potential in Kaliningrad, and creates in its surrounding area jobs that are relatively stable, according to local conditions.

3. The Basic Problem – the Lack of a Clear Central Policy for Kaliningrad

The absence of a clearly defined policy from Moscow with respect to Kaliningrad has been evident throughout the past decade. This lack of central policy was one of the important causes behind the inability to turn Kaliningrad into a well prospering economic area. Frequent changes in customs and tax regulations led to the fiasco of such ventures as the Free Economic Zone “Yantar” established in 1991, and its successor Special Economic Zone in 1996. In the coming years one should not expect changes which would enable business activities to be conducted in accordance with EU standards, either in Russia or Kaliningrad, .

In various studies and reports it has been fashionable to articulate a future for the Kaliningrad on the basis of choosing between two alternatives; either a military base, or a very well prospering economic zone. The experiences of the 1990s however show that this would be an inappropriate model. Contemporary Russia will choose neither scenario. It should rather be expected that central policy vis-à-vis Kaliningrad will remain vague, although probably with a tendency toward exercising greater control at the centre.

A meeting of the Russian government concerning the issue of the Kaliningrad is anticipated in the first quarter of the year 2001. Although supposed to be devoted to, among other things, international relations, the special zone, the Baltic Fleet, energy and telecommunications, it will probably not bring about any penetrating changes to existing practices.

Moscow-Kaliningrad relations need to be perceived in the wider context of Russia as a whole. The centrist tendencies of President Vladimir Putin which far outperform those of Boris

Yeltzin, exert a direct impact upon the situation of Kaliningrad. The establishment of seven Federal Districts (Kaliningrad belongs to the North-Western Federal District with its capital in St. Petersburg) reinforces central control over the regions and reduces the scope of autonomy for the governors. This mechanism is already visible in the case of Kaliningrad.

One of the important causes of Moscow's unwillingness to accept a more self-directed development of the Kaliningrad enclave will be fear of the potential disintegration of the Russian federation, as has been the case over the past decade. It should be expected that the policy of the Putin administration concerning enclave relations with the EU will correspond to the provision contained in the medium term Strategy for the Development of Relations of the Russian Federation with the EU, adopted in 1999. The authors of that Strategy clearly underline the necessity to assure the full authority of Moscow over Kaliningrad, adding only that the District could, to such an extent as may be feasible, fulfil the role of a pilot region in the relations between Russia and the EU.

4. The Significance of Personal Arrangements

Contrary to the EU practice of attaching key importance to institutions in politics, Russian politics affords a much greater importance to the personality of the particular politician.

With respect to the situation Kaliningrad one cannot overlook this phenomenon which is of key significance in Russian political life. A good illustration of that principle is given when one compares the regional standpoints of Yeltzin and Putin. Yeltzin symbolised of the weakness of the centre in relation to the power-accumulating regions. Conversely, Putin personifies the drive to strengthen the centre at the expense of the regions. The Russian president needs in fact to reckon with the provision of the law only to a small degree, as he is able to modify them in whatever way he pleases.

The personality of the politician also has a bearing on the local level. In the case of the Kaliningrad enclave, its previous governor, Leonid Gorbienko, was reluctant to develop international contacts, and especially with foreign capital. He failed to exploit the opportunities presented by a weak centre during Yeltzin's reign, and particularly during his second presidential term of office. The prevailing opinion in Kaliningrad is that the years 1997-2000, under Gorbienko, were wasted years.

The new governor – Admiral Yegorov – is perceived as the loyal executor of Putin's orders. Based on the Yegorov's behaviour so far he may be expected to welcome improved foreign relations, including those with the EU. Perhaps greater than those limitations imposed on him by the centre, it will be the remnants of a soviet mentality which will have a greater bearing on his leaning toward moderate conservatism. For example, the new governor opposed the introduction of the private ownership of land, which will prove a decisive impediment to foreign investment in that enclave.

When one assesses the chances for the development of relations between the EU and the Kaliningrad one must consider the Putin-Yegorov personal relationship, which will most probably exist for the next 7-8 years. This implies that they will decide on the nature of Kaliningrad-EU relations even after the latter's embracement of Poland and Lithuania.

II. Proposed Actions

1. The Kaliningrad as Part of a New *Friendly Neighbourhood* Area

With EU enlargement to the East, the existing *friendly neighbourhood* area, which in the nineties consisted of the Central European candidate countries, will disappear. For the first time after the cold war period, the EU will be exposed on a great scale to an area essentially different in economic, political and social terms. The Finnish concept of the Northern Dimension, which has already become part of the official policy of the EU, should be regarded as an attempt to overcome the unfavourable tendencies resulting from the disparities between the EU and those Russian regions already sharing borders with the Union. Its impact also covers the Kaliningrad.

In the future, after EU enlargement to the East, the *Northern Dimension* should become a component part of the Union's policy with respect to those countries not forming part of the Union, but rather neighbouring it. The objective of such a policy would involve of the creation of a new *friendly neighbourhood* area.

The main features of *friendly neighbourhood* should include the following:

- Measures facilitating the free movement of people with the EU.
- Greater EU assistance to the present candidate countries of Central Europe. The existing TACIS programme covering, i.a. Russia, will be insufficient under the new political realities following the enlargement of the EU to the East.
- Facilitation of trade.

In the case of Russia, as a country the size of a continent, the *friendly neighbourhood* area would include only those regions directly neighbouring the enlarged EU. The Kaliningrad, owing to its nature of an enclave inside the Union, should be treated as a special case. The facilitating measures for the Kaliningrad enclave, however, cannot be treated as a price for the accession of Poland and Lithuania to the EU.

One should, above all, maintain the existing arrangements enabling the inhabitants of the Kaliningrad to travel relatively freely to neighbouring countries – Poland and Lithuania, and moreover to enable easier visa access to facilitate travel to all of the Schengen convention countries.

The issue of the freedom of movement is of essential significance for the future of Kaliningrad. The possibility of forging relations with the outside world has, over the past ten-year period, become one of the greatest gains enjoyed by the inhabitants of the Kaliningrad enclave. As a rule, the issue of cross-border regulations with a future European Union including Lithuania and Poland is the first subject raised by the representatives of the authorities of Kaliningrad and the business community at meetings with their Polish or Lithuanian equivalents.

Solutions may be looked for in the framework of two possible models:

- *Traffic without visas* – The Russian Ministry of Foreign Affairs is in favour of the continuation of the currently binding regulations applied at present by Lithuania vis-à-vis Kaliningrad inhabitants: the ability of Kaliningrad residents to stay on Lithuanian territory for 30 days per year (whereas Russian citizens resident in other regions of Russia need a visa in order to enter the territory of that country). In the future, apart from Lithuania, such an arrangement could also be applied by Poland. Assuming, of course, that the EU would accept that.
- *More easily obtainable visas* – A decisive move would be to introduce free-of-charge visas to enter the countries of the Schengen area for residents of the Kaliningrad, and to

sharpen up the bureaucratic procedure of granting them. Such a policy runs parallel with the need to develop a network of consulates for EU member states in Kaliningrad. (Poland and Lithuania already have diplomatic representation offices in the region.)

In the EU, both in the European Commission and in some of the member countries, especially Scandinavia and Germany, the proposition to introduce measures facilitating travel to the Union for the residents of the Kaliningrad enclave is being raised. Within the not too distant future it would be advisable to present a specific solution of that issue to the EU. If the Union were to propose such a solution, Poland and Lithuania would not be forced to introduce the requirement of visas for the inhabitants of the enclave in compliance with the *acquis* of Schengen.

The Polish government has already announced the intention to introduce the requirement of visas for all Russian citizens from the autumn of 2001.

2. The Necessity to Act Flexibly

In relations with Russia over the Kaliningrad the Union must reckon with the possibility of sudden U-turns in the policies of Moscow. Such might exert a negative impact upon the hitherto accomplishments of EU-Kaliningrad co-operation.

Union co-operation with Kaliningrad should be conducted, above all, via the regions, and not through the central authorities of the Union or the member states. By assigning the relations to the local level, Russian concerns about EU intentions to subordinate this Russian region directly to itself should be assuaged. Of course, immediate neighbours will be naturally inclined to co-operate with Kaliningrad: Lithuanian local self-government authorities, and self-governing voivodeships (provinces) in Poland, which now have a larger scope for their activities following administrative reforms.

Two voivodeships neighbouring Kaliningrad in question: Warmia-Mazury and Pomerania are interested in co-operating with the enclave. This is indicated, for instance, by the drafting of a new agreement between the self-governing authorities of the said voivodeships and the administration of the Kaliningrad (the respective documents are to be signed in the immediate future after the election of new governors on the Polish side). Apart from direct neighbours, a large part may be played by the local self-governments of the Scandinavian countries and the powerful German *Länder*.

There ought to be as few direct contacts between Brussels and Kaliningrad as possible. In Russia such relations will certainly be interpreted as an attempt to elevate Kaliningrad to the rank of a subject in international politics. Although EU intentions might be otherwise, persuading Moscow of any good intentions would not be realistic.

These issues which cannot be resolved at the local level should be tackled on the Brussels-Moscow stage. A typical example of such a solution may consist of personal traffic regulations. It would be beneficial to sign an EU-Russian framework document concerning the Kaliningrad. Such an agreement would offer assurances to Moscow that the EU does not intend in any way whatsoever to question its authority over that enclave.

The local authorities, back in Kaliningrad, are also interested in the establishment of a new framework agreement, as this would facilitate relations with Moscow on matters concerning EU-Kaliningrad relations.

3. Asymmetrical Nature of the Co-operation

The co-operation between the European Union and the Kaliningrad will always be of an asymmetrical nature, consisting of a greater commitment on the part of the EU than Russia. Such a paradoxical situation has to be accepted as natural. In this field one should not expect any spectacular successes in the next 5-8 years. This lack of achievement should not, under any circumstances, lead to a discernible decrease in EU commitment in the issue of the Kaliningrad enclave.

Some part of the EU investment aid to Kaliningrad could be supported by Russia on special terms, e.g. by writing off a part of Russian debts to EU states. Given such a solution, the states of the Union would need to conclude a special agreement among themselves concerning that issue.

Co-operation, albeit asymmetrical, enhances the growth of security in the Baltic region. The assurance of security in the neighbourhood comes with a price.

4. Inclusion of Kaliningrad in *the European Circulatory System*

The basic plan, partly feasible over the next decade, would consist of the inclusion of the Kaliningrad enclave in the *European circulatory system*. Such a process would be conducted to a large extent on the basis of funding from the European Union.

Such a plan would not imply opposition to improving Kaliningrad links with other regions of Russia or with Belarus. The process of inclusion in the European system would only balance the ties of Kaliningrad with the East, and would enable the preparation of Kaliningrad to fulfil the role of a true Russian window to a united Europe.

The most important tasks would include help for ecological progress within the enclave: co-financing the construction of sewage treatment plants, the reclamation of land from military bases, the reduction of toxic emissions into the atmosphere. An equally important issue would include the development of a modern infrastructure in the region, and especially the so called Via Hanseatica connecting Riga with Gdańsk via Kaliningrad, harbours, including passenger terminals, and bringing up the airport in Kaliningrad to European standards.

Improvements in the above areas would clear the way for the development of tourist services, even if on a modest scale. Even a modest growth of that sector of the economy would generate tangible profits and contribute to the further opening up of Kaliningrad to the world. A similar role could be fulfilled by appealing to a part of the North-South transit traffic to take the Via Hanseatica route.

It would be important to develop a pro-European elite, especially among the younger generation of the inhabitants of that enclave. It would be worthwhile, therefore, to invest in the development of an Euro-faculty at the local university. The Euro-faculty could be of more than just local significance. It could also train specialists in the field of European issues for the whole of Russia. An important aspect of the formation of the local pro-European elite would consist of the promotion of NGOs operating in Kaliningrad, which would contribute to the development of civic society oriented attitudes. A significant role in this could be played by Polish NGOs, which have been involved in supporting various social and cultural initiatives in that region since the early nineties.

The tightening of links with the enclave would also be important for the border regions of Poland and Lithuania. Co-operation with that region of Russia may provide a development opportunity for them. In the case of Lithuania, for the whole country. The Kaliningrad with its close to one million inhabitants is an important trading partner for Lithuania, whose population numbers just under 4 million. In the case of Poland, it is significant above all for the Warmia-Mazury, which is one of the poorest regions of Poland.

All the activities leading to the inclusion of the Kaliningrad enclave in the *European circulatory system* would contribute toward preventing the sudden increase of the disproportionate gap between the Kaliningrad and its direct neighbours, who will find themselves in the EU.



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