

Dr Esko Antola  
Professor, Jean Monnet Chair, University of Turku  
Director, Centrum Balticum

## **Policy Challenges in the Baltic Sea Region**

### **1. The Baltic Sea as a European mega/meso region**

The Baltic Sea hosts eight Member States of the European Union being a “one third” region of the EU. The extended concept of the Baltic Sea covers 11 states (The membership of the Council of Baltic Sea States).

In many ways the Baltic Sea Region is a miniature of the European Union. The region has its own large state – small state divide. It has recently experienced an enlargement with four new Member States. It struggles with the political consequences of the process: political instability with short-lived governments and growing nationalism. The region tries to accommodate to discrepancies in economic well-being. Approaches of the Member to the future of the constitutional structure of the Union are diverging. The region is divided into Euro and non-Euro members etc.

In external relations issues the all-European divisions prevail as well. The Baltic Sea Region was to a great extent the home of “New Europe” and therefore is perhaps more transatlantic than some other parts of Europe. Like the EU at large, the Baltic Sea region faces challenges of more or less unstable neighbours.

Although the Baltic Sea Area is a major European mega-region it seldom speaks with one voice. One is used to listen the “Mediterraneans” but very seldom, if ever, the Baltic Sea area voices a common interest. A key explanatory fact is that the two large EU Members of the Region are only for one-third Baltic Sea oriented.

An crucial explanation for the lack of one voice is that the region has no leading nation in this respect; nobody has taken the ownership for advocating the Baltic Sea voice. In other words, no Member States has taken the political leadership in articulating the common voice. Recently, however, the Swedish Government has indicated growing interest to take that position.

A characteristic element of the region is that countries share multiple memberships in international institutions. One is tempted to assume that countries also have multiple loyalties of which the Baltic Sea loyalty and identity is not a priority for none of them. Of the ten countries directly bordering the sea, eight are EU-members and seven NATO –members.

The membership in NATO and EU are not, however, overlapping. Four of them belong to the Nordic institutions, three work through the Baltic States’ institutions. They also have memberships in the Arctic institutions. The northern Dimension of the EU adds further complication. In practise the Council of the Baltic Sea States (CBSS) is the only regional organisation common to

everybody. Of course the CSCE and the Council of Europe are common to all ten as all-European bodies.

## **2. The NordStream factor: Emerging Great-Power dominance or Cooperation at a new level?**

Today and in the coming years a number of key themes in the Baltic Sea area shall be associated with the gas pipeline, the NordStream. It is of course primarily an energy matter but has immediate links to environmental concerns, issues of sovereignty, security and the safety of the seas. It shall have a major political impact in the region and is bound to create tensions between the NordStream partners and the smaller countries affected by the construction as well by the operation of the line in different ways.

Finland, Sweden and Estonia see its consequences in their territorial waters and on their seabed. They have duties on the basis of the international law on a matter that is beyond their national control. After all, by law the NordStream is a private company. These three countries are going to have obligations while Latvia, Lithuania and Poland see the pipeline as potential economic losses. It is going to be very difficult to build a common policy in the issue by countries affected but not involved.

An immediate challenge in the region is how to accommodate the interests of the NordStream Partners and the “outsiders”. The pipeline of course may be *analysed as a cooperative effort* in the first place. It may prove to become a joint effort that links Russia more closely into the Baltic Sea system and to be development into a project *as an expression of common interest*. The discussion on the “upstream” and “downstream” dimensions shows, however, how difficult the accommodation is.

In order to strengthen the cooperative elements of the pipeline one could seek for multilateral management solutions. The “NordStream Management Commission” could also serve as a consultative body for confidence building measures and transparency. It might become a solution for the strengthening of the cooperative dimension and watering down of the elements of mistrust associated with the pipeline.

But for the time being the Great Power dimension of the NordStream is gaining importance if not dominance. These arguments have been voiced from the Baltic Countries and Poland. The Great Power dimension may well be expected to expand beyond the NordStream as such. The arguments reminding of history are already voiced. If successfully finalised the pipeline and the considerable increase of mutual dependency shall extend the area of mutual interests of Germany and Russia into adjacent policy areas as well. This is a challenge for smaller states in the region.

The NordStream may well prove to be a factor in the ongoing discussion on the deeper cooperation between the Nordic Countries and the Baltics (3+3) cooperation. The framework for such cooperation already exists in the form of NB8 meetings since 1993. The NB8 framework hosts also Norway and Iceland which may not encourage to discuss the NordStream issue.

### 3. Russia as Baltic Sea Power

Russia as a Baltic Sea power is at the same time a crucial and an unpredictable factor in the region. Russia has several roles: “Security Russia”, “Partner Russia”, “Energy Russia”, “Great Power Russia”, “Russia as a source of Diaspora” etc .

#### “Security Russia”

Russia as a re-emerging Great Power is present in the region with a considerable and increasing weight. It also has the willingness to portray its power and influence by political and economic instruments. Russia and its security role is seen in different ways by different actors. Neighbouring nations of Russia see it in terms of traditional security policy. There is a “**Security Russia**” present in the region. We are bound to see more of “Security Russia” in the region because of her obvious need to secure the vital export of oil and even more through “NordStream”.

The security dimension clearly has both the national security dimension and internal security dimension. *The National security*, or *strategic security* dimension pushed the Baltic countries seek for security guarantees through NATO. This also encouraged them to become active partners in “New Europe”. They still keep active troops in the Coalition of Willing” in Iraq. They, perhaps more than any other new member to NATO, see the American commitment through NATO as a vital link.

The security dimension of the growing Russian presence has encouraged Finland and Sweden to keep their traditional policy of military non-alignment.<sup>1</sup> The traditional Great Powers of Europe (Germany in the Baltic Sea Region) see Russia increasingly as a partner not only on the European scene but in global issues as well. From the Baltic Sea perspective the German-Russia relationship is therefore of particular relevance.

A much debated issue is the level of Russian military capability in the region. A conventional military assessment seems to be that although the current level of Russian military power is only a fraction of the military power in the Soviet time, it, however, is rapidly growing and alarming as such. Within 20 years, if grown at the current rate, Russia shall be the most powerful military power in Europe.

Of course the further development of military capabilities depends on many factors: the future course of Russian political development, elements of Russia’s energy strategy, her relations with the neighbouring regions and of course, and perhaps primarily, on the foundations of her economy. The price of energy, the fundamentals in her energy resources and many unpredictable factors contribute to the situation.

---

<sup>1</sup> However, the new Government of Finland, sworn in April 2007, applies the definition: “not belonging to any military alliance”

But neighbouring nations see Russia as a factor in their domestic security, or soft security issues as well. Bilateral relations between Russia and Baltic Sea region countries carry historical burdens and challenges, which highlight the internal security dimension. The three Baltic countries as former Soviet Republics are certainly a category of their own. They host considerable Russian minorities (Estonia 25,6 %, Lithuania 29,6%, Lithuania 6,3 %) as well as economic structures influenced by Russia and Russian-origin businesses. The recent events around the Bronze Statute have brought to the surface the tensions that history carries.

The increasing weight of Russia, its economic, political and security mass, has already contributed to a discussion on how individual small Baltic Sea countries should react to this. Many observers have noted that Russia plays “divide et impera” –policy in the region. The Bronze Statute case has been seen as a test case for the unity of the Baltic Sea Region countries, and indeed in the whole European Union, in a case of pressure.

### *“Partner Russia”*

Since the third enlargement in 2004 only the Western regions of Russia, i.e. Leningrad Oblast and the Kaliningrad region, remain outside the EU in the region. The Baltic Sea in all practical matters is thus an internal sea of the EU. Russian regions harbouring the Baltic Sea are greatly affected by the EU. They enjoy a unique position as Russian territories being “inside” the EU in many ways. On the other hand, the dynamics of the EU integration shall also add considerable new challenges to these parts of the Russian Federation.

From the Russian perspective the question is, how much socialisation to the European values and institutions is needed and how much is acceptable to Russia. The Russian attitude has become increasingly reserved if compared to the mid-1990’s. Value questions and national sovereignty have occupied a central position in the Russian rhetoric.

The Partnership and Cooperation agreement dates back to the Yeltsin Period of 1994-97 and gives foundation to the relationship. The EU has changed and so is Russia. Another multilateral framework is the system of Four Spaces. Its further development is closely linked to the advance of the PCA which most obviously is going to be the main framework.

One should not forget the EU Northern Dimension either. Initiated by the Government of Finland the Northern Dimension has remained largely as a Finnish topic. The future Northern Dimension policy will be the regional expression in the North of Europe of the four Common Spaces and their roadmaps, agreed at the EU/Russia Summit of 2005. In the future the Northern Dimension shall focus on North West Russia and its particular challenges, affecting also the other parties.

Both the new neighbourhood policy and relations with Russia primarily emphasise the growing presence of the EU in the region. The European Union is not present only in its traditional civilian power role as an economic power but as a profiled security actor. Normative elements and normative power are stressed in its external relations. These elements are not met with appreciation in the Russian reactions

*The deepening of security and defence policy dimensions of the European Union calls for re-defining of the roles and the agenda of the existing institutions.*

A very good example is the emerging EU Maritime Policy. It is an EU policy affecting the Baltic Sea. But Baltic Sea is a vital route for the oil export of Russia. Rapidly increasing volume of Russian export increases considerably the volume of sea traffic and simultaneously the threat of catastrophic oil spills. It would be important for both Russia and the EU to establish close cooperation in the issues of Maritime policy.

The reform of the framework agreement is a key process in the Baltic Sea area. For the Baltic Sea countries the inevitable challenge is to find a new balance between bilateral and multilateral relations. This is a particular problem for smaller states in the region. The Baltic countries emphasise the security dimension and lay emphasis on NATO as a multilateral framework. Poland and Germany have priority on bilateral relations. Finland and Sweden face a choice: Finland has traditionally emphasised bilateral relations but must consider the value of multilateral relations through the EU. The Swedish position is not clear.

The main merit of the multilateral approach is that it provides a system of mutual solidarity. This was seen in the Bronze Statute case. The challenge of solidarity is, however, to draw the line how much solidarity a single Member State can expect in a matter of national interest.

Obviously the bilateral-multilateral dilemma is faced by Russia as well. Russia's orientation towards the Baltic Sea regional cooperation is somewhat unclear. Russia's emphasis to make the country an independent actor in international affairs seems at first sight to give emphasis to bilateral relations. A clear example is the "NordStream". Some observers see the emergence of new contemplations in the geopolitics in Russia foreign policy. Her emphasis seems increasingly to be in bilateral relations with major European powers which willingly accept this approach as their energy policy decisions show.

#### **4. Baltic Sea as Political Space**

Looking the Baltic Sea as a European Region from the speaking with one voice –perspective we must analyse it as a political entity. Speaking with one voice in the European Union first requires that the priorities must be decided in the regions. Obviously the whole range of EU-policy and legislative steps affect the region. But as obviously not all the issues are equally meaningful for all eight Members. Setting the priorities is needed.

Currently setting the priorities is not often realised largely because there is no institutional framework for that. The Baltic Sea Region hosts a great number of institutions, too many perhaps. The 1990's saw a mushrooming of organisations and networks, public and private with the main purpose of socialisation of the new market economies into the Western European structures and indeed, to the EU Membership.

But in 2007 the institutionalised framework of the Baltic Sea cooperation has lost its relevance and indeed lost its purpose as well. A comprehensive evaluation of the existing institutional setup is needed. For the intergovernmental collaboration with a view to speak with one voice no adequate

institution is available. The Council for Baltic Sea States was established in 1990 for the purpose of intergovernmental cooperation. It has 11 states + the European Commission as members. The CBSS is currently evaluating its future.

Because of its membership base (incl. Russia, Norway, Iceland and the European Commission) it has never been an instrument for discussing the one voice for the eight EU Member States. The Baltic Sea coordination now takes shape in 3+3+2 –formula. The two “threes” (Nordic Countries and Baltic Countries) consult at the level of cabinet ministers and even between the two threes but key countries Poland and Germany are out of the political consultation. 3+3+2 discussions take place at the level of European directors.

*A more institutionalised forum for shaping the one voice should be established.*

Political forces in the region constitute another element in the political space.

The region has 228 Members in the European Parliament (29% of the seats). The strongest representation from the Baltic Sea region is in the group of UEN, 61 per cent but the Polish delegation dominates the representation (20/27). Specific for the Baltic Sea representation is a strong representation in the ALDE (34) as well as one third representation in the biggest parliamentary group, the EPP. 40 per cent share in the Green group is due to the strong German share (13/17). The Baltic share in the left groups is low if compared to the traditionally strong role of the social democratic parties in the region.

Centre-right domination in the region is strengthened by the political distribution of the Prime Ministers. EPP and ALDE both have three Prime Ministers, while the PSE hold this position only in one country (Lithuania). The weight of the ALDE is highlighted by the fact that of four Prime Ministers in the Union three come from the Baltic Region. The role of the centre-right political coalition is made even stronger by the fact that in half of the countries the governing coalition is build on centre-right parties.

The European political space consisting of national political systems and the EU political system would offer a good platform for the Baltic Sea Region to exercise political influence. But political consultation mechanism in the region is still missing. The one voice –argument loses much of its relevance if political coordination at the level of political forces is nonexistent.

*Shaping of a Baltic Sea Region European Agenda should be started at the earliest convenience.*