

The Relations Between Russia And The Baltic States: 1997-1998

Introduction

When it regained independence in 1991, Latvia proclaimed its strategic priorities in foreign policy: to join EU and NATO as well as to maintain constructive neighbourly relations with Russia. The direction to join EU and NATO was taken as a possibility to break away from the geopolitical fate, which became apparent in the last century with the incorporation of the Baltic nations into Russia (later the USSR) as well as the German occupation (1915-1918, 1941-1945). Joining the EU and NATO is for Latvia the possibility of a guarantee for the irreversibility of independence.

In its turn Russia with its geopolitical motivation, formulated the concept of the so-called post-soviet space, where Russia also includes the Baltic states and which should be a space of particular interests and special rights for Russia. My research is based on the assumption that at the level of the Russian geopolitical and strategic concepts all three Baltic states have been treated as a whole: the Baltic states should remain neutral and Russia rejects categorically their joining NATO. At the same time Latvia occupies a special place in Russia's interests; particularly Russia's interests in Latvia are vast as well as Russia's view about the possibility to implement them. In the sphere of economic interests Latvia is most significant for Russia: from Latvian ports, especially Ventspils, the most important part of Russian exports is shipped (in 1997 13% of Russian oil was exported through Ventspils port). In Latvia the proportion of the so-called Russian speaking population is the largest; about $\frac{3}{4}$ of them are not Latvian citizens. This creates a unique situation in Europe: 30% of Latvian inhabitants are not citizens. This problem is seen by Russia from two aspects: first, as the means to implement Russian interests in Latvia still using for this purpose "Russian speaking" people; second, using the unsolved citizenship problem, to discredit Latvia internationally and prevent its joining EU and NATO.

1. The strategy for relations with the Baltic states

The strategy was announced at a time (on 13 February, 1997) when the following perception was developing in Russia about the country's foreign policy goals, and its ability to carry out these goals: Russia must definitely avoid confrontation with the West over NATO expansion, because Russia cannot afford any confrontation due to its own weakness. Russia must stall for time (10–12 years), during which time it must evaluate its national interests in the new Europe, as well as the ability of the country to pursue these interests. Russia must facilitate the development of special relations between Russia and NATO, as these would weaken or even eliminate NATO's motivation for expansion. NATO and EU expansion can turn out to be mutually exclusive, not parallel processes; the membership of Central and Eastern European countries in the EU can be postponed for quite some time, and Russia can find various opportunities to strengthen its position in the region. Russia must not try to resolve these problems only over the heads of the Central European governmental leaders, going to Washington or Brussels; rather, Moscow should establish bilateral relations with each country in the region separately, bearing in mind the political and economic interests of each one.¹ Russia has never viewed the Baltic states as part of Central Europe, so everything

¹ "Pobeg iz soclagerya" (Fleeing from the socialist camp), Moskovskiye Novosti, 26 Jan. - 2 Feb. 1997, p. 10. The article was about a research project carried out by Sergey Karaganov's council and the Parliamentary

that Russia feels about the time which it has at its disposal can be applied to an even greater extent to the Baltics.

The announcement of the so-called long-term strategy with respect to the Baltic states marked the beginning of efforts to create a special Baltic policy in Russia, where there had been no such coherent policy before. The long-term policy was intended as a positive (at least in Russia's view) offer to the Baltic states of the future relationship between the two sides, but in fact the strategy was nothing more than a new example of old thinking. With respect to security issues, it insisted on a neutral Baltic outside of NATO. Russia continued to favor the OSCE hoping for an eventual OSCE security charter. Russia also hoped to activate the work of the Council of Baltic Sea States and to develop bilateral Russian-Baltic dialogue on security issues.

*Russia's approach to security issues was clearly based on the idea of a multi-polar world.*²

In the field of economic relations the strategy proposed the application of economic levers to political goals; with respect to the so-called "Russian speakers" in Estonia and Latvia it called for automatic citizenship for all of them; and it spoke openly in favor of linking the signing of border agreements with Estonia and Latvia to the issue of the "Russian speakers". The proclamation of the strategy had no positive effect on Russia's relationship with the Baltic states, and after the US-Russian summit in Helsinki in March 1997, a few signs of a "new" approach to the Baltic countries began to appear in Moscow. Shortly after the summit Boris Yeltsin spoke in favor of offering a "positive program" to the Baltic states, one which would, among other things, address security guarantees. Urged on by America and Finland, Yeltsin said after the Helsinki summit that the Baltic states must be offered a "positive program" (Russia's approach until then had focused solely on "negative control" over the area³) and the new statement contained hints of Russian security guarantees for the Baltic states. All three Baltic states rejected this offer, with Latvia taking the most negative position, at least publicly. The so-called new approach by Russia in fact was not very different from the old approach: at a closed meeting of CIS leaders on 28 March 1997, Yeltsin repeated long-standing geopolitical stereotypes about the need to combat the encroachment by other major powers on the territory of the former Soviet Union, as well as the appearance of anti-Russian buffer countries which would be a hindrance against integrationist trends in the post-Soviet space.⁴ Russia's attitude to security issues in the Baltic states could not be divorced from the overall nature of Russia's relationship with the West and security-related issues in this context. Even though Russia's relations with NATO and the United States (especially in the context of European security) are not the whole story in terms of Russia's relationship to the West, in the context of my report it is worth noting precisely these issues and the way which they affect Russian-Baltic relations.

Russia's approach to NATO expansion in the first half of 1997 was characterized, on the one hand, by increasing government-sponsored rhetoric in the mass media about possible responses by Moscow to such a step. On the other hand, Yeltsin (who completely controlled all issues concerning Russia's links with NATO) and Primakov understood clearly that Russia

Development Fund. See also Kortunov, S., "Dogovor ne mozhet stat platoy za rasshireniye" (The agreement cannot become compensation for expansion), *Nezavisimaya Gazeta*, 13 Feb. 1997, p. 2. Also Nikonov, V., "Centralno-Evropeiskiy mirazh" (The mirage of Central Europe), *Nezavisimaya Gazeta*, 18 Feb. 1997, p. 2.

² Briefing at the Russian Ministry, 13 Feb. 1997. - Archives of the Latvian Foreign Ministry, 1651-228291.

³ Baranovsky, V., "Security in Europe: Russia's approach", Ed. Herolf, G., *Europe. Creating Security through International Institutions* (The Swedish Institute of International Affairs: Stockholm, 1996), p. 38.

⁴ *Nezavisimaya Gazeta*, 5 Apr. 1997, p. 2.

could offer no reply to NATO enlargement; all it could do is seek to preserve face for Russia by signing an special agreement with NATO in advance of the expansion. It is possible that Russian analysts and political commentators, whose influence on Russia's foreign policy establishment has always been much lesser than they themselves believe, truly believed Russian government rhetoric about responses to NATO expansion, which included threats of placing tactical nuclear weapons in Belarus; to abrogate the CFE treaty; to refuse to ratify the START-2 agreement; to develop much closer relations with China, etc. Political scientists got carried away with geopolitical and geostrategic dreams of a Russian-Indian-Iranian axis, or even a Russian-Iranian-Indian-Chinese axis as a response to growing American influence in Europe, including in the process of NATO enlargement.⁵ Karaganov's Foreign and Defense Policy Council recommended that the agreement with NATO not be signed and that Yeltsin delay negotiations with NATO even after the Madrid summit, demanding strict promises from the alliance that the first round of expansion would be the last, that the Baltic states would never become members of NATO and that the alliance would turn into a collective security organization.⁶ Yeltsin decided otherwise. The haggling with NATO continued only as long as Yeltsin thought that he could get something more. When he understood that NATO would expand with or without an agreement with Russia, he agreed to sign the basic agreement, thus demonstrating his continued sense of reality. As soon as Russia stated its readiness to sign the agreement with NATO, several Russian authors who are often used to express the views of the Russian Foreign Ministry, proclaimed that Russia had extracted enormous concessions: There would be no second round of enlargement; NATO would review its strategic concept and would be transformed into an organization more political than military. It was especially stressed that Russia would reject the basic agreement if the issue of admitting the Baltic states into the alliance were ever to be raised.⁷ There was no doubt that in comments about the NATO agreement, representatives of the Russian government, as well as people in the mass media, sought to portray the agreement as a win for Russia and to ascribe to NATO promises which the alliance had never made (this was especially true of a remark by Yeltsin press secretary Sergei Yastrzhembsky that Russia had made certain that new NATO members would be second-rate participants in the alliance).⁸ The most important question which remains unanswered (and which is very important to the Baltic states) is whether Russia has accepted cooperation with NATO as a permanent factor in its foreign policy, or whether the signed agreement will be nothing more than an expression of Russia's weakness, and Moscow will continue to harbor revisionist hopes in its heart of hearts. At the end of the day, this is an issue of whether Russia is a status quo or a revisionist country. V. Nikonov, a well-known Russian analyst and an active participant in Yeltsin's 1996 election campaign, has compared

⁵ Fomenko, A., "Moskva-Teheran kak politicheskaya realnost" (The Moscow-Tehran axis as political reality). *Nezavisimaya Gazeta*, 21 May 1997, p. 2. In that same issue, *Nezavisimaya Gazeta* editor V. Tretjakov was chatty in proposing the formula "attack the West and retreat to the East" (*ibid.*, p. 1). It is not clear whether Tretjakov himself understood what that would mean. A bit later, in the autumn of 1997, Russia's deputy foreign minister, G. Karasin, said that Russia would not establish any alliances with Beijing or with any country: political scientists, he said, can write what they please, but that would have no influence on Russia's real foreign policy. *Nezavisimaya Gazeta*, 15 October 1997.

⁶ *Nezavisimaya Gazeta*, 13 May 1997, pp. 1 and 2. It is significant that among those to be influenced by the recommendations of Karaganov's council was the then secretary of the Security Council, Yuri Baturin (it has always been the goal of the Council to influence government representatives, especially in terms of personal contacts, while continuing to exist as a non-governmental organization). In early May Baturin said that he would recommend that Yeltsyn not sign the NATO agreement. Yeltsyn ignored all objections, however.

⁷ See articles by S. Kondrashov and K. Egert in *Izvestiya*, 16 May 1997, p. 3; also a commentary by V. Gornostajev in *Nezavisimaya Gazeta*, 27 May 1997, p. 1.

⁸ *Izvestiya*, 24 May 1997, p. 3.

the NATO agreement to Germany's humiliating signing of the Versailles Treaty (1919) and said openly that because of its present weakness, Russia has to balance its relations with major powers very carefully, but in the future, when Russia overcomes the weakness, it will be able to start thinking about revising the European security system.⁹

The Russian-NATO agreement and the institution which has been created for implementation of its terms (the Russian-NATO Council) have been the object of some controversy among western analysts, including in the context of Baltic-NATO relations. The main fear involves two questions. First, will the Russian-NATO Council give Moscow a greater role than is formally specified in the May 27 agreement, allowing Russia to seek to take advantage of differences of opinion among NATO members in an effort to weaken the alliance? And second, if the Russian-NATO Council proves successful, will NATO countries be prepared to take responsibility for scuttling the cooperation by admitting the Baltic states to NATO – something that could cause Russia to reject the agreement. It is doubtful whether NATO would be prepared to follow recommendations at Zbigniew Brzezinski and Anthony Lake that new candidate countries be named by mid-1999, i.e., by the time that ratification of the accession of Poland, Hungary and Czech Republic has been completed.¹⁰ The influence of the Russian-NATO agreement on Baltic security may be quite complex. By agreeing to the agreement because of its weakness, Russia expanded, at least for the time being, its cooperation with NATO, which is in and of itself a factor that strengthens Baltic security. On the other hand, it is precisely Russia's weakness and its cooperation with NATO that can weaken the possibility of Baltic membership in NATO, where support for the accession of the Baltic states is not great.

In evaluating the Madrid summit, Russia's official circles, as well as many analysts, stuck to the following formula: Russia's main goal is to establish precise mutual relations with NATO. These relations must become an alternative to the next round of NATO expansion. In order to avert the enlargement, relations must be developed with several NATO countries (especially France, Germany and the United Kingdom).¹¹ Some analysts continued to hope that the agreement would ensure closer relations with NATO for Russia than those of Poland, the Czech Republic and Hungary, even after their admission to the alliance.¹²

Even though the Baltic states were mentioned in the concluding document of the Madrid summit in a way which did not make any promises about Baltic membership in the next round of enlargement, the very mention of the three countries was unpleasant for Russia.¹³ Even more unpleasant for Russia were signs which it perceived as an undesirable increase in the American influence in the Baltic states. First of all, there was increased military cooperation between the Baltic states and America.¹⁴ Second there was the upcoming US-Baltic Charter

⁹ See an interview with V. Nikonov in the magazine *Eksperts* (Moscow), 26 May 1997, pp. 21 and 22.

¹⁰ Brzezinski, Z. and A. Lake. "The Moral and the Strategic Imperative of NATO Enlargement", *The International Herald Tribune*, 1 July 1997.

¹¹ S. Prihodjko in an interview in *Izvestiya*, 23 August 1997, p. 3. See also Kobrinskaja, I. "Posle Madrida" (After Madrid), *Nezavisimoye Voyennoye Obozreniye*, 5-11 July 1997.

¹² Kortunov, S. "Rasshireniye NATO nanosit serjoznyi ushcherb voyennim preobrazovaniyam Rossii" (NATO expansion causes serious losses to military restructuring in Russia), *Nezavisimoye Voyennoye Obozreniye*, 12-18 July 1997.

¹³ Russian Foreign Ministry representative G. Tarasov announced that Russia is upset by the mention of the Baltic states in the Madrid declaration. *Neatkarīgā Rīta Avīze*, 10 July 1997.

¹⁴ First of all, there is BALNET, a project to monitor the airspace of Latvia, Lithuania and Estonia - a project which is to be financed by the United States and which, if implemented, will be headquartered at a former Soviet military air base in Kaunas, Lithuania. It would be part of an analogue system which covers Poland,

which, although it did not contain any security guarantees for the Baltic states or promises of Baltic membership in NATO, was seen as a direct and undesirable increase in American influence.¹⁵ Third, even the completely economic proposal to create the Hansa Project, which would have involved closer economic cooperation among the Baltic Sea countries with the support of the United States, encouraged Russian suspicions that America was seeking to increase its influence in the St. Petersburg and Kaliningrad regions, thus promoting centrifugal forces in Russia. Moscow's response to the Madrid summit came at two levels. First, at the rhetorical level, there were repeated threats of Russian countersteps. The topic had a short shelf-life, and some of the proposals were less than serious.¹⁶ A different level of response became increasingly important in Russian foreign policy. Immediately after the Helsinki summit, Moscow began to offer a variety of cooperation efforts to the Baltic states, emphasizing the issue of security guarantees. When Primakov first broached the topic of guarantees in May 1997, he even said that there could be international guarantees for the Baltic states outside NATO but without Russian participation.¹⁷ In the official offer of guarantees, however (in October 1997), Russia presented itself as the main guarantor.

2. Security guarantees

In October 1997, Russia submitted to the Baltic states the *Russian proposals for a regional security and stability pact in the Baltic Sea region* (“*Rossijskije predloženija paktu regionalnoj bezopasnosti i stabilnosti dla regiona Baltijskogo morja*”). The proposals contained a complex approach to Russian-Baltic relations. In a single, linked package, Moscow offered security guarantees (which could be unilateral Russian guarantees, bilateral Russian-Baltic agreements, or multilateral agreements with the participation of other countries or organizations), as well as increased Russian-Baltic relations in the military, the political, the economic, the social, the human rights and the environmental protection sectors. The fact that guarantees were offered in the form of a pact makes it clear that the proposal was developed amateurishly, without taking into account so important a consideration as the fact that opinions in the Baltic states with respect to pacts with Russia were highly negative as the result of the tragic history of the region (including the pacts which Russia forced upon the

the Czech Republic, Slovakia, Romania and Bulgaria, and it could be merged with the NATO air surveillance system. In late May of 1997, the Russian Foreign Ministry announced that it was following the technological nature of the project very closely. *Izvestiya*, 30 May 1997, p. 3. Also distressing for Russia is the increasing number of American military officers (especially in Lithuania and Estonia) who retaking significant posts in the armed forces of the Baltic states. *Izvestiya*, 11 July 1997.

¹⁵ Shortly after the signing of the agreement between Russia and NATO, Russia's deputy foreign minister, I. Ivanov, announced that the agreement was an important part of the European security architecture. Any other agreements or charters, he said, would have to be subordinated to the agreement, meaning that they would be less important than the Russian - NATO agreement (he was speaking of the planned NATO - Ukrainian charter). *Nezavisimaya Gazeta*, 31 May 1997, p. 1. Even though the US - Baltic charter was indeed less significant than the May 27 basic act, Russia still saw it as an undesirable “interference” in Russia's sphere of interests.

¹⁶ A long-time mouthpiece for Foreign Minister Primakov, the *Izvestiya* commentator S. Kondrashov, announced that Russia's union agreement with Belarus was a warning to the Balts who were seeking to join NATO. *Izvestiya*, 3 June 1997, p. 2. The agreement with Belarus was occasionally presented as the foundation for a collective defense alliance against external threats, unlike the 1992 Tashkent treaty which was defined as a treaty of collective security. *Moskovskie Novosti*, 30 March - 6 April 1997, p. 7. Russia was not able to create any kind of alliance, however. At the end of the day, Russia's “countersteps” were nothing more than hints that Russia would respond to NATO expansion by developing a new destroyed and a new tactical military airplane. *Nezavisimaya Gazeta*, 14 August 1997, p. 1.

¹⁷ *Neatkarīgā Rīta Avīze* (Latvia), 26 May 1997.

Baltic states in 1939). It appears that the Russian offer of guarantees did not include a demand that the Baltic states abandon efforts toward NATO membership as a condition of good relations with Russia, but it is clear that this was precisely Moscow's goal. The proposal was particularly extensive with respect to steps toward military trust and cooperation, something which reflected Russia's dissatisfaction with the very low level of military cooperation that had existed with the Baltic states until that time.¹⁸

Russia had three goals in proposing the pact:

To test the reaction of the West (placing particular hopes in the United States, Germany and France) and to see whether the western countries might not support Russia's proposals and encourage the Baltic states to accept them. Russia's aim was to create a positive image of itself in the West, something that in the Kremlin's eyes would reduce support for the Baltic desire to join NATO;

To test the unity of the Baltic states, hoping especially for a more favorable attitude in Lithuania after the conclusion of a border treaty with that country;¹⁹

To promote internal discussions in the Baltic states, hoping for support for the Russian offer from some political forces (including the Saimnieks party in Latvia).

What did Russia achieve through proposing the pacts? For the time being, it seems that the answer is – nothing much. There was no reaction in the western countries and in Scandinavia which could be interpreted by the Baltic states as support for Russia.²⁰ The Scandinavian countries reaffirmed their well-known negative position toward any regional security solutions. The reaction of the Baltic states themselves was unified, and Russia's hopes with respect to Lithuania fell flat. Domestically, only one political party in Latvia (Saimnieks) showed any kind of readiness to discuss the Russian proposals, but the rejection of the idea of guarantees by President Guntis Ulmanis, as well as the Latvian Foreign Ministry, showed that individual political parties are not able at this time to change the country's foreign policy orientation.

¹⁸ Russia's military relations with the Baltic states are weakly developed. The protocol of intent that was signed between Latvia and Russia in December 1996 spoke only to cooperation in emergency rescue operations on the sea. A proposed bilateral meeting with representatives of Russia's main military headquarters in April 1997 was not accepted by Latvia. Russia's proposals concerning bilateral military training, visits by Russian military ships in Latvian ports, training of Latvian cadets at Russia's military schools, etc., went unanswered. In addition to the aforementioned BALTNET project, Russia is interested in BALTSEA - a military Internet project (with the participation of NATO countries) - and the intention to establish a Baltic military college in Tartu, Estonia, Russia would like to see its country's cadets at that institution. One can forecast that low level military contacts between Russia and the Baltic states could expand (e. g., trust-enhancing projects in the Baltic Sea), but outside the context of any offers of guarantees.

¹⁹ It is also possible that the Kremlin was hoping for special support from Lithuanian President Algirdas Brazauskas. Russian analysts who are close to the government even suggested that after the successful conclusion of the border agreement Brazauskas might change his mind about not running for another term as President of Lithuania. Trinkov, A., "Govorim 'Brazauskas', podrazumevayem Baltiyu" (When we say 'Brazauskas', we mean the Baltic). CM Segodnya (Latvia), 29 October 1997. Trinkov represents the Russian Institute for Strategic Research.

²⁰ The only country in which there was a small but significant event with respect to the Russian proposals was Germany, where a representative offered an unclear announcement of support for the proposals - an announcement which later was withdrawn. It is important to remember in this context something which the American analyst Paul Goble has written - that after the first round of NATO enlargement, Germany will think more about ways to avoid alienating and irritating Russia, less about future expansion rounds. Diena (Latvia), 20 June 1997, p. 2.

The issue of Russia's proposals laid bare the different approach which Russia and the Baltic states take toward the so-called "package principle". The Balts were ready to elaborate mutually advantageous cooperation in a variety of fields, but they were not prepared to link mutually beneficial economic cooperation, for example, with the issue of security pacts. The Russians emphasized quite the opposite, arguing for the "package principle" – that security issues must be linked to economic and human rights issues.²¹

The US-Baltic Charter (16 January 1998) drew angry reaction from Russia. Even before the signing of the charter Primakov said that Russia would accept it only if it were a replacement for Baltic membership in NATO. Even though the charter did not contain any security guarantees for the Baltic states, nor any guarantee that the Baltic states would be admitted to NATO, Russia was upset by the institutional mechanisms for implementation of the charter, which Moscow viewed as resources for increased American involvement in the Baltic states and for closer relations between the Baltic countries and NATO. In Moscow's eyes, the security system in Europe must be based on the Russian-NATO basic act, which Russia sees as a resource for hampering NATO enlargement and for reduction of American influence in the territory of the former USSR. The charter was seen as an unnecessary new element in the European security system. As usual, Russia's response was emotional and psychological in nature. After the signing of the charter, Baltic refusal of Russian guarantee proposals was portrayed in Russia as a loss of face for the Kremlin. As usual, the most vocal complaints came from the Russian Duma, which went so far as to adopt a special announcement in January 1998.²²

3. A crisis in Latvian - Russian relations

(March - August 1998)

A more detailed analysis of the crisis allows us to gain a deeper understanding about the following issues:

The essence of Russia's Baltic policy in general and Russia's attitude toward Latvia especially, as well as the resources which are at hand for implementation of this policy; the main actors in Russia's relationship with Latvia;

The position taken by the Latvian government, as well as the country's political parties and economic grouping during the crisis;

The influence which the crisis has had on Latvia's foreign and domestic policies.

On March 3, 1998, an unauthorized protest meeting was held in Rīga by pensioners (mostly Russians). They were objecting to the increased cost of living in Latvia. Participants blocked Rīga's second-busiest street, hampering traffic and ignoring requests by the police for the meeting to disband. Eventually the police were obliged to resort to force, and the street was cleared. No one was injured and no one sought medical assistance after the event. The

²¹ An interview with the Russian ambassador to Latvia, A. Udalcov, in *Neatkarīgā Rīta Avīze* (Latvia), 14 November 1997, p. 4.

²² An interview with Primakov written by the foreign minister's voice at *Izvestiya*, S. Kondrashov, *Izvestiya*, 23 December 1997, p. 3. The director of the Baltic Department of the Russian Institute for Strategic Research (a government institution), A. Trinkov, has said that Russia wants America to have neutral relations with the Baltic states and Russia instead of leaning toward the former. Trinkov, A., "Baltiya - god novih nadezhd" (The Baltic - a year of new hopes), *CM Segodnya*, 29 December 1997. After the signing of the charter, the Russian Foreign Ministry officially announced that it will closely monitor events in order to ascertain that the charter is not bringing the Baltic states closer to NATO membership. *Diena* 21.1.1997; *CM*, 21.1.1997.

occurrence seemed trivial. Russia's official reaction on March 3 and 4 was quite calm, but on March 4, according to Russian authors, a meeting was held in the office of President Yeltsin's director of administration, V. Jumashev, to discuss the organization of an anti-Latvian campaign.²³ On the same day, television stations owned by Russian oligarchs Boris Berezovsky and Vladimir Gusinsky, as well as other mass media outlets, began to fire up an anti-Latvian mood. On March 5 the tone of Russia's official institutions changed radically, and there seemed to be a competition to see which institution could be sharpest in its denunciation of Latvia for "oppression" of Russian speakers in the country. The campaign grew to unprecedented proportions. Among those to participate in it were leaders from Russia's regions, particularly the mayor of Moscow, Jurij Luzhkov, who is well known for his populist and nationalist stands. Political contacts with Latvia were suspended, and unofficial economic sanctions were put in place. The Russian - Latvian relationship sunk to its worst level since 1991 (i. e., during the entire existence of the relationship).

The main reason for Russia's extensive campaign against Latvia was the fact that dislike of Latvia had been simmering in Moscow for quite some time. The picket on March 3 was just an excuse. The causes, however, included the following:

- a) Russia's long-standing dissatisfaction with the pro-Western course of the Baltic states and the refusal of the three Baltic governments even to talk about the security guarantees which Russia offered in the fall of 1997. The US-Baltic Partnership Charter (January 1998) was the latest in a series of events which affirmed the pro-Western orientation of the three Baltic countries. Even some representatives of Russia's academic circles (true, those who were closely connected to Russia's governing elite) said that the signing of the charter once again proved that Russia's security interests were being ignored.²⁴ By organizing a radical worsening of the Russian - Latvian relationship, moreover, Russia wanted to see the extent to which the United States would be ready to support the Baltic states. Latvia's selection as the object of Russian pressure was no accident. Latvia was not invited to participate in the first round of EU membership negotiations; the integration of Russian speakers in Latvia is proceeding more slowly than in the other two Baltic states; Latvia's political system is the most unstable among the three countries; and Latvia's prime minister, who represents the radical Fatherland and Freedom party, had become, in Russia's eyes, unbearably free and independent in terms of his position vis-a-vis Russia.
- b) Even though the Russian Foreign Ministry became involved in the anti-Latvian campaign a bit later (on March 5), the incident with the protest demonstration in Rīga provided Foreign Minister Yevgenij Primakov with a long-awaited opportunity to affirm and to implement his consistent and unchanging view of Latvia as an area of special interests and special rights for Russia. In the spring of this year Primakov once again affirmed his faith in Russia's protectionist intentions vis-a-vis the CIS countries and the Baltic states, as well as his opposition to any increase in American influence in the area. Russia's imperialist ambitions were couched in pseudo-academic language - praise for imperial Russia's 19th-

²³ Brunoļevskis, P. "Nafta: piketētāji Rīgā un TV magnāti Maskavā" (Oil: Picketers in Rīga and television magnates in Moscow), *Diena*, 16 May 1998.

²⁴ Danilov, D. "A Piece of the Partnership", *Transition*, April 1998, p. 61. Danilov is the director of military-political studies at the institute of Europe, Russian Academy of Sciences, Moscow.

century foreign minister Gorchakov. The Russian press, for its part, stressed the need to “overcome the illusions of the Kozyrev era...”²⁵

- c) The crisis in relations with Latvia was created by Moscow at a time when the Russian economy was entering a new period of crisis, one affected by the collapse of oil prices on the world market, by Russia’s inability to collect taxes in the country, and by a dramatic increase in Russia’s internal and foreign debt. The 1998 budget was based on the assumption that Russia would earn USD 18-20 per barrel of oil, while the real price fell as low as USD 8. Russia ended up in a true emergency situation. If in 1990 heating fuel and other energy resources represented 55% of Russian exports, at the beginning of 1998 the figure had risen to a full 83%. The industrial sectors engaged in the provision of heating fuel and energy resources, moreover, were themselves in a state of extreme crisis, as was noted by Sergei Kirijenko, and this represented “a national security problem...”²⁶ It was precisely during this period that Russia’s oil and gas magnates suffered a defeat in the privatization of Latvia’s oil transit and gas companies. The desire of Lukoil and Berezovsky’s companies to participate in the privatization of Latvia’s Ventspils Nafta was not greeted with a response that was satisfactory to the Russian oligarchs (Lukoil had enormous demands, indeed; in Lithuania, for example, Lukoil was demanding control over 51% of the shares in an oil terminal that is being built, but Lithuania refused to give Lukoil majority control over the enterprise).²⁷ The privatization of 16,2% of shares in Latvijas Gāze, meanwhile, did not satisfy Gazprom.²⁸ Accordingly, in March 1998, all of the press outlets controlled or owned by Russia’s oligarchs were mobilized for a campaign to denounce Latvia.²⁹
- d) The campaign against Latvia coincided with a time when Russia was entering a new period of political and social instability and when a spirited defense of “Russian speakers” outside of Russia could be used to deflect attention from the growing domestic tensions in Russia itself. It was precisely while the Russian government was waging its anti-Latvian campaign that Russian police brutally broke up a sanctioned student protest meeting in Jekaterinburg (April 14). Fourteen of the students required medical assistance.³⁰ Russian analysts emphasized that in the run-up to parliamentary elections (in 1999) and a presidential election (2000) in Russia, Russian politicians would try to burnish their popularity by proclaiming a need to “defend our nationals”. If this slogan were to obtain even a semblance of seriousness, there had to be practical pressure against Latvia.³¹

²⁵ Gornostajev, D. “Primakov sledujet idejam Gorchakova” (Primakov follows the ideas of Gorchakov), Times, 6-12 August 1998. Also Mihejev, V. “Amerikanskij kongress vvodit sankciji protiv Rossiji” (The American Congress implements sanctions against Russia), Izvestiya, 26 May 1998.

²⁶ Moskovskiye Novosti, 22-29 March 1998, p. 4. See also Makarevic, L. “Devalvacija rubla udalosj lisj otstroctij” (Devaluation of the ruble has only been postponed), Finansoviye Izvestiya, 16 April 1998. Also Makarevic, L. “Na finansovom rinke snova paniceskoje nastrojenije” (Financial market again overtaken by panic), Finansoviye Izvestiya, 30 June 1990, pp. 1 and 2.

²⁷ Segodnya, 17 August 1998.

²⁸ Dena, 22 May 1998.

²⁹ For precise information about the takeover of Russia’s media by the oligarchs, see Vivat, A. “His Master’s Voice”, Transition, June 1998, pp. 42-47.

³⁰ Moskovskiye Novosti, 19-26 April 1998, p. 3.

³¹ “Politicheskoye polozheniye Rossiji v aprele” (Russia’s political situation in April), analytic report by the Center for Evaluation of Political Risk, Moscow. Published in Nezavisimaya Gazeta - Scenariyi, No. 5, 1998, p. 10.

e) One of Russia's important goals was to discredit Latvia internationally, painting it as a country where not only are minorities "oppressed", but where "fascists" are becoming more active and former SS officers are honored (this last claim was based on a march on March 16 by veterans of the Latvian unit that served in Nazi Germany's army in Rīga). Russia's chief aim was to ensure that the European Union would not decide to invite Latvia to begin formal membership negotiations at the end of 1998 and that the political situation of Western politicians who favor Baltic membership in NATO would be made as difficult as possible.³²

In analyzing the crisis in Russian - Latvian relations, we find a number of questions which are significant in the context of the way in which this crisis emerged and was escalated, but because of an absence of concrete information, in many cases it is impossible to find precise answers to these questions. First of all there is the issue of how extensively Moscow itself was involved in the organization of the March 3 protest. A call to participate in the protest was published in the most pro-Russian and anti-Latvian newspaper in Latvia, Panorama Latvii. The newspaper has never been reticent in proclaiming its support for former Latvian Communist Party leader Alfrēds Rubiks, who was freed from imprisonment at the end of 1997. In early 1998 Rubiks paid a lengthy visit to Moscow, where he met with Jurij Luzhkov and Gennady Zyuganov. Luzhkov was the one Russian politician who organized the most brutal anti-Latvian campaign after March 3. He personally ordered shops in Moscow to boycott Latvian goods, and he compared Latvia to Pol Pot's Cambodia.

Secondly, there is the issue of affiliates of Russia's chauvinistic organizations in Latvia. In the spring of 1998 a branch of Russia's "Barkashovists" suddenly made itself visible in Latvia. We do not know at this time the extent to which the Russian chauvinistic and so-called national-Bolshevik groups in Latvia are financed from Russia, nor do we know whether they were involved in anti-Semitic incidents that occurred in Latvia just at the time when the Russian - Latvian relationship was being exacerbated (Russian chauvinistic organizations are openly anti-Semitic). Neither do we know how extensively these groups are associated with the activities of Russia's special services in Latvia.

4. Conclusions, predictions

Even though at the end of the summer Russia's campaign against Latvia had begun to run out of steam (Russia's domestic problems overcame everything else), there is still sufficient potential for a new exacerbation of relations. Russia is facing its deepest crisis since the collapse of the Soviet Union in 1991. Parliamentary and presidential elections are approaching. The Yeltsin regime is becoming increasingly odious and unpredictable. When Chernomyrdin was fired in March, the weak Kirijenko government was faced largely with the task of protecting the interest of Yeltsin's family clan.³³ Even though the relationship with the Baltic states in general, and with Latvia specially, will not, of course, be in the center of Russia's attentions during the crisis, the pre-election period, when the Yeltsin regime is losing the very last remnants of public support, will cause great temptation to use Latvia as a whipping horse to divert attention from domestic chaos. It is doubtful, however, whether such efforts would gain broad support in society.

³² Karaganov, S. "Latvija: ostonozhnostj posle uspeha" (Latvia: Must be careful after accomplishments), Moskovskiye Novosti, 7-14 June 1998, p. 5.

³³ Shevcova, L. "Lovushka dlya prezidenta" (A trap for the president), Moskovskiye Novosti, 29 March - 5 April 1998.

Forecasts with respect to the development of Russia's economy do not hold much promise about normalization of the Latvian-Russian relationship. On August 5, 1998, the Russian government said that the construction of new ports on the Bay of Finland would be a priority for the next two or three years. There is no reason to believe, however, that Russia will be able to build the ports that quickly. After the country's de facto bankruptcy, foreign investors have fled Russia, and without major investment, ports cannot be built. Even if the ports are put into operation, they will not be able to compete in full capacity with Ventspils. This means that Latvia must continue to count on Russian blackmail and pressure as Moscow seeks to subject to its full control all oil transit routes through Latvia. Rīga must also remember that protectionist tendencies will increase in Russia (something which was in firm evidence during Russian negotiations with the World Trade Organization in May 1998, when Russia spoke in favor of increased tariffs on agricultural imports³⁴). Many analysts are predicting that Russia will return to state planning in the economic sector, or at least stressing that the era of more or less pro-liberal economic reforms has passed.³⁵ If state control over the Russian economy increases, Moscow may have an easier time in implementing economic pressure against Latvia. Reduced imports, moreover, will have a deleterious effect on Latvian exports.

Russia's approach to European security issues means that Latvia must count on permanent opposition in Moscow to increased contacts between Latvia and NATO, as well as the United States. Even though the 1999 NATO summit most likely will not invite the Baltic states to join the alliance, Russia will maintain its negative opinion of Latvia's efforts to draw closer to NATO and the USA. Writing about the first meeting of the US-Baltic Partnership Commission in Rīga on 8 July 1998, a commentator in *Izvestija*, K. Egert (he is often used by the Russian Foreign Ministry to express the ministry's views unofficially), wrote that Moscow is viewing the development of Baltic-US contacts "with dislike". The Baltic region, he stressed, is an area in which Russia wants to implement its self-believed superpower policies.³⁶

Russian-American relations will also have an effect on Latvian-Russian relations. Even though Russia is becoming more and more dependent on international financial aid on a daily basis, and even though the awarding of such aid is largely dependent on the United States, Moscow continues to promote the idea that it should have a superpower foreign policy and that it should even compete with the United States, at least in the territory of the former USSR. Sergei Karaganov's Foreign and Defense Council recently published an analysis of Russia's strategy in the next century, noting that in the relationship with the United States, a lack of understanding and an increase of suspicion can be seen on both sides.³⁷ The cause for this is first of all the fact that Russia, although it is, in the words of the Russian analyst Pavel Baev, a "revisionist no-power", is trying to implement a pushy superpower course, as well as protectionism in its "near abroad". In truth, Russia's resources and abilities have shrunk dramatically. Baev has been precise in terming this "a new inferiority complex",³⁸ adding that

³⁴ *Finansoviye Izvestiya*, 19 May 1998, p. 1.

³⁵ Volkov, D. and Rogozhnikov, M. "A Country Without Ruble Left", *Transition*, August 1998, pp. 50-51. See also Nikonov V. "Vsjo povtorajetsja" (Everything is happening again), *Izvestiya*, 25 August 1998.

³⁶ Egert, K. "Moralnaja podderzka SSA dorogo stoit" (American moral support is expensive), *Izvestiya*, 7 July 1998.

³⁷ "Strategija Rossii v 21 veke [Strategija 3]" (Russia's strategy for the 21st century [Strategy 3]), *Nezavisimaya Gazeta*, 19 June 1998.

³⁸ Baev, P. "Russia's Departure from Empire: Self Assertiveness and a New Retreat", in Tunander, O., Baev, P. and V. I. Einagel. *Geopolitics in Post-Wall Europe: Security, Territory and Identity*. London: Sage Publications (1997), pp. 182 and 186.

this is fertile ground for new burst of aggressiveness vis-a-vis Latvia. It is also entirely possible that if more or less pro-nationalist forces prevail in Latvia's parliamentary election on October 3, 1998, Moscow will use this fact to initiate a new period of tense relations, thus seeking to deter the European Union from inviting Latvia at the end of 1998 to join the first group of countries negotiating for full membership in the Union.

The Latvian-Russian relationship will also be unpredictable to the extent that Russia simply cannot countenance the desire of the Baltic states to implement independent and pro-Western policies. But Russia's abilities to engender new periods of tense relations will be dependent in part on domestic developments in Latvia. Latvia's ability to reduce Russian pressure will be dependent on several conditions. First of all, there is the issue of the extent to which Latvia is able to an even greater extent to reorient its economy toward contacts with the European Union, as well as other countries in Europe and the rest of the world. This does not mean an elimination of contacts with Russia, but Latvia must have a full understanding of the risks which such contacts entail. What's more, Latvia must refrain from basing its economy entirely on the transit sector. Estonia's accomplishments in reorienting its economy toward the West have been more significant. Beginning in 1993, when Russia implemented discriminatory tariffs against Estonian products, Estonia began an intensive process of reorientation toward other markets. In 1998 Russia was only Estonia's fourth largest trading partner - 65% of Estonian foreign trade is with Western countries³⁹ (and Estonia's banks have invested only 0,1% of their assets in Russian government securities).

Russia's role in Latvian foreign trade has also continued to decline. In the spring of 1998 53% of Latvia imports and 49% of exports involved EU countries. Russia continued to be Latvia's leading trade partner in terms of exports and the second leading partner in imports (behind Germany) in real numbers. It should be noted, however, that Latvian exports to the EU were dominated by wood products, raw materials and goods with low added value, while exports to Russia and other CIS countries were dominated by processed goods and food products with a higher added value. This means that Latvia is not yet able to export modern industrial products to the EU. If Latvia manages to modernize its economy more rapidly and to orient itself even more toward Western markets, Russia's abilities to engage in economic blackmail will recede, although they will not disappear entirely, given the large share of the Latvian economy represented by the transit sector.

Latvia's ability to withstand Russian pressure will also depend on the extent to which Latvia is ready to establish a more or less stable political system which can carry out a moderate and pragmatic policy vis-a-vis the so-called Russian speakers in the country, promoting their integration into a liberal Latvian society. The petition campaign to force a referendum on the citizenship law that took place in August proved that there is still sufficient support in Latvia for policies which will hamper the integration of Russian speakers. Latvia's abilities will also be dependent on the support which the United States and the EU give to Latvia. In the summer of 1998 both the US and the EU spoke up energetically in favor of Latvia, denouncing Russia's campaign of blackmail and threats. But the volume of this support will depend on domestic political developments in Latvia, and on Latvia's abilities to make support for it easier, not more difficult.

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³⁹ Diena, 15 April and 4 July 1998. Also Segodnya, 29 August 1998.