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The Little Lady that Could: Small Latvia Rejoins the Euro-Atlantic Community

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THE LITTLE LADY THAT COULD: SMALL LATVIA REJOINS THE EURO-ATLANTIC
COMMUNITY

by

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A Dissertation Submitted to the Faculty of Old Dominion University in Partial Fulfillment of the Requirements for the Degree of

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ABSTRACT

THE LITTLE LADY THAT COULD: SMALL LATVIA REJOINS THE EURO-ATLANTIC COMMUNITY

Sandis Sraders
Old Dominion University, 2017
Director: Prof. Simon Serfaty

When the Cold War abruptly ended, Latvia found it necessary to find a new place in the international community. Its smallness, weaknesses and sensitivities as well as historic experiences made the task urgent because it needed a protector and a broader community to belong to. Like a needle in a haystack, finding these would prove challenging, primarily because not many options existed. First, only one community, the Euro-Atlantic community, could satisfy Latvia’s willingness to escape Russia’s unwanted dominance. Second, as a small state, Latvia had little influence over international affairs.

This research focuses on several distinct aspects of Latvia’s objective to offset its weaknesses and sensitivities through the Euro-Atlantic integration. First, it outlines Latvia’s weaknesses as a small state. Second, from the Eastern European perspective, it identifies commonly shared Cold War experiences of the Baltic and Visegrad states as compared to the experiences of the United States and former Soviet territories that were incorporated into the Soviet Union. Third, it focuses on the foreign policies of major powers such as the United States, the Russian Federation, and major European powers and regions. The study assesses if the Euro-Atlantic integration processes allowed Latvia to remedy its small state weaknesses.

Lastly, using mostly qualitative but also quantitative methods, the study provides insight as to whether the international integration process had an effect on Latvia’s security, democratic consensus and sensitivities and vulnerabilities. Small states must cope with their limited resources and overwhelming international challenges to pursue their interests and viability. These aspects are considered profound preconditions for small state survival, and thus the framework and methodology presented can be applied to other small states.
To my Wife, Madara
ACKNOWLEDGMENTS

I would like to give my thanks to some people who have helped me along my academic journey at Old Dominion University. First of all, I want to offer my most sincere gratitude to Professor and Emeritus Scholar Simon Serfaty. Prior to joining the Old Dominion University’s Graduate Program in International Studies (GPIS), he implicitly gave me the best offer I have ever received: to join GPIS program and enjoy his restless professional guidance and personal kindness throughout the four year doctoral program in the United States. I will strive to honor his ideas and his work with me.

I also want to express my gratitude to the director of the GPIS, Dr. Regina C. Karp. Only those students who have had a privilege to be a part of the program will understand the meaning of personal attention to every individual student. Also, eternal thanks to Dr. David C. Earnest for the opportunity to undertake an individual course on small states in international relations. His ideas greatly and positively influenced the evolution of mine.

I want to thank to all the students who shared interesting debates and classes with me. If I will turn out to be a worthy man, it is in part because of your high standards I will strive to emulate.

Last but not least, I will be always thankful to my family. My priorities prevailed over theirs at every moment during my academic journey here in Norfolk, Virginia. For allowing me the private time of an academic, sometimes at the expense of family time, I owe my life to Madara, Grēta and one more little princess soon to be born.
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CHAPTER I
INTRODUCTION AND HYPOTHESES

In general histories, Latvians are known as people who love to live in peace, indulge their hard-working traditions, and enjoy their bond with their land and nature. Not in all historic periods, however, could the country exist as Latvians wished. Quite frequently and for significant periods the Latvian lust for peace was obstructed by Swedish kings, Polish emperors, German noblemen, Russian tsars and communists. Last, but not least, the recent five decade occupation period under the Soviet Union almost led to Latvians becoming a piddling drop on the Baltic littoral.

Since Latvians as a nation survived and the last occupier collapsed, Latvians had given another possibility to enjoy their work and traditions on their own land. The history has taught to Latvians that some things, such as their own statehood, can never be taken for granted. The past experience has aggregated to the recognizable fact that Latvia cannot withstand large power superiority.

As an independent country, Latvia has lived through two short independence periods. Even when both are combined, they are yet shorter than the most recent Soviet occupation period. First, an independent and sovereign Latvia grew out of the Russian civil war and revolution on November 18, 1918. Soon after the declaration of Independence Day, Latvians fought against combined German-Russian military regiments until 1920. Latvians did well to protect their independence, which regretfully turned out to be short-lived.

Around two decades later, two major powers signed the secret clauses of the Molotov Ribbentrop-Pact on August 23, 1939, which was to open Latvia to Soviet and German occupations for more than five decades. There was nothing Latvia could do. And there was no power in hindsight that would help. Small states were quite feeble without strong alliances or guardians of their independence aspirations. Only on May 4, 1990, could Latvia declare itself independent from the Soviet Union. That was when the transition to Latvian statehood could start.

There were some profound lessons that Latvians had learned from the war experiences with the Soviet Union or the Russian Empire. Latvia always found itself in a historic
predicament that has derived from its inability to resist large foreign powers. During the five years of World War II, Latvia was occupied even three times by the Soviets, by the Germans, and the Soviet again in 1940, 1941, and 1944 respectively. Latvia’s inherent inability to withstand overwhelming military force indicated the unfortunate fate of small, non-aligned states in Europe.

Subsequently, Latvia as well as the other small European states, desperately looked for protection and a geopolitical asylum. That was still the best way to escape intimidation by large powers after independence was restored in the 1990s once more. The historic predicament of Latvia and other small states is well explained by Thucydides, who saw relations between states where the strong do what they want while the weak suffer what they must. Hence the luxury of choice existed only between equals in power, and it was broadly recognized that Latvians alone could not uphold their newly regained independence and statehood.

In the 1990s, few choices existed. Latvians had to look for options to avoid the repetition of their historic predicament. Thankfully since the beginning of the Cold War other European states had shared similar objectives at a time when the United States was ready to embrace Europe to avoid future conflicts. Broadly shared in the West, Franklin Delano Roosevelt explicitly noted that “more than an end to war, we all want an end to the beginnings of all wars.” The shared objective was expressed by a person who had seen myriad atrocities even before the dawn of the Cold War descended over Europe. The West was exhausted from the European history frequently going mad with few choices, all bad.

Since the willingness existed to deter conflicts and institutionalize cooperation, the West corrected what was wrong with the past. They urged the European Union and organized NATO. European integration aimed at creating an affluent and stable partner for the United States, but NATO was built for the defense of a Euro-Atlantic partnership. Sadly, not all European countries could join the club at the outset. As a warning for the rest, Stalin prevented Czechoslovakia from joining the West early. Latvia, geographically located even further east, was incorporated into communist shackles.

The Cold War pitted the West against the East for five decades. The West primarily focused on the containment and the eventual defeat of the communist regime. The East did the same. Nevertheless, the objective of building the European continent whole and free was never abandoned. When the Soviet Union approached its imminent final destination, the European
Union and NATO were still enduring, and the next steps for the future of Europe and Euro-Atlantic cooperation, were debated.

Given Latvia’s past experiences, membership in the Euro-Atlantic institutions was seen as not only desirable, but necessary for the country’s survival. Nevertheless, the postwar period heralded new questions about the future of the West as well as the compatibility of Eastern Europe with the West. For the newly independent countries after the communist empire collapsed, many of them with miniscule populations, weak economies, and a limited pool of leaders, there was a need to consider opportunities and constrains.

Moreover, the Soviet legacy had left a bad mark, which required rapid transition. Small European states had to be especially vigilant to offset their inherit sensitivities and vulnerabilities in face of potentially rising challenges. Latvia, among others, still resided in the shadow of the former superpower.

The Baltic States never hid their willingness to join the Euro-Atlantic community. In relations with NATO, the former Estonian President Lennart Meri colorfully described the security cooperation the Baltic States were desperately seeking with NATO, since for them “security was seen like a virginity: you're either a virgin or you're not. You either have security or you don't.”\(^1\) While no country could account for absolute safety, the pronouncements of the Baltic leaders indicated the utter sense of insecurity and discomfort with Russia in the region.

When Latvia was invited to start accession talks with NATO, it was also concluding the EU accession negotiations. On that occasion, in 2002, Latvian President Vaira Vīķe-Freiberga remarked that “it was not just a year which could be symmetrically read from both sides. It was a moment when states, small and large, from East and West, deleted the last remnants from World War II on the Europe’s map based on the legality and equality of all.”\(^2\) From the Baltic perspective, the failure to join NATO was seen as imminently resulting in re-imposition of the Russian domain, while a possibility to join the EU was seen as an end to the soviet economic deprivation and social injustices.

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Yet, in order to gain access to these communities, the country needed to undertake significant transformation. Latvia could not be a burden for the community it aspired to join. It needed to undergo certain adaptation process to adhere to the EU and NATO principles. Regardless of the opportunities presented by the world order, there was a clear need for Latvia to adapt its own foreign and domestic policies to the new environment. Deeply rooted in historical experiences, Latvian foreign policy after 1991 aimed at escaping negative external influences by becoming a member of the Euro-Atlantic community. That was the main objective. This perspective was and still is shared by many other small countries that found themselves in a perpetual necessity to escape, remedy, and mitigate negative externalities as a precondition for viability.

David Vital writes on a global power structure “that deprives small states of the option of using force in a way that larger starts can. There is a general agreement that small states would seek out multilateral organizations and alliances to ensure their security and achieve foreign policy goals.” The post-Soviet and newly independent states had a choice for such security, economic, and political asylum between two different communities, for “East was East, and West was West, and never the twain shall meet.” The Baltic States were historically on the border of both communities, and some of these countries went East while others chose to go West. It was a matter of national priorities and perceptions. For Latvia, the Soviet experience pre-determined the choice to escape the past which it emphatically did not want to face again.

In the aftermath of the Cold War, the scope of the international system decidedly changed. The system was no longer bipolar. The Soviet Union had collapsed, but its heir, a weakened Russia, was reborn. It was no longer the superpower it once was, but its vast resources, territory and even population, as well as its nuclear capabilities, enabled it to evolve into a considerable regional power which ominously viewed the expansion of the zone of Western influence.

As a staunch opponent of NATO expansion, Russia firmly and adamantly opposed the integration of the Baltic States into the Euro-Atlantic structures. Even if American foreign policy did not offer an immediate re-integration of Central and Eastern European countries in the West

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after the Cold War, the possibility was kept open. Although viewed as less belligerent relative to Russia, membership in the European Union also demanded robust adaptation and reforms to match the European Union’s standards.

It took almost 15 years for the Baltic States to become members of Euro-Atlantic community. All three states joined both, the EU and NATO in 2004. Because the Baltic integration in the Euro-Atlantic structures has been seen as a success, it is worth examining the decisive aspects of such an outcome. Moreover, it is necessary to assess how dual membership allowed to offset Latvia’s military, political, economic, social, or cultural sensitivities and vulnerabilities.

One of the most crucial moments to turn to the West was the breaking of ties with the East. After the communist empire collapsed, Latvia had to pursue significant domestic economic, political, and social reforms. Moreover, the domestic reform process had to adhere to democratic principles, but a new diplomatic service was needed to create opportunities for international cooperation. The reorganization of Latvian domestic and international structures to adhere to Western standards was a way of promoting cooperation with the West.

Inside Latvia, even the remaining former communist leaders thought that returning to Russia was a romantic idea. Considering Latvia’s past, this notion was not widely shared and was easily dismissed on behalf of bringing Latvia in the Euro-Atlantic community. But meeting the new institutional requirements demanded a tenacious shift of democratic institutions and political culture.

Latvian leaders had to mobilize foreign and domestic policy assets to pursue the necessary adaptation. During the adaptation process, Latvia had to consider its inherent characteristic, since it is a small state. The ability of small states to survive in international affairs depends on three aspects: first, its physical location and territorial vulnerabilities; second, its administrative and social coherence and political and decision-making stability; and third, the nature and extent of its economic vulnerability. It was possible to escape Russia’s dominance, but there was no way to change Latvia’s geography. Thus, the Latvian political system had to be reshaped in a manner to keep society coherent and the belligerent neighbor unprovoked.

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Henry Kissinger has “referred to small states with obvious contempt dubbing them as the tyranny of the weak.” To Russia’s irritation, some small states that broke away from Moscow became rapidly successful and affluent. As a result, even after the collapse of the Soviet Union, Russia has consistently tried to strengthen its clout in the “near abroad” to not let the breakaway countries go. To compensate, most small post-Soviet states were tempted to utilize international opportunities by joining the EU and NATO.

Considering Latvia’s geopolitical uniqueness, past experiences, and physical properties, this dissertation aims at examining the Euro-Atlantic integration process to remedy Latvia’s sensitivities and vulnerabilities as a small state. The author will analyze what made it possible for Latvia to join the Euro-Atlantic community and how did Latvia offset its sensitivities and vulnerabilities during the integration process.

Latvia joined the Euro-Atlantic community in 2004. The integration experience raises a question about the necessity for small states to have their own foreign policy or strategy for external interaction. Since small states alone cannot affect international affairs, it is possible to conclude that small state choices are pre-determined by larger states. Thus, the first hypothesis is: Latvia’s Euro-Atlantic integration was determined by major international powers.

Since some countries can play more salient roles than others, the second crucial question about Latvia’s path to the Euro-Atlantic community derives from the foreign policy analysis of major powers. When the Soviet Union was gone, Russia still remained a nuclear power which could not be ignored. Any state, notwithstanding its international position, would be reluctant to challenge Russia considering its vast geography, inherent resources and potential to project power.

Since there was a significant Russian opposition to the enlargement of the Euro-Atlantic community, but especially NATO, there was only one country that could negate the Russian opposition and offset the regional geopolitical struggle in favor of the Baltic States. That power was the United States. Resulting from the arguments above, our second hypothesis is: American foreign policy alone explicitly determined the enlargement of the Euro-Atlantic community.

To verify this hypothesis, the author will analyze and contrast American, Russian, European and Baltic international cooperation vectors. The outcome of the analysis will outline

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the effects of major power bargains, the importance of regional cooperation within and beyond the Baltic Sea region.

American foreign policy in Europe was embraced by some and rejected by others. When it comes to the enlargement of the Euro-Atlantic community, the EU played as significant a role as NATO. After all, one of the most crucial milestones was for the candidate countries to adhere to democratic standards. But the EU responses to Baltic accession to the EU or to NATO were different in different parts of Europe.

The Visegrad countries shared different reciprocal interests than the Nordic States, for example, with the Baltic States. Since the security paradigm plays a profound role for small states, economic and security interest convergence in Europe. Some countries were willing to build a whole and free Europe based on the same values as the United States. Some were interested in enlarging the Euro-Atlantic community as a possibility to forge stronger economic cooperation.

To investigate Latvia’s post-Cold War situation, the author proposes a third hypothesis: *Political support for Latvia’s Euro-Atlantic integration depended on shared identities and interests within Europe*. To test this hypothesis, part of the research will focus on how common identities that emerged within the Warsaw Pact organization and the Baltic States during the Cold War affected common or divergent policies in the post-Soviet space. The author will argue that commonly shared security interests made Poland, Hungary, and the Czech Republic strong political supporters of the Baltic integration in NATO. On the other side, the Nordic countries were vigorously pulling the Baltic States in the EU economically, politically, and institutionally even if their interests to see the Baltic States safe were the most important.

The fourth milestone of Latvia’s integration in the Euro-Atlantic community was the domestic adaptation to EU and NATO standards when the opportunity for membership emerged. The transition process to adhere to the requirements for membership in the Euro-Atlantic community was aimed at offsetting Latvia’s domestic sensitivities and vulnerabilities.

Therefore, from the normative perspective, since Latvia joined the EU and NATO in 2004, it is possible to assume that the institutional adaptation did offset all Latvia’s domestic sensitivities and vulnerabilities. To test this assumption, the author proposes a fourth hypothesis: *The institutional adaptation efficiently offset all of Latvia’s major small state sensitivities and vulnerabilities*. Since no country can be absolutely secure, or match the profile of any
community completely, the author anticipates some areas where Latvia must yet work further to adhere completely to the standards of the Euro-Atlantic community.

To answer the four questions above, the author will organize the research into five parts. The first chapter will examine the existing literature on small states in international relations and the Euro-Atlantic community. With regard to the latter, the author will outline the major debates about the endurance and enlargement of the Euro-Atlantic community. With regard to the former, this first chapter will analyze what has been written about Latvia specifically since the end of the Cold War, both as a small state in the context of its EU and NATO membership.

The chapter will single out salient international aspirations in Latvia, emphasize major concerns that small states share in international affairs as well as to illuminate major arguments that determined the enlargement of the Euro-Atlantic community. The author anticipates that there is a limited literature about the integration of small states in international structures as a way to offset their sensitivities and vulnerabilities. Therefore, the research about Latvia’s path to the Euro-Atlantic community will not be only a story about Latvia rejoining Europe, but also a contribution to the studies of small states.

The second chapter will examine Latvia’s vulnerabilities and sensitivities. The first part of the chapter will review Latvia’s domestic vulnerabilities and sensitivities. The focus will be on major small state sensitivities and vulnerabilities adjusted to the unique situation in Latvia. The second part of the chapter will focus on the static aspects that small states must consider internationally. The major focus will be placed on the realist and liberal schools of thought.

International choices that countries make are determined by the learning process. The third part of the chapter will therefore review Latvia’s regional distinctiveness and uniqueness from the perspective of social theories. Since more profound attention is attached to different roles played by countries in international affairs, social theories will be instrumental in explaining Latvia’s contemporary orientation.

The third chapter will analyze events in Hungary in 1956, Czechoslovakia in 1968, and Poland in 1981. The focus of this chapter will be placed on several important aspects that brought the Visegrad countries to revolt between 1956 and 1981. The shared Soviet occupation experience is what brings the Central and Eastern European countries closer together. Moreover, their shared experiences makes them strong supporters of the Euro-Atlantic community. The dissertation will provide arguments why Russia, the heir of the Soviet Union, is so feared in
Central and Eastern Europe. Myriad economic, social, cultural traits were deprived with military and political means in Visegrad in no different way than it was for the Baltic States.

The fourth chapter will focus on foreign policies of major powers, especially in the post-Cold War period. American foreign policy trends in Europe will earn significant attention since it was the instrumental source of NATO as a security platform with Europe. Since Russia has denied Latvia’s independence several times, its foreign policy in the post-Cold War era deserves attention. Analyses of American and Russian policies will outline several important cases, including the Russian military presence in the Baltic States until 1995, as well as Russian and Latvian ethno-political issues and political-economic issues.

On the regional level, the author will focus on the policies of major European powers. The founding states of the European Union and the Central European and Nordic countries will be the primary subjects for the analysis. This chapter will compare and contrast different foreign policy strains and interests that were instrumental for Latvia’s Euro-Atlantic integration.

The fifth chapter will be devoted to Latvia. The chapter will assess Latvia’s military, political, economic, social, and cultural sensitivities and vulnerabilities before and after EU and NATO membership. To accomplish this objective, surveys on specific issues related to security, political, economic, social, cultural, and language issues will be conducted, based on quantitative data in distinct areas. Some statistical analysis will also be applied to determine how Euro-Atlantic Latvia really was and is right now. Regression analysis will be used for such conclusions since it allows to illuminate latent correlations. Moreover, opinion surveys from the Baltic States will provide arguments about social coherence and fragmentation on specific issues related to the present state of opinions on Euro-Atlantic relations. Here special attention will be devoted to ethno-political and ethno-cultural relations.

To accomplish his research objectives and answer his major questions, the author plans to apply mixed research methods. Qualitative research methods will be predominantly used to focus on several historic and geographic cases which are important from the empirical and normative perspectives for the study. The research methods will include discourse and content analysis, historical representation, case studies, and process tracing. The author aims at obtaining case specific information about the nature of the subjects of the study, change in international environment and order, interaction between different actors within different levels of analysis, as well as policies, values, opinions, behaviors, and social contexts inside and around the subject of
the analysis. On the other hand, quantitative research methods, such as regression analysis, will efficiently supplement the qualitative side of the analysis.

The crucial task of this dissertation is to describe how policies of major powers were a precondition for EU and NATO membership. The concluding part of the dissertation will be devoted to tracing Latvia’s journey in a comparative perspective. It will be possible to assess to what extent the integration process has allowed offsetting Latvia’s domestic sensitivities and vulnerabilities and in which areas Latvia has to continue domestic transformation.
CHAPTER II
LITERATURE REVIEW

Introduction

As is the case with many other small states, there are few studies about Latvia. Small states might simply not be as interesting as major powers, institutions, multinational organizations, interests groups or any other influential actor in international affairs. Additionally, it may be assumed that there is little rationale for studying small states with miniscule global impact. So, why should we study small states in general or any one in particular?

Research about any particular small state might be of interest to its society, the narrow region to which it belongs, or to specific foreign policy analysts. Latvia is one such example. The country deserves attention, as it affects larger countries. From a regional perspective, most studies relate to how small Baltic States shape relations with Russia, and vice versa as Russia, if not a universal global power, is a salient regional power. And, the Baltic States might serve as indicators for Russia’s policy changes. Thus, research about Latvia could add novel perspectives to regional affairs.

To determine the value of this research, it is necessary to evaluate what has already been written and analyzed about small states in general, the broader community that Latvia aspired to join, and the debates within Latvia about its regional impact since regaining its independence after the Cold War.

The Euro-Atlantic community has been broadly analyzed. It was a blend of two major institutional networks. One network was the United States-led NATO and all the member states the organization brought together. The other network was the European Union (EU)-based community and all the member states it brought together.

There might seem to be a very strict dichotomy between the two networks that formed the Euro-Atlantic community. Some might argue that only those states that belong to both organizations should be considered members of the Euro-Atlantic community. Nevertheless, belonging to one or the other institutional network should be enough to be considered a member
of the community, for the values that each of the organizations share are the same or at least compatible.

The second part of this chapter will present the literature review on small states. A special focus will be devoted to the reasons small states have caught the attention of international analysts. In terms of Latvia, it is worth assessing the domestic debates about Latvia’s international objectives and its perspectives after the Cold War.

The literature overview will contrast major arguments about small states in international relations with the debate in the West about the future of the Euro-Atlantic community and how Latvia saw itself on the outskirts of Europe. The comparison of these arguments will include discussions about small states in international relations with the special focus on Latvia as a part of the Baltic Sea Region.

The Debate about the Major – the Euro-Atlantic Community

It is broadly conceived that on major strategic and international questions Americans are from Mars and Europeans are from Venus: they agree on little and understand each other less and less. Europeans and Americans might not share a common view of the world and could have diverging views on all questions of power - its efficacy, its morality, and its applicability, among others. The reason for different interpretations of power could be rooted in the fact that Americans hold an abundance of power while Europeans are a niche power.

Even if there is discord in terms of the desirability and application of power, it is not necessarily so that American and European interests diverge in the same way. In fact, different views on how power is perceived by Europeans and Americans make them complementary. When they act together, their common interests can be better upheld. The overarching question is how Americans and Europeans direct their commonly shared power within the Euro-Atlantic community.

American and European interests converge in many areas: the prosperity of Europe keeps America affluent, the stability of a democratic Europe helps strengthen American values, and the security of war-weary European states helps protect America from the risks of another global

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war in Europe. Furthermore, the United States and the EU have also grown into the largest international markets and are one another’s closest trading partner.

The United States had the ability to “return home” in 1919 and in 1945. Nevertheless, during the Cold War, Americans built Europe in such a way that it became an extended part of the United States. America had become a major power in Europe, where its economic presence, political influence, and military weight were larger and more significant than those of most EU member states.

When the Soviet Union collapsed, there was a need for change in Europe. The United Kingdom could have stayed apart from Europe with only 30 percent of its combined exports going to France, Germany, and the Netherlands, 15 percent going to the United States with a potential for increase, and 40 percent of its exports being delivered to the North Sea basin. In the meantime, France could have developed two types of relationships—with Europe through the European Plain with Germany, or a regional alliance with Turkey, Italy, and energy-rich Algeria and Libya.

A British-French alliance could have been an option if the Marshall Plan had not been launched. Whatever the prospects for France and Britain, post-Cold War Germany depended on its capacity to reinvent itself and to keep the European plain together. Unlike France and Britain, German interests were located in the East. Therefore, the unification of Germany and Europe became two essential objectives for Germany. The German perspective was endorsed by the United States in the same way that the Marshall Plan was launched in the aftermath of World War II.

Even if there were options for France and the United Kingdom to adapt their different strategies, a common European strategy offered a better perspective. When the bipolar system was gone, there was a need to remedy inherent instabilities; Europe was unprepared to attend to

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13 Ibid, 205.
security issues that required credible amounts of military force, whereas American leadership and power were indispensable.¹⁴

All these preconditions, shared on both sides of the Atlantic Ocean, indicated the continued relevance of the complementary institutions built during the Cold War-NATO and the EU. The transatlantic alliance was the best insurance for security. The EU was the best way to ensure stability and cooperation. The endurance of the Euro-Atlantic community nevertheless depended on the United States’ interest in staying.

When the sole unifier of the Euro-Atlantic community – the Soviet Union – was gone, retrenchment, isolationism, or self-containment of the United States was not an option. The past lessons were not as distant as it might have seemed. The United States had won World War I, but it lost the peace; Allies won World War II and were immediately engaged in protracted conflict. When the Cold War was over, the preservation of peace required for the United States to stay.

Peace in Europe also meant peace in the United States, for no more was the Atlantic Ocean a natural obstacle to warfare spreading to the United States. In fact, those were the new inroads. The world had changed, so had technologies, transportation, and thus the geopolitical landscape.

To maintain its global power status and security, the United States could not afford retrenchment.¹⁵ It was also in the interest of Europeans for the community to endure. The opposite would mean a loss of what had been gained – affluence, stability, and security. Those were all luxuries to which the Western Europeans had become accustomed for quite some time.

The over-arching post-Cold War question was how to keep the Euro-Atlantic alliance together and prepared for new tasks. The answer could be found by resolving two questions about the network that had kept the Euro-Atlantic alliance tighter. First, with the unifying enemy gone, what should be NATO’s future roles? And, secondly, Europeans had to agree on how the EU should proceed considering the presence of defeated hegemonic power on the outskirts of Europe. For major transatlantic allies there were obvious reasons to seek adaptation.

Some argued that with the bipolar international structure gone, NATO had lost its purpose and, thus, its future. On the other hand, others argued that the future of NATO was a matter of transformation and adaptation to new security challenges. Each side was partially right and the evolution of NATO was the subject of much discussion.

In the immediate post-Cold War years, skeptics argued that the Soviet Union was the essential glue that had held NATO together. In the same way as the Warsaw Pact was disbanded, so should NATO. It was broadly argued that the West had lost its military unifier. Thus, the only solution was to create a new political structure. But even such solution, it was argued, would transcend the West into an artificial institution or a power merely on paper.

Time passed and NATO transformed, but the skepticism about NATO’s future was not dismissed even by the time the United States was crafting an alliance for an invasion in Iraq in 2003. Seen as more of a choice than a necessity – or a unilateral extension of the narrow conflict into the broader war – the American march to Iraq outlined some limits for Euro-Atlantic cooperation.

Europe was divided in its support of Iraq and of NATO’s capability to contribute its powers to common action. Again, some argued that NATO had become just an irrelevant multi-lateral bureaucracy whose time had passed in the face of unilateral and bold American foreign policy.

If the United States could not find utility in NATO, then it could just become a military pact of diminished geopolitical relevance. Subsequently, NATO was seen by some experts as an organization soon to become defunct, even if new members were aspiring to join it. The accord between major members and major institutions was crucial. The alliance had to forego the test of viability, lost original purposes, and adaptation to new potential risks. The search for solidarity and applicability would test whether NATO’s best days were in the past.

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NATO skeptics might have been partially right. Apart from the Article V, there was little NATO could seemingly offer in the immediate aftermath of the Cold War. Russia was still a nuclear power, but it was severely weakened and circumscribed. China was on the rise, but it did not project any immediate military threats to the Euro-Atlantic alliance. In the meantime, inter-ethnic and multi-cultural conflicts were far from gone in Europe.

The foremost critics failed to grasp the role of NATO as a peace-maker and peace-keeper between its allies in Europe. NATO, for many decades, had delivered peace. Some experts viewed the United States as a peace subsidy for the alliance members. Within the alliance, there is no principle or article that would exclude conflicts between the members from erupting. Nevertheless, such countries as Turkey, Greece, France and Germany had been living in peace despite regional and historical grievances.

Apart from its military function, NATO had evolved into a cooperation platform where institutional framework contributed to the political dialogue, mutual respect and peace. The alliance, in the same manner as the EU, contributed to the liberal peace and the emergence of the democratic community. NATO was strongly embedded in European-like affairs, institutions, and organizations while it had to undergo transformation to adapt to emerging security challenges.

Therefore, the NATO community was presented as a club of democratic nations where the political side of the alliance was elevated. The attitudes of major decision makers were reshaped on both sides of the Atlantic. In making the case for NATO enlargement, Madeleine K. Albright defined NATO as a community of interest and the free nations of Central and Eastern Europe that both preceded and outlasted the Cold War. Former NATO Secretary General Lord George Robertson stated that the members shared common values at the time when those basic values were under threat virtually all around the world. The former Czech dissident, and later president, Václav Havel noted that NATO should urgently remind itself that it was first and

foremost an instrument of democracy intended to defend mutually held and created political and spiritual values; it must see itself not as a pact of nations against a more or less obvious enemy, but as a guarantor of the Euro-Atlantic civilization. Former NATO Secretary General Manfred Wörner once emphasized that NATO has always been a community of values and a community of destiny among free nations. NATO was united by common interests, not threats, noted former NATO Secretary General Javier Solana in 1999.23

When the Soviet Union was gone, the post-Cold War euphoria lost, and new tasks were faced by the West, it was necessary to reinvent the principle that was expressed by the first NATO Secretary General Lord Ismay to keep the Americans in, the Russians out, and the Germans down. In practice it meant the unification of Germany by making it a member of NATO. The Russian question also depended on how Moscow saw itself vis-a-vis the West.

When President George H. W. Bush heralded the new mission for NATO to create Europe whole and free in 1989, the incorporation of both parts of Germany into NATO took place. In the meantime, reshaping NATO as an organization from military to more political entity was a way to soften the geopolitical shock in the Soviet Union of Germany’s impending unification and entry into NATO.24 Apart from outright German incorporation, additional tasks lie before the alliance.

In his memoirs, James Baker, former U.S. Secretary of State, recalls informing Soviet Foreign Minister Eduard Shevardnadze about NATO’s awareness of the political constraints Russians faced and the alliance’s task to adapt to a new, radically different world.25 Significant political efforts were devoted to comforting the changing adversary when Germany’s unification took place. It was broadly conceived that Russia had to be a part of the new security structure in Europe.

By successfully selling an updated NATO to Russia, Americans could uphold their foothold and reciprocal interests in Europe. Therefore, Americans shared significant concern about Mikhail Gorbachev’s vision of a “common European home” – a home where there was no place for the United States.26

26 Moore, 16-17.
There was a genuine willingness, recalls Robert Zoelick, an aide to Secretary of State Baker at the time, to “play off Eastern Europe against Moscow, if Gorbachev will try to split the alliance.”\textsuperscript{27} Without the American presence, the Western institutions alone were ill prepared to enlarge or sustain the zone of stability built during the Cold War years.\textsuperscript{28} But without these institutions, America could not ensure its presence in Europe. The EU and NATO could not be sustained without the United States, Russia could not be balanced without NATO, but Germany could not be balanced without the EU.\textsuperscript{29} The institutional base of the Euro-Atlantic alliance was essential for France and Britain to embrace the future Germany with ideas proposed by Lord Ismay in the past.

With the unofficial NATO enlargement “germanwards,” no immediate further enlargement could take place. The West had to assist the Russians in digesting what had happened. Therefore, the immediate task was to urge former Warsaw Pact adversaries and present allies, not to push for membership too hard, too hastily, and too openly. It was a sobering message to aspiring members.

Even before the Warsaw Pact was disbanded, some Czech, Polish, and Hungarian leaders, like Václav Havel, from his prison cell, Adam Michnik as an opposition member, and György Konrád had been writing about the role of a political dissident, giving political advice to opposition movements, or promoting a new Central European identity.\textsuperscript{30} The urge to join the Euro-Atlantic was evident.

The attempted August coup of 1991 in Russia only elevated the fears of instability and resurgent imperialism. Therefore, less than a year later, on May 6 of 1992, the Czech Republic, Hungary, and Poland officially declared their desire for quick NATO membership.\textsuperscript{31}

Since their first meeting in Visegrad, Hungary, in 1991, Czechoslovakia, Poland, and Hungary coordinated their actions to achieve common foreign policy goals. In response, together with Bulgaria and the Soviet Union, they were invited to establish liaison offices with NATO. The West adapted an all-inclusive approach to accommodate Russia but the United States was

\textsuperscript{27} Baker III, 89.
\textsuperscript{29} Serfaty, “NATO at Sixty,” 23.
urging the Visegrad Group to not to bang on the NATO’s door” too early, staunchly, and swiftly.\textsuperscript{32} The United States could not immediately accommodate the interests of all parties when the international security environment was yet fragile and changing.

Uncertainty and fragility of the security situation in Europe was precisely what drove Central and Eastern Europe towards the Euro-Atlantic community. The debate about the open door policy was in the air. It was argued that there was a need for a firm stance on the condition of enlargement, and how NATO could protect new democracies in the East.\textsuperscript{33} The policies of the new NATO could affect the institutional capacities to achieve transparency, integration, and negotiation among NATO’s members-assets that could be mobilized to deal with new security missions.\textsuperscript{34}

Owing to geographic proximity to the Visegrad countries, as well as post-Cold War euphoria slowly transcending into hysteria, German Defense Minister Volker Rühe started investigating NATO enlargement as a means for extending stability eastwards. Moreover, the Germans did not see stability in the East as their only objective.

It was argued that the extension of the EU and NATO was the final step to complete the unification of Germany.\textsuperscript{35} United States Senator Richard Lugar was one of the early proponents for NATO enlargement. In his words, NATO needed to go “out of area or out of business.”\textsuperscript{36}

Meanwhile in Russia, since Boris Yeltsin’s rise to power, Andrei Kozyrev, Russia’s foreign affairs minister at the time, was labelling the 1991-1993 period as a romantic foreign policy era. Staunch emphasis inside Russia was placed on rapprochement with the West and ridding the Russian Federation from the anti-Western communist elements. In terms of erupting conflicts in former Yugoslavia, Moscow could not make up its mind on participation, but regarded NATO and the United States as allies. The new pro-Western regime in Russia went as far as to state on August 26, 1993, that the Eastern European countries could join any alliance they deemed necessary.\textsuperscript{37}

\textsuperscript{32} Moore, 22.
\textsuperscript{34} Wallander, 712.
\textsuperscript{36} Moore, 23-24.
Thus, NATO enlargement could, in theory, become a reality. Western pundits did not waste time arguing the merits of NATO expansion to the Czech Republic, Hungary, and Poland. It was argued that the expansion of the transatlantic alliance would stabilize democracy, uphold economic reforms, revert authoritarian backsliding, and curb nationalism from surging.\(^{38}\)

The emerging intellectual thought did not prescribe a significant role for Russia within the potential NATO expansion context, for it was seen as too big, too powerful, too unique, and too unstable to be accommodated at the time. In the meantime, the Ukraine was outlined as an area that should remain independent from Russia’s geostrategic influence. The West argued that eventual enlargement to Ukraine would be reciprocally beneficial for Russia and the West alike.

At the Brussels NATO Summit in 1994, President Bill Clinton announced that the alliance can do for Europe’s East the same as it did for Europe’s West: prevent a return to local rivalries, strengthen democracies against future threats and create conditions for prosperity to flourish.\(^{39}\) The All-Inclusive Partnership for Peace (PfP) was announced at the time as a milestone for NATO, and a marker for eventual membership.

The initial evolution of NATO enlargement caused discomfort in Moscow. Nevertheless, the announcement of PfP was seen as a foreign policy victory as a means to postpone NATO enlargement, aimed at admitting some states and excluding others. Moreover, the initial concept for the new NATO, proposed by RAND experts Ronald D. Asmus, Richard L. Kugler and F. Stephen Larrabee, was seen implicitly or even explicitly as playing the Baltic countries and Ukraine off Moscow by considering them for NATO membership sometime after the Visegrad Group.\(^{40}\) It was broadly conceived inside Russia that the West should not risk fabricating an enemy out of Russia just to have a post-Cold War rejuvenation for NATO.

As the West was taking more decisive steps, the debate about Russia’s Western cooperation prospects changed. Western experts were arguing for NATO to expand in Central and Eastern Europe. Washington was pressing Moscow to avert some of its arms deals with China. The United States was pursuing disarmament issues in former Soviet republics. As a result, owing to growing domestic opposition against the foreign minister’s Kozyrev’s doctrine, Moscow’s attitude incrementally changed.


\(^{39}\) Moore, 25-26.

While Russia was still generally indifferent to NATO enlargement, radical nationalist players, like Vladimir Zhirinovsky, emerged. In 1993, Zhirinovsky’s ultra-nationalist political party scored 24 percent support in national elections. He overtly declared that NATO enlargement would help him be elected President of the Russian Federation.

Thus, NATO’s potential enlargement was positioned as a way to awaken nationalist-communist-imperialist forces inside Russia, strengthen opposition against the West, and cut Russia off from further cooperation with the Euro-Atlantic community. One of the reasons for Russia’s contempt was the absence of Western assistance- à la Marshall Plan program for Russia.

Nevertheless, PfP initially was seen in Russia as an alternative to NATO enlargement. For Kozyrev, it was an opportunity to highlight his foreign policy success with the West. As the agreement was offered to everyone, including Russia, debates inside Russia on how to perceive PfP and the West took four distinct strains.

The first stressed that PfP was a foreign policy achievement, for it allowed Russia to be involved in constructing common security space with NATO while the enlargement was postponed. The second group viewed PfP as a policy imposed on Russia by NATO. As a result, Russia’s status was marginalized, which suggested that Russia should opt-out from PfP and forge stronger ties with China. The third group stressed the necessity of equal partnership with NATO. PfP was seen as too ambiguous without any leverage over decision making, an inability to contribute to NATO’s decisions, and a downgrade in status. The fourth group welcomed PfP, viewed as the first step toward a more salient status.41

In response, the West accommodated some Russian concerns. They managed to upgrade Russia’s status by including its input in the NATO decision-making process. Nevertheless, it was made clear to Russians that PfP was not a stop, but a stopover, for future enlargement. Thus, the initial Russian foreign policy achievement could be considered void. Late in 1994, Russia turned down PfP, and Yeltsin announced a Cold Peace with the West and launched a military campaign in Chechnya. Diverse interpretations about cooperation in Bosnia also contributed to growing cleavages between Russia and NATO.

The initial NATO-Russian cooperation brought ambivalent results. The opposition inside Russia against NATO was growing stronger, particularly beginning in 1995. Even those who

41 Pushkov, 129-130.
favoured closer ties with the West had to oppose NATO, thus, jeopardizing closer ties with the West, which Yeltsin’s special ties with President Clinton did not alleviate.

In the meantime, there was little Russia could do to contain NATO’s enlargement. Russia was economically weak. It depended on Western financial aid and access to global markets. It was a nuclear power, but, without an immediate external adversary, the role of its military was marginalized. Moreover, politically, Russia desired to join the G-7. Therefore, it depended on the West for many of its foreign policy goals.

Despite the deteriorated mood, there was a debate about how to improve cooperation with NATO. Russia wanted NATO enlargement to slow down and take place in the 21st century. There was a desire for additional strategic guarantees to refrain from incorporating the Baltic States and Ukraine into NATO. If the enlargement took place, Russia wanted strategic guarantees to avoid the deployment of additional military in Central and Eastern Europe. Finally, only if there was a genuine, strategic NATO-Russia partnership, the opposition against NATO, it was assumed, could decrease.42

What Russia was initially seeking was probably highlighted in Ukraine. The initial foreign policy was embedded in the Declaration of the State Sovereignty of Ukraine, adopted in July of 1990. The Warsaw Pact was disbanded and the Soviet Union was gone. Therefore, Ukraine upheld an all-inclusive, all-European security architecture. Owing to the post-Cold War disorder and “security vacuum,” Ukraine supported a dialogue between the Western security structures as well as the post-Soviet structures.

Furthermore, it welcomed PfP as a platform for cooperation and dialogue where Ukraine participated along the same lines as formerly neutral Austria, Sweden or Finland. It endorsed the dialogue with NATO as well as Russia’s cooperation with NATO within PfP, or any other format. Ukraine viewed the inability for Russia and NATO to find a common ground as a genuine security challenge.

In the meantime, Ukraine pointed to Russia’s subtle task to maintain respectful relations with its post-Soviet neighbours. It had to act in a manner to avoid new geopolitical division.

42 Pushkov, 139.
Policies of taking sides or choosing alliances were in conflict with how Ukraine saw its security within the all-European security cooperation context.\footnote{Ihor Kharachenko, “A View from Ukraine,” ed. Jeffrey Simon, NATO Enlargement: Opinion and Options (Washington: National Defense University Press, 1995), 143-154.}

Furthermore, Belarus was participating in the signing of the dissolution of the Soviet Union treaty with Ukraine and Russia. After the disbandment of the Soviet Union, it had an opportunity to define its foreign and security policy. Like Ukraine, it acknowledged the need for cooperation and emergence of a security structure that would be genuinely unifying.

Nevertheless, Belarus emphasized the importance for the United States to avoid overstepping the Cold War geopolitical borders by coming as close to Russia as the Baltic states. Because of the geographic proximity and economic and security dependence, a separate or neutral alliance with Russia was seen as possible.\footnote{Anatol Maisenia, “A View from Belarus,” ed. Jeffrey Simon, NATO Enlargement: Opinion and Options (Washington: National Defense University Press, 1995), 155-165.}

Through Polish eyes, the possibility of joining multi-lateral organizations with small and medium-sized European states was a matter of secure existence and national development; despite no longer being bipolar, the world was divided between rich and poor, secure and insecure, stable and volatile areas.\footnote{Andrzej Karkoszka, “A View from Poland,” ed. Jeffrey Simon, NATO Enlargement: Opinion and Options (Washington: National Defense University Press, 1995), 75-76.} The pivotal point of 1989 marked the return of Poland, and the other Central and Eastern European states, into a “grey area,” located between the affluent, secure, and seen as selfish West and the unstable and unpredictable East.

To avoid Poland’s pre-1939 predicament when it was left at the mercy of two revisionist powers, Poland was anxious to overcome the negative fragility of its post-Cold War status by joining NATO and all other Western organizations at whatever cost. Military integration, however, did not constitute Poland’s primary motivation to reintegrate with the West. The main reason was the absence of immediate, tangible threats from its neighbors. With Germany, the Czech Republic, and Slovakia, relations were fairly warm, while with others they were at least normal. For these reasons, Poland could examine four security options.

First, it could overcome its historic ghosts by signing bilateral security guarantees with Russia on equal grounds. The validity of this option, however, must not be based on historic memory, wishful thinking, or political declarations. It was argued that Russia’s internal reforms and stability, which Poland, or any other country, could not influence, should be relied upon. On
the contrary, Russia’s military campaign in Chechnya, its willingness to recreate military ties with the Commonwealth of Independent States, its insistence on a military presence in Caucasus, its involvement in all conflicts in the nearest proximity around its borders, a new and quite revealing defense doctrine, as well as a growing influence of the military-industrial complex, were derailing such cooperation options by default. Second, Poland could stay neutral and rely on its own capabilities for self-defense. Third, Poland could investigate the possibility of building a regional defense system—NATO-bis. It would be comprised mainly of the states in the “grey zone” (former Soviet Union states in Central and Eastern Europe). Fourth, the integration in the Euro-Atlantic community would include NATO, the Western European Union, the European Union, and other institutions. This objective would entail Poland’s synergic convergence with the affluent, secure, and stable West.

Owing to past experience, Poland’s foreign and defense strategies pivoted toward NATO’s membership. However, before enlargement took place, the United States and NATO wanted to accommodate Russia. Thus, PfP stayed all-inclusive and open to anyone. After 1995, however, Poland managed more rapid integration within the collective defense system, with the United States, Germany, France, Great Britain, the Netherlands, and Denmark all adamant supporters in bringing Warsaw into NATO.46 When inside NATO, it was conceived, Poland’s stability would contribute to the mutual cooperation with Russia.47

While some countries saw PfP as an upgrade in status, some viewed the agreement as a downgrade. In a meantime, Romania saw it as appropriate as it could be. Maybe because of historic legacy, Romania acknowledged that a transformation path was needed to catch up with the Visegrad Group, seen as more apt for NATO’s membership. The PfP agreement, was, therefore, seen as a step toward NATO membership, as well as a precondition for modernization of Romania’s armed forces and adaptation for peace-keeping operations.

Furthermore, the agreement was broadly viewed as a stabilizing factor in the region. While Romania was complaining about the arrogance of a bipolar system, it was delivering stability. With the bilateral system gone, instability had to be tempered by new cooperation.

46 Karkoszka, 80-81.
47 Asmus, 70.
Apart from enhancing regional stability, Euro-Atlantic cooperation allowed Romania to improve its relations with neighbors like Hungary.\textsuperscript{48}

In comparison to Romania, the view from Lithuania looked distinctively different. It was broadly acknowledged that the historic experience, cultural, social, and economic trajectory discern Balts from Russians. Lithuania’s international aspirations took a similarly distinctive character. The special role of Lithuania is outlined in the work that describes how Lithuania re-joined Europe. The very fact that the road to Europe includes the reference to the year 1009, which is the earliest documentary in which Lithuania was mentioned in German chronicles, is in itself telling.\textsuperscript{49} The very fact that small states could do little to affect their future contributes to historically broad animosity and psychological insecurity. It was broadly conceived that size and geography were key prospects for independence and national security for Lithuania.

It was acknowledged that the Baltic States could not escape Russian problems without becoming members of the Euro-Atlantic community. Therefore, escaping dependence on Russia required adopting the opposite strategy as what was conceived in Belarus. Thus, memberships first in NATO, then in all other structures where Russia would not be a member, were adamantly sought.

There was a fear that the Baltic States, after admitting Central European countries, might be isolated and left at the mercy of Russia’s neo-imperial or neo-communist domestic political interests. Owing to a vast domestic political and social support, all possible cooperation models with the West were embraced.

The 1994 Brussels NATO Summit, when PfP was announced, was seen as a way to keep “Russia happy, but Eastern Europe hoping” in Lithuania.\textsuperscript{50} Some Baltic leaders saw NATO as the solution to all Baltic security concerns. For example, former Estonian President Lennart Meri


\textsuperscript{49} Darius Furmonavicus, \textit{Lithuania Rejoins Europe} (East European Monographs, 2008).

compared PfP with “a bottle of used Chanel perfume: nice to look at, but empty.”\textsuperscript{51} In 1996, the three Baltic presidents promised to make any sacrifice to achieve membership in NATO.\textsuperscript{52}

Tallinn, Riga, and Vilnius separately, and the Baltic States all together, could not provide for their own military security. Regional cooperation among the three would not suffice either. On the part of the Baltic States, the historic hostility and future unpredictability of Russia were seen as impediments to any bilateral security agreement with Russia. The West became the only asylum and the model that pushed Lithuania forward and the remaining two in a healthy competition with Lithuania to keep up with the required reforms for NATO enlargement.

In comparison to debates about NATO enlargement in Central and Eastern Europe, EU enlargement was less debated as it was seen as less menacing outside and inside of Europe. The reasons were the benign character of the EU and Europe relative to Russia. So EU enlargement triggered fewer debates. Nevertheless, the journey to the EU was not simple for countries that wanted to join it. Even if EU expansion was less debated in terms of security, European integration showed a significant reciprocity with the debate about NATO enlargement.

It was strongly argued that whichever expansion took place, the EU or NATO must follow each other’s footsteps.\textsuperscript{53} This was especially true for the Baltic States. As Russia did not oppose the Baltic entry into the EU, the region’s convergence with EU’s \textit{acquis communitaire} and institutions was seen as a way to bring the most unsafe, most anxious and most unstable regions first into the EU, then, owing to possible softening of Russia’s opposition, into NATO as well. In some western countries, EU membership was seen as a compensation for no-NATO membership. In the Baltic States it was “all or nothing – the EU could not become an alternative to NATO.”\textsuperscript{54}

On the other hand, the first NATO enlargement was potentially viewed as a trigger for the nationalistic, neo-imperial political groups in Russia. Harsher Russian policies towards the Baltic states could have derailed or postponed NATO membership indefinitely. Russia, since the

\textsuperscript{53} Asmus, 61-83; Simon Serfaty, \textit{Stay the Course: European Unity and Atlantic Solidarity}, 85-95.
announcement of PfP and enlargement to the Czech Republic, Poland, and Hungary, never disguised such a stance. Therefore, some NATO member states like Denmark emphasized that the first NATO enlargement was potentially a “sell out” of the Baltic States.

In the meantime, the first enlargement could not include the Baltic States because they “did not have votes” among NATO’s members while, for example, Poland could muster sufficient support. NATO enlargement was a political decision based on consensus and Baltic membership within NATO was simply unpopular.\(^{55}\)

NATO does not have a multi-step program or a comprehensive, normative, set of institutional criteria for EU membership. In fact, NATO’s normative package is rather shallow. But the new NATO membership principles are of vital importance for EU membership. Thus, the Baltic prospects for joining the EU were seen as a step toward both.

Foreign policy interests alone were not sufficient for EU membership. The post-war legacy still haunted the European leaders and societies - the memory of post-war darkness, piles of rubble and humanitarian loss affected the German collective sense of guilt for the atrocities caused by the Nazi regime and to proceed as if they had not happened.

While the war had changed national borders in Europe, the new order in Europe depended on societies. For example, Poland had become a place where millions Jews died when first Hitler then, later, Stalin and his heirs, created criminal regimes up until 1968.\(^{56}\) Bilateral, multilateral, and social German and Polish rapprochement depended on the ability of leaving the past behind and opening new chapters before them for future cooperation.

The natural history of destruction and oppression inevitably linked many nations, while tearing others apart. Europeans were looking for means to avoid previous mistakes. States and nations were looking for security enhanced by a military, affluence enhanced by common markets, and moral rebirth brought about by the past wars. Military, economic, and moral arguments were said to support the European unity but no European country could support all three areas alone.\(^{57}\) Thus, Europe’s future, in spite of its past, depended on its ability to find common grounds for cooperation.

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In search of such goals, Willy Brandt’s Ostpolitik marked an early paradigm change in Europe early when West Germany engaged its Eastern part and Eastern Europe on the basis of cooperation, not confrontation - a regional détente. Nevertheless, such policy raised questions about the German role in Western Europe. The German media dubbed journalists who precariously followed what was happening inside Germany as “the critical abroad” (Das krisische Ausland).

The dangers of German nationalism were discussed in Le Monde and The Times by journalists in London, Paris, and Washington. Leaders in Western capitals found that it paid to revive fears of an over-mighty, reunified Germany in order to better discipline the West. On the other hand, rumors about any potential of German revival only enhanced Moscow’s power in Eastern Europe as the German bogeyman served to revitalize Soviet domination over the Warsaw Pact countries.

When the moment for the German unification finally came, the first response was an attempt by Margaret Thatcher to slow it down. German unification was explicitly feared to slow down détente with Gorbachev and a Germany was presented as a very dominant nation. Thatcher had a hard time accepting the speed of German unification, which demonstrated how the balance of power was shifting in Europe.

Secondly, François Mitterrand’s meeting with Gorbachev in Kiev in December of 1989 and the elevation of German-Polish territorial disputes also indicated France’s willingness to slow down the unification and keep the status quo as long as it was possible. The “old Europe” was cautious to accept new political designs in changing Europe.

On the other hand, during his visit to Germany in May of 1989, President Bush took care to emphasize the country’s pivotal role in Europe. Terming Germans “partners in leadership;” Americans gave an indication that the “traditional special” relationship with Britain was becoming less special.

The international community was focusing on what was happening in the heart of Europe while the heart of Europe had a capacity to reshape future trends. France and Britain have always

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58 Ash, 72-75.
shared a different perspective on how to deal with the European powerhouse, as Germany was
dubbed by Dean Acheson in 1948.

While such terms as Mitteleuropa seemed to have died along with Hitler in 1945, a
Czech, Milan Kundera, in his 1983 essay on “The Tragedy of Central Europe,” gave new
currency to the term. The idea was carried further by an East German, Erick Honecker, and an
Austrian, Kurt Waldeheim, who spoke about the dangers of nuclear war in Mitteleuropa which
they considered their home (Heimat Mitteleuropa).

They all emphasized the consequences of adversities that contributed to the division of
Germany and Europe alike. To relieve its precarious status, the Federal Republic had to buy out
its “faults.” But the unification of Europe even before the opportunity came was seen as a
remedy for the fragile security situation in the middle of Europe.

In the East, the German Democratic Republic (GDR) welcomed economic assistance
from its Western brother, but only to the extent that it did not go beyond the unification goals.
Owing to the bipolar clash of two belligerent ideologies, the two parts of Germany were forced
to stay apart. Nevertheless, to relieve humanitarian pressure in some instances, a disguised
ransom allowed some families to be united and some East Germans to flee to the West. Such
humanitarian exchanges signified the actual German cohesion, but options for political
convergence were, nevertheless, residing in Moscow.

Owing to the political shifts in Kremlin, ideas about Central and Eastern Europe were
inevitably enhanced by Gorbachev’s policies. Political, economic, social, and revolutionary
change could start taking place. The change in Europe, however, depended on a few major
powers. Europe was still a product of two revisionists like Germany and the Soviet Union or
Russia that sought a change in the post-Cold War Europe. The other three powers were the
keepers of status quo like France, the United Kingdom, and the non-European power - the United
States.61

Inside Europe, the most important factor for change was Germany itself, but not because
it was a nuclear power like France and Britain. It was essential for geographic reasons because of
its location in the middle of Europe. Without a unified Germany, the unification of Europe in
whatever format was seen unacceptable by major powers. Only when all major powers were in

Serfaty, New Thinking and Old Realities: America, Europe, and Russia (Washington: Seven Locks Press in
association with the Johns Hopkins Foreign Policy Institute, 1991), 95-97.
accord, could there be a moral rebirth of Germany: its soldiers as part of the Euro-Atlantic army, and its economy as part of the EU economy.

If such was a road to whole and free Europe, what stood in front of unification? After all, the task had been conceived at the outset of the Cold War by Dean Acheson, Konrad Adenauer, Alcide de Gasperi, Jean Monnet, and Robert Schuman – the collapse of communism, the rise of democracy in Eastern Europe, the mellowing of Soviet power and the retreat from an external empire and the end of Europe’s division.62

A review of the years between 1919 and 1939 teaches that, notwithstanding its many false starts and exaggerated dead ends, European thought had acquired a significant and largely irreversible reality.63 Only a united Europe could proclaim an alternative, rather than an incitement, to the distractions of ideology and the intemperance of nationalism.

First, the West Germans themselves had to overcome the comfortable affluence which they West Germany had lived for five decades.64 There was an urge to overcome strongly shared feelings among political parties and ordinary voters alike that East Germany was an ugly but necessary keystone in post-Cold War Europe.

German unification bore a significant opportunity and danger for the European unifiers. Integrating two economically antagonistic systems was a challenge that could influence Europe’s integration. If Germany succeeded to overcome challenges from within, it would face external pressure to integrate the rest of Europe from without.65 If Germans failed, the re-integration of Europe would literally stall.

On September 8, 1987, a joint communique by Erich Honecker and Helmut Kohl acknowledged that despite the fact their country was divided, their shared goal was to achieve peace, respect the needs of their people, accept the Helsinki Accords as an important measure of détente, and resolve any security problems with confidence building measures.66

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64 Marsh, 26-28.
A little later, Honecker’s speech on October 7, 1989, showed that he was still a prisoner of the rigid security structure in Europe. “The enemy,” he said, “is presently spreading lies about the GDR to a hitherto unknown extent while emphasizing that the forty-year existence of the republic also amounts to defeat of German imperialism and militarism.” Honecker appealed to Cold War ideology, although the regime had softened and evolved past Stalinism into a more Gorbachev-like era.\(^67\)

Pointedly on the same occasion, Gorbachev mentioned the radical transformation inside the Soviet Union where “democratization, openness, constitutional state, free development of all ethnic groups and their equal participation in matters of the entire country, dignified living conditions, and guarantees for creative potential” were becoming the guiding international principles.\(^69\)

Just a month after Honecker’s and Gorbachev’s speeches, Willy Brandt noted in West Berlin, “Berliners and Germans belong together in a moving, exciting way, and it is most moving when divided families unexpectedly and full break into tears when they finally came together again.” On November 10, 1989, Brandt emphasized that much depended on the Germans themselves — to prove capable of coping with the winds of change that were blowing over Europe.

Seeing tremendous challenges emanating from his reform projects, Gorbachev reversed his policy position. On January 30, 1990, he emphasized the two Germanies, the four major powers, and the necessity to carefully consider the turbulence of the European process without fundamentally questioning the German right for unification.\(^70\) Even if Gorbachev wanted to contain change, there was little the Soviet Union, or any other power, could do at the time.

The keys to German unity were in Germany. The historic legacy was swiftly mitigated by efficient leaders who made values prevail over history. German leaders had developed such a tradition in the past. The head of the German Bundesbank, Wilhelm Vocke, was expunged by Konrad Adenauer in 1957 when the Bundesbank became too independent. Adenauer called Vocke the “overcooled ice box” when the bank formed a coalition with his most influential


cabinet members and defied the Chancellor’s political orders.\textsuperscript{71} The bank had to be an extended arm of the government, not the opposite, emphasized Adenauer.

Similarly, as financial decisions had to be made about German unification, Karl Otto Pöhl was \textit{de facto} ousted by Helmut Kohl when economic and financial arguments were placed ahead of German unity. Pöhl’s opposition to an even exchange rate of the Deutschmark for the Ostmark was seen as the Bundesbank’s opposition to German and European unity. Thus, Kohl “somehow 'forgot' to tell Pohl of his decision to exchange virtually worthless and inconvertible East marks into universally respected D-marks.”\textsuperscript{72} On the occasion, the novelist Günter Grass noted that “everyone who does not pledge ‘Yes’ to unity is out; even the guardian of the West German currency, Pöhl, who had expressed reservations at the outset, finally approved “unity on credit”.”\textsuperscript{73}

Sacrificing the D-mark was the only way to sell German unity in Europe, where France, Britain, and Italy were welcoming the introduction of a new currency union at the expense of the D-mark. Moreover, in so doing, Kohl’s government gave East Germans an incentive to remain at home (\textit{Heimat}) and Europe a possibility to build its own home with monetary union.\textsuperscript{74}

In addition, economic assistance from the Federal Republic after unification provided about DM600 billion ($324 billion USD)\textsuperscript{75} over the following four years, mostly to improve infrastructure and cleanse environmental waste left behind by East Germany’s heedless, inefficient, and energy-intensive communist manufacturing.\textsuperscript{76}

A significant share of the Federal Republic’s financial assistance was also spent on supporting household incomes to avoid westward migration. Financial assistance was possible due to increased taxes in Western Germany. But increased spending in favor of unification placed significant strains on its and by the end of 1994. Germany’s public sector’s debt approached 60 percent of GDP, a harsh increase from 56 percent in 1989.

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\textsuperscript{73} Gray and Wilke, 274.
\textsuperscript{75} See “The Approximated Deutsch Mark’s Exchange Rate with EUR and USD,” \textit{XE Currency converter}: accessed on 01/24/2017, \url{http://www.xe.com/currencyconverter/convert/?Amount=1&From=DEM&To=USD}.
\textsuperscript{76} Marsh, \textit{Germany and Europe: The Crisis of Unity}, 64-66.
\end{flushright}
The financial and economic assistance at the outset of unity was tremendous. There was little dissent about what needed to be done. Unification opponents were dismissed in the same manner as the heads of the German Bundesbank had been before. Nevertheless, the unification task was far from complete. A more challenging task was to transcend the US-style income levels and Mexican-style productivity; the fifty-year communist control had led to a shattered consciousness and a spiritual separation as impediments to speedy economic recovery, recalled Horst Teltschik, Kohl’s foreign affairs advisor until 1993.77

East German firms, having been part of the communist economy for five decades, were unable to restructure themselves. Privatization of state property and change of business cultures were the most significant challenges faced by the private firms.78 Nevertheless, assistance from the West stimulated the consumption in the East. Several years after unification, Germany witnessed steeper economic growth. Western assistance came as an impetus for recovery in the East, but the Eastern consumption stimulated the Western economic performance.

Meanwhile, in Europe, before the communist collapse, the Soviet dilemmas revolved around relinquishing the burdens of empire without destroying the prospects for economic cooperation with the East. On the other hand, major European powers like France and Germany were still ambiguous when the moment came to support a stable transition to capitalist democracy in Eastern Europe. The alternative was for Germany to consolidate Eastern Europe under its leadership.79 In the same way as Soviet and Western counterparts were exploring various political alternatives to defeated Germany between 1945 and 1955, so were the East and West Germans now.

At Potsdam in July, 1945, Churchill played with an idea about Adenauer’s Germany under Russians. In response, at the outset of the Cold War, Adenauer did all he could to consolidate the Western German state. Between Stalin’s death in 1953 and Germany’s NATO membership in 1955, there was dissent inside Adenauer’s political camp; some politicians embraced the idea of neutrality for a united Germany. Nevertheless, after the inclusion of West Germany into NATO, Adenauer declared that freedom and independence were achieved and that

77 Ibid, 76.
Germans could contribute in the future to the goal of uniting Germany under principles already achieved.80 Owing to political partition between Bonn-Berlin-Moscow, Germany became a geographically divided centre of Europe.

The opportunity to revert and continue along the lines anticipated by Adenauer came several decades later, but depended on the same capitals. Kohl’s first crucial step was to gain Gorbachev’s assent to withdraw troops from the German lands, but that, of course, came at a cost. Bonn had to promise massive aid programs, including all the costs for the reallocation of Soviet troops. As a response, the Soviets accepted the German right to remain a NATO member without any deployment of foreign troops on German soil.81 The exchange of money for political concessions was reminiscent of the case with Austria when it “bought” its Cold War neutrality in 1955.

When the unification of Germany seemed to be complete, other factors promoted further subnational cooperation. Influential regions, like Germany’s Länders, were playing a substantial role here. For example, Baden-Württemberg had envisioned the eventual formulation of a genuine united states of Europe arranged into dozens of confederated, autonomous regions, completed with a European constitution and regional and communal councils.82 Such a paradigm not only undermined the exclusive monopoly of nation states to make decisions individually, but became a driving force in promoting European integration.

The case of Baden-Württemberg did not stand alone. Regions along Germany’s Eastern border like Bayern, Sachsen, Brandenburg, Macklenburg-Vorpommen, and Schleswig-Holstein also maintained interests. They shared a border with the former Warsaw Pact countries, and had a genuine interest in gaining access to Eastern markets as well as in cheaper energy resources through enhanced competition, transportation networks, improved environmental standards on their borders, access to education, especially through language exchanges and more supranational cooperation in innovation and energy. But, most importantly, they had an interest in stable Eastern borders.

The divisions in German, French, and British foreign policies seemed to pull Europe apart, German Länders were inviting closer cooperation with the former Warsaw Pact countries; there were two options for Europe. One was the consolidation of Eastern Europe under German leadership. The other was the unification of Germany and Eastern Europe and Europe, as argued George H.W. Bush in 1989.

While there was dissent, ambiguity, and ambivalence that pulled major powers apart, the European Economic Community offered to unite Europe by locking Germany with the other member states into political union. The treaty which Margaret Thatcher called “a treaty too far” was an initiative of the European Commission, led by Jacques Delors.\(^83\)

The Maastricht treaty transformed the economic union into a political one where monetary agreement pointed to the total abandonment of the D-mark and the creation of new institutions that would control the defense and foreign affairs of the union. In addition, deeper integration prospects were spelled out to consolidate the political unity. The solution was endorsed by the United States, as had been the case during the Marshall Plan reconstruction. Despite the fact that the treaty and the initiative introduced new political commitments at a time of economic, political, and social uncertainty in Europe, it provided major European powers with the means to accommodate Germany into unified Europe.

France was pleased to see Germany locked into the EU’s institutional cage, which probably only the French understood. EU unity was insured by the United States-led NATO, where Germany was firmly incorporated. As a result, the enhancement of the transatlantic link pleased Britain, too.

Moreover, the unification and the immediate post-Cold War years set important European trends. Immediately, however, no further enlargement could take place. Germany and the European major powers had spent too many financial, economic, and political resources - it was now time to digest and prepare for the next steps. In Latvia, there was hope that the trend continues and eventually reaches the Baltic States. There was a hope that those same Western values now in West Germany would eventually reach Riga, too.

The Debate about the Minor – Small States and Latvia

International relations have been a state-centered discipline. Since the peace of Westphalia in 1648 and the emergence of nation states as the primary actors in international affairs, the focus of analysis has been on a comparison of diverse states – large and small, or weak and powerful. Most experts have been interested in major and powerful actors. Thus, the debate about small states emerged as a residual category with the tendency to surge as the number of small states grew.

Before World War I, the debate was solely about major powers, and, for many of them, their empires. Such world order was apparent between the unification of Germany until the run up to World War I when major powers had incorporated inside their polities most small states. Some authors mention that in the run up to the war, there were six major powers (Germany, Great Britain, France, Russia, Austria-Hungary, and Italy). The rest could be viewed as “small” powers with Denmark, Turkey, and Sweden the most notable exceptions as middle powers. Therefore, a small state was defined by what it was not, assuming it even existed, or as an impediment to large and middle powers.

A few new states emerged during the interwar period. That includes Latvia. Many authors have questioned the viability of small states when the world order was based on Wilsonian principles embodied in the League of Nations and embedded in the universal preservation of small states. The interwar order offered novel foreign policy possibilities for small states. Nevertheless, small and micro states had to rely on their own capabilities to withstand external pressure.

Such world order defined perspectives and constraints for national policies based on neutrality, or active or defensive strategies. The emergence of interwar Europe and the onset of

84 Carsten Holbraad, Middle Powers in International Politics (St. Martin's Press, 1984).
88 William E. Rappard, Problems of Peace: Pacifism is Not Enough (Geneva Institute of International Relations, 1934).
World War II illuminated the fact that small states alone cannot withstand overwhelming international pressures. When non-aligned, most small states were at the mercy of major powers. World War II confirmed the weakness and fecklessness of small states in the face of major powers.

Around 1945, the post-war world was based on different principles. The order was determined mainly by two superior powers and the balance of power principles. The post-war period divided the world into two ideologically different poles. The structure was rigid, especially at first. Nevertheless, some powers managed eventually to rise as middle powers.

For example, in the 1960s France rose as a European nuclear power or a power that could keep a finger on the nuclear trigger of major powers. The Fifth Republic shaped French-British and French-German relations with consequences on the rise of a united Europe as a salient power. During the Cold War, small and weak states were grouped around two major polities or their fate depended on the policies of major powers.

At the pinnacle of the Cold War, a great power was able to assert its will against a small state, while a small state was not able to do the same against a great power. In the same way as major powers as ascending and descending powers, the distribution and emergence of small states have been a historic process. Major powers called all the shots internationally. Middle powers were invited to participate and contribute to the bargaining process of major powers, but small states were not involved in great power games.

However, one profound trend happened after World War II and during the Cold War. There was a significant increase in the number of small states. The UN membership enhanced the legitimacy of even the smallest international members. Owing to de-colonization trends and the disintegration of the Soviet Union, there were more than 40 additional states at the UN in the 1950s and 50 in 1960s while almost 30 additional states joined the UN from 1990 to 1995, Latvia was one of them (See Figure 1).

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With the bipolar order ended, there were new discussions about small and large states and their powers. The definition of size and power had been a point for endless debates. From the normative point of view, all states are equal before the law. From the political perspective, they are far from equal. In fact, all states are unique. Thus, sovereign equality between states has hardly existed before. Moreover, small and weak states have been viewed as an unimportant category in international relations or one that is an impediment to, or unnecessary reason for, struggles among great powers.

Many authors have argued that the right to self-determination promoted by the UN Charter was precisely the reason for the surge of numerous small states, as well as cause for significant governance problems for major and middle powers. However, no group or no small power alone hindered the designs of major UN powers. Discussions were, instead, about aspects related to the extent to which small states depended on major powers. It was broadly conceived that small states could escape the pressure of major powers by entering into alliances with major powers or convincing them that the neutrality of a small state

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could be beneficial.\textsuperscript{95} The roles of small states depended on changes in international trade, transport, security, foreign policy or culture and ideology, for example. By utilizing intensified communication channels, small states could convince larger countries that the use of force against them could favor their adversaries or while their neutrality could be beneficial.

Scandinavian countries in general, and Switzerland in particular, have often been described as the neutrals in Europe. Remaining neutral was admired by those that were forced to take sides or, more frequently, simply comply. The ability to remain a neutral state was explored by Hans Mouritzen who analyzed the ability of small Nordic countries to stay neutral. The process was called the Finlandization - the politics of a weak country whose regime feels compelled to make some concessions to a powerful neighbour in order to preserve more important elements of its independence.\textsuperscript{96}

The same author has proposed a theoretical approach to adapting a neutral course when external conditions for small states change. At a time when tensions between the stronger powers increase, the risk of pre-emptive, more assertive action against small states increases, depending on a value ascribed to each state. In order to forestall the danger of pre-emption, the state must signal its non-committed course between the two poles (strategy of non-commitment or neutrality) that will be more effective if supported by a credible level of strength and military preparedness.\textsuperscript{97}

Such possibilities for small states were challenged at the outset of World War II. Hitler’s expansion plans in Europe explicitly included Switzerland, to be swallowed by the German Reich.\textsuperscript{98} A small state, Switzerland was facing overwhelming force, no less than larger France or Poland. Furthermore, Scandinavian countries found themselves in the same predicament as Switzerland as they were sandwiched between the German Reich and the Soviet Union.

The theory might suggest that early concessions could avert aggression. Just before the German invasion, Danish Foreign Minister, and later Prime Minister in the Danish wartime government Erik Scavenius proposed “to anticipate the minimum Germans would accept and

\begin{itemize}
\item \textsuperscript{95} Nicholas J. Spykman, \textit{America’s Strategy in World Politics: the United States and the Balance of Power} (Transaction Publishers, 2008); Annette Baker Fox, \textit{The Power of Small States: Diplomacy in World War II} (Chicago: University of Chicago, 1959).
\item \textsuperscript{97} Hans Mouritzen, \textit{Theory and Reality of International Politics} (Brookfield: Ashgate Publishing, Ltd., 1998), 44-45.
\end{itemize}
offer this voluntarily, so as to create goodwill, than to eventually have further, possibly greater, concessions squeezed through a nose.”

Yet, Denmark’s policy of pre-emptive appeasement only encouraged the German invasion. When Denmark could no longer accept surging demands from Nazi Germany, it reversed most of the concessions, and Denmark was soon overrun as a result of being in the path of the Reich without a sufficient military deterrent.

Soon thereafter, Hitler turned against Norway which, facing overwhelming military force, was forced to cave in. Since Norway discovered oil resources only after World War II, its economic significance was not sufficient for potential allies to support it militarily, or for Hitler to regard it as an economic asset. It was neither sufficiently militarily strong nor strategically important to avoid its annihilation by the major power.

In the case of the Soviet invasion in Finland, the narrative is different. When Hitler and Stalin were crafting the secret Molotov-Ribbentrop Pact, Finland was not part of the Soviet plan. In the same way as Lithuania was given to Stalin unexpectedly late, Finland was added to the Soviet playground belatedly.

As a result, Moscow had poor intelligence and weak military plans and preparedness to occupy Finland during the Winter War. In addition, Finland’s topography and willingness to fight played a crucial role. Severely cold conditions were as familiar to the Russians as they were to the Finns, but the severe Soviet military losses salvaged Finland’s neutrality during the Cold War years.

Finland’s neighbour, Sweden, was located between Norway and Denmark, with the Soviet Union close to the north. As a result, Sweden had developed four scenarios. Three were directed against a potential Soviet invasion, and one, possible rather than probable, was aimed at the German Reich.

When one of the first three scenarios materialized and the Soviet Union indeed attacked Finland during the Winter War of 1939, Sweden politically downplayed its military involvement by describing itself as a non-combatant, rather than as neutral. Furthermore, since Finland

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reached peace accords with Russia, and subsequent neutrality by 1944, Sweden could further discard the first three strategies and opt for defense against Germany.

Learning from Norwegian-German and Danish-German lessons, Sweden quickly mobilized its domestic production resources with firms like Husqvarna, Ericsson, and Volvo. Apart from quick and sound improvements in naval capabilities, Sweden rapidly developed its own domestic aircraft design and production company, SAAB (Svenska Aeroplan Aktienbolaget).

It made Swedish defense strategy more efficient and the country could stay militarily non-committed since it did not procure military equipment from abroad. Apart from building its own military-industrial complex, in early 1942 Sweden launched large-scale mobilization by recruiting 300,000 men; there is evidence that this move might have deterred Germany from “liquidating” Sweden.

What allowed Sweden to incrementally adapt to changing external conditions were not just its geographic location and the wartime experience of its neighbors. Wartime Germany relied on Sweden for about 40 percent of its supplies of iron ore – one of the most contentious issues in the war. As a result, Sweden’s foreign relations could be succinctly explained as maneuvering on the margins since there was a strong opposition from the United Kingdom and the United States regarding the Swedish trade.

Sweden’s trading policies were closely tied to its foreign policies. It was the “double-negotiation” – a delicate balancing, sometimes blackmail and brinkmanship, aimed at taking care of both wartime parties without upsetting any of them.

Sweden proved itself to be compliant as it efficiently switched its support to the winning party notwithstanding the moral ambiguities. During the German invasion of Denmark and Norway, it faced a number of hard decisions as to when to give in, and by how much, to German demands and expectations. Only after a series of German defeats in 1942 and 1943 did Sweden withdraw most of previous concessions. By then the Swedes were already making more

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104 Gilmour, 113.
105 Wiberg, 321.
concessions to the likely victors. For example, as a sign of reciprocal courtesy, in 1946 Sweden did not hesitate to extradite Baltic and German refugees to the Soviet Union.\(^{106}\)

Around the Swiss borders before the start of World War II, conditions were changing more rapidly. Thus, mobilization efforts in Switzerland were effective and swift. Civilian institutions General Guisan was elected army chief on August 30, 1939, to maintain the security, independence, and neutrality of Switzerland, for defending the economic interests of the country, and for insuring its economic survival.\(^{107}\)

That openly signified that the days as usual were over. Switzerland quickly mobilized around a 435,000-man fighting force out of a population of 4.2 million. It was a significant accomplishment even if the Swiss army was not highly mechanized. The military strategy was based on sound anti-tank infantry and mass resistance organized around natural obstacles inside the country.

The result was that the Swiss neutrality and national interests depended on how “the new might of Germany would express itself.”\(^{108}\) If Germany could show itself as magnanimous, understanding and willing to respect Swiss interests, there was no reason to change the policy course. Thus, Swiss authorities maintained friendly relations and permitted Germany to run substantial trade deficits even when the war was obviously shifting in favor of the allied powers. Even before World War II, Swiss compliance toward German wishes was evident.

Switzerland conceded to such financial pro-German concessions as the extradition of the Czech gold reserves to the German Reichsbank by the Governor of the Bank of England.\(^{109}\) By not withdrawing from financial cooperation, Switzerland was no less a participant of the appeasement than Paris or London. As a result, Switzerland became too important to be swallowed by the \textit{Blitzkreig}, the extremely swift and highly synchronized German attacks by air and land elsewhere in Europe.


Switzerland could also prove itself beneficial for the German Reich more broadly. A focal point for political and financial transactions, it was important for the Reich’s military, political, and economic edifice. There is evidence that corporate headquarters even in the United States and the branch plants in Germany stayed in contact with each other, either indirectly via subsidiaries in neutral Switzerland, or directly by means of modern worldwide systems of communications.\textsuperscript{110}

Furthermore, between 1940 and 1944, the Swiss military industrial complex provided arms and ammunition valued at 633 million Francs to the Axis countries such as Germany, Italy, Romania and Japan, and similar goods (later) to the Allied countries including France, the United Kingdom, the Netherlands, Denmark and Norway for a value of 57.5 million Francs.\textsuperscript{111} Switzerland exported arms to such neutral countries as Sweden and Finland, too, but the value of the Reich’s military imports highlights the intensity of the cooperation.

The cases of Sweden and Switzerland prove that neutrality for a small state depends on several crucial conditions. One, however, is especially salient. Even if a small state can prove itself to be an asset, without a strong military there can be no neutrality. That is why, even in 1990, when the Cold War was over, the question about the abolition of the Swiss army was turned down by a vote of 2:1 with the highest turnout since the introduction of the women’s right to vote in 1971, where the voter turnout was 69 percent.\textsuperscript{112} One of the three largest Swiss banks before the national referendum organized an exhibition in honor of General Guisan, the general in charge of the heady days of 1939.\textsuperscript{113} The Swiss population did not take its neutrality for granted since it upheld the prospect for strong military service.

The Swiss neutrality is an evolving historic phenomenon that has reached a “myth of almost religious sanctity behind which citizens could live in a political introversion” and “reversed foreign policy patterns.”\textsuperscript{114} Similarly, Sweden’s military-industrial complex is a part of the strong national economy and international defense affairs to this day. Despite both countries

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\textsuperscript{112} Pauwels, 238.
\end{flushleft}
maintaining a degree of neutrality, they still had their own distinct policies that indicated at strong contingency prospects in case external forces had neglected their wishes.

On occasion, some small states that were endowed with the necessary attributes could stay neutral, most small states were forced or compelled to take sides. Therefore, the debate about the role of small states during the Cold War was insignificant or limited to few outliers. More attention was devoted to numbers and properties that could be transcended into immediate power. Some debates, nevertheless, were aimed at questions of quality of power.

Such states as Sweden, Denmark, Norway, Finland and Iceland could keep their pride not because they were large and capable major powers but because they could be the most just, organized or moral.115 Thus, multiple small states were depicted as essential actors in specific issue areas like the financial sector (Switzerland and Luxembourg), the oil sector (OPEC countries), or moral and normative issues (Scandinavian countries). Smallness and greatness, therefore, were not criteria to be applied to size or systemic level only, but to distinct areas where even small states could challenge the clout of major powers.116

Despite the fact that small states might look like a doomed category in international affairs, always exposed to the goodwill or pressure of major powers, Peter Katzenstein’s pivotal work on Small States in World Markets showed that small states, owing to the efficiently acquirable democratic consensus, could not only survive but even thrive.

They could turn some of their domestic properties into niche power capabilities to better serve their domestic interests. The work was significant because it was not about systemic vulnerabilities and sensitivities resulting from large states decisions. The narrative was about small Western European countries - the Netherlands, Belgium, Sweden, Switzerland and Austria – that managed to offset negative external conditions by adapting domestic institutions and interest groups to respond to changes in international markets. While there are responses small states can craft to offset negative market conditions, the work implicitly implies that there is little small states can do in the face of military threats.

Until the collapse of the Soviet Union and Yugoslavia, there had been no other significant research that would challenge Professor Katzenstein’s general conclusions. The first literature that questioned the new roles of small states was devoted to Scandinavia, which had

115 Emile Durkheim, Professional Ethics and Civic Morals (Routledge, 1992), 75.
been previously neutral against the Soviet Union. If still neutral, then against whom? That policy
dilemma absorbed Sweden or Finland, for example. Since the end of the Cold War, the
enhancement of small state domestic interests were broadly sought within international
organizations. Liberal cooperation was widespread and the military realm had gone out of
fashion for a while.

It was argued that the decisions taken by small countries depended on domestic structural
interests. Moreover, there has been some research devoted to explaining how easy it was for
small and large countries to satisfy their combined interests even when their societies were
heterogeneous. The work argues that man-made political boundaries of states should dovetail
with the economic interests and market possibilities of a group.

Thus, the emergence of new small states or the federalization of larger ones could be a
result of market forces. Such arguments were rooted in a quantitative analysis by computing the
optimal size of a state in theory, and explaining the phenomenon of a country size in reality.
Here, again, the debate fails to explain the impact of military power while more focus is on
markets.

International trade, political affairs, social affairs, and diplomatic interaction were all
becoming more dynamic. As a result, the need for a strategy for small states gained prominence.
One side argued that, by having a strategy, small states could better guide their domestic
societies. The other side held that a strategy from the past might be outdated for challenges of the
present. Consequences of modernity were that it became harder to discern security from danger
and risk from trust in a highly dynamic environment. Therefore, there was a risk that domestic
societies might be misguided by charting a rigid national path in terms of strategy or foreign
policy of a small state.

Despite the fact that the future of small states does not look promising in a more complex
and modern environment, institutional frameworks, markets or alliances designed to best pursue
international opportunities were viable options. Small states could be more mobile and

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119 Alyson JK Bailes, “Does a Small State Need a Strategy,” University of Iceland: Centre for Small State Studies
120 Anthony Giddens, Consequences of Modernity (Stanford University Press, 1991).
121 Harald Balderstein and Michael Keating ed., Small in the Modern World: Vulnerabilities and Opportunities
(Cheltenham, UK and Northampton, USA: Edward Elgar Publishing, 2015); Dorothee Bohle and Béla Greskovits,
versatile. Therefore, they may be better able to adapt to current challenges than larger countries. Small states could act like dynamic speedboats while large states will always resemble huge, clumsy, resource-endowed tankers. In theory, it should be easier for small states to adapt to changing international environment if in practice domestic structures can be resiliently adapted. The literature suggests that even the Baltic States have applied different methods to reorient their domestic structures and pursue interests.122

However, from the perspective of security, little has changed. On the outskirts of Europe, neutrality at the outset of the first independence proved to be delusional for Latvia. The experience of the Scandinavian and Swiss “neutrality ghetto” only underlines such a stance. Thus, past experience has a significant effect on the domestic debates about the future of Latvia.

During the first independence period between 1919 and 1939, Latvia chose neutrality. When the independence was restored in 1990s, neutrality and absolute sovereignty were perceived as something negative, even menacing, in Latvia.123 It was not a question of whether Latvia needed a strong partner but, rather, who would be that partner. A few options were broadly debated.

When the Soviet Union collapsed and the Cold War ended, many small states ran the risk of becoming hostages of their own history. The changed conditions affecting foreign policy in small states in Europe enabled and necessitated the creation of grand strategies.124 In the same way as the Cold War “neutrals” were forced to choose allies when external conditions changed, the post-Cold War era compelled small states to craft their own strategies for new military alliances.

In the unipolar world, small states’ security policies had to be cooperative either in the form of joining a security institution or in an ad hoc coalition.125 For Baltic States the overarching question was how to avoid becoming occupied again. Since the research is aimed at assessing Latvia’s path to the Euro-Atlantic community, it is necessary to understand how the

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122 Bohle and Greskovits, 96-131.
path to two institutions, the EU and NATO, were perceived. Instead of just aligning with the unipolar power, the United States, the Euro-Atlantic community offered something more.

The EU offered more than just an entry into the common market. In terms of the EU integration, the benefits or outcomes must be assessed with consideration to limited human and institutional resources. Every state, but especially small states, will craft different strategies toward the EU. Small states will each be differently endowed and motivated in terms of their European integration. Even though there are some elements within the EU that provide certain protections to counter the negative aspects of their small size, the EU treaties and the range of policy areas can work against the smaller members. Every member state must share its sovereignty with other member states. With the EU enlarging, the scope of influence and the range of opportunities for small states expand even if every single member must consider the obligation of sharing some national autonomy.

For Latvia, being incorporated into the communist empire for five decades meant having a different experience and interests than the Nordics toward the EU. These five decades had “provided alliances, hierarchy, leadership and identity” when the presence of a strategy was indifferent, if not even damaging, to a small state like Latvia. Even if Latvia was free to make independent choices, it still had to consider boundaries imposed by major powers. Moreover, Latvia did not have any international experience, but the EU could provide the institutional base. The EU could eliminate some of the domestic weaknesses inflicted by the Soviet occupation.

The development of strategy had to be appropriated by other aspects, not just mobilization of domestic resources. Since Latvia was looking for defense guarantees against Russia, the absence of a tangible security strategy or a firm stance by the EU was broadly

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considered. As a non-military alliance, the EU could never offset Latvia’s security concerns in the context of Russia’s influence over Latvia.

This prospect gains a special currency when seen as a potential neo-imperial or neo-communist power in the East. Russia still had guardianship ideas about the territory of the former Soviet Union. The EU could remedy Latvia’s domestic vulnerabilities and sensitivities related to markets, but not those regarding military security.

Vulnerability and sensitivity surrounding potential threats on the eastern border of Latvia were perceived no less ominously than in Germany before the unification. Owing to the collapse of the communist empire, Germans could push the western border eastwards through unification, then enlargement. In the meantime, there was little Latvia could do in terms of changing its geopolitical situation, even after the Cold War was over. Russia was there to stay. The question was who would form future partnerships with Latvia.

The anxiety in Latvia stemmed from the sense of inescapability from the Russian domination. Thus, NATO was seen as a remedy for Latvia’s security anxieties as they related to Russia. The EU was seen as a way to end Latvia’s anxieties in all areas with the exception of military security. While the priority was NATO, both organizations were seen as vital security guarantees for the Baltic States. Precisely because NATO was anti-Russian, it was seen as a remedy for security, economic and social threats. The EU, on the other hand, was seen as a vehicle to end communist deprivation and a means for future socio-economic enrichment.

Even if Latvia, and the other two Baltic States, saw the integration as an utterly profound security matter, there were no illusions that, in the immediate future, Estonia, Latvia and Lithuania could become part of the Euro-Atlantic community. At the outset of independence and


just after the German unification, the West argued that the strongest must join first. Otherwise, the enlargement would not take place at all.

The Czech Republic, Poland and Hungary became the first to be considered for NATO membership.\(^{134}\) It still depended on adherence to democratic principles. The Czech Republic was ahead in terms of democratic reforms, Poland was on its footsteps and Hungary was making sound progress. In the meantime, Slovakia disqualified itself for its lack of reforms. Since Prime Minister Vladimir Meciar’s return to power in 1994, the pace of economic and political reforms had actually slowed.\(^{135}\)

From the perspective of the West, the first NATO enlargement process was seen as an opportunity to relieve military, political and economic pressure in the reciprocal Russia-West relationship. For example, a secure Poland, integrated into the West, was seen as more likely to be less anti-Russian and more interested in cooperation and bridge-building than an insecure Poland caught in the age-old geopolitical no man’s land between Berlin and Moscow.\(^ {136}\) Even Russians could concur with the enlargement idea in Central Europe.

Conversely, the enlargement to include the Baltic States was seen as a menace for strategic reasons by Russia. Furthermore, many in the West did not see any strategic value in the Baltic States. These obstacles included Russian sensitivities (incorporating former Soviet republics would touch a very sensitive political nerve in Moscow), minority issues and border disputes (a large Russian-speaking minority and unresolved border issues between Russia and the Baltic States), defensibility or indefensibility of the Baltic States and Kaliningrad’s Russian military presence.\(^ {137}\) Before and after the first NATO and EU enlargements, the Baltic States had to place heavy emphasis on the idea that they could be partners, not problems on the outskirts of Europe.\(^ {138}\)

From the perspective of the Baltic States, the first NATO enlargement, which excluded them, was seen as an invitation for Russia to forge its foothold in the Baltic littoral. Secondly,


\(^{136}\) Asmus, 76.

\(^{137}\) Asmus and Nurick, 158-159; Olaf Grobel and Atis Lejiņš ed., The Baltic Dimension of European Integration (New York, Prague, Budapest, Warsaw, Kosice: Institute for East-West Studies, 1996).

Central Europe, after the first enlargement, was seen as the Baltic voice inside NATO.\footnote{Daina Bleiere, “The Role of Central Europe in the Baltic Policies,” ed. Atis Lejiņš and Žaneta Ozoliņa, \textit{Small States in a Turbulent Environment: the Baltic Perspective} (Riga: Latvian Institute of International Affairs, 1997), 51-71.} The first enlargement caused ambiguity in the Baltic States.

In these times of uncertainty, there was a need to survive the period until the next NATO enlargement. It was argued inside Latvia that it might have 10 to 15 years from the signing of PfP to foment its security within NATO before it was in serious jeopardy.\footnote{Uģis Šics, \textit{Latvia on the Way to NATO} (Riga: Baltic Security Studies, 1996).} The strong sense of domestic insecurity drove the Baltic States to sign PfP with NATO even before the integration forerunner, the Czech Republic, did so in March of 1994.\footnote{See “The Signatories of the Partnership for Peace Framework,” NATO: Accessed on 09/30/2016, http://www.nato.int/cps/en/natohq/topics_82584.htm.}

Given the salient role of NATO for the Baltic States, all memberships in Western-oriented organizations were seen as steps closer to NATO, then the EU. The remaining organizations, like the UN, the Western European Union (WEU), Council of Europe, and the Organization for Security Cooperation in Europe (OSCE), became instrumental for the Baltic Euro-Atlantic integration efforts.

The UN provided an important cooperation framework for Latvia for two major reasons. First, like all post-Soviet or newly independent states, for Latvia UN membership was instrumental to its international recognition. The second argument regarding Latvia’s domestic transformation could be legitimized by its adherence to international norms, especially in areas where Latvia’s political issues were of a regionally sensitive nature.\footnote{Ivars Indāns and Roberts Valdis Gregors, \textit{Latvia’s Foreign Policy within the UN Framework} (Riga: Latvian Institute of International Affairs, 1999).}

The WEU had descended into quiescence, giving way to NATO. It was no longer the European arm of NATO, neither was it the defense arm of the EU. Therefore, from the perspective of the common defense community, the adherence to NATO principles for the Baltic States was the priority. The United States-led NATO was an indispensable power capable of reinventing the strategy of containment and deterrence against Russia, while major European powers were seen as sometimes too divided on the matter. Moreover, the WEU had focused more on the European defense dialogue, rather than any practical defense structure.

Thus, Latvia was willing to quickly adapt to NATO. Here, the first criteria that defined \textit{de facto} adaptability to membership was acknowledged by all NATO member states – the two
percent spending rule and politically stable state. The Baltic States promised early to increase their defense spending. Latvia, in particular, promised to raise its defense budget to two percent by 2003. The European security and defense identity had to mean something in terms of not just what Europeans said, but also what they did.

The EU and NATO were priorities for the Baltic States. The rest of the organizations were effectively upholding interests that the institutional backbone of the Euro-Atlantic community could not, or did not yet, do. In the aftermath of the Cold War, the OSCE played a stabilizing role since some European states had favored a return to extreme or nationalistic policies.

In relations with Latvia, the OSCE refuted Kremlin’s allegations about human rights violations. The former President of Latvia recalls Max van der Stoel, the former High Commissioner on National Minorities, as being a constructive partner on issues related to language, human and minority rights.

Even though van der Stoel was vilified and lamented in the Latvian press, he turned out to be an efficient facilitator of disputes between Latvia, Russia and the international community. Through intensified dialogue offered by OSCE, Latvian could justify Russia’s allegations about Latvia’s ostensible extremist policies as false.

For similar reasons, Latvia joined the Council of Europe in 1995. It was one of the first Western organizations joined by Latvia. In terms of membership and working principles, it entailed multiple members and was more flawed than the EU or NATO. The organization involved Latvia in European-wide dialogue where the adherence to international organizations, rules and human rights principles were broadly debated.

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146 Toms Baumanis, Latvia’s Integration in European Institutions – a Security Policy Solution (Riga: Latvian Institute of International Affairs, 1996).
148 Ineta Ziemele, The Council of Europe: Latvia’s Partner in European Affairs (Riga: Latvian Institute of International Affairs, 1996).
Apart from international organizations, which could expand whenever members reached a consensus, different regions in Europe were playing a major role in Latvia’s Euro-Atlantic integration process. After the enlargement in 1999, Central Europe was politically lobbying the Baltic entry into NATO. Owing to the surge of cooperation and trade, Northern Europe was a strong lobby for Latvia’s admission in the EU. As non-members, Sweden and Finland could do little in terms of the Baltic-NATO integration despite their interests in seeing the Baltic States more secure and stable.

For Russia, closer cooperation with the Baltic States meant a step toward the Nordic States and a step closer to the core of Europe. Similar to German Länder, some Russia’s regions were vociferous advocates for closer links with Finland, Estonia, Latvia, Lithuania or Poland. Nevertheless, the cooperation prospects were contested by Russia. Centralization of power in Kremlin meant less power to regions. The Kremlin incrementally prevailed over the regions. The Baltic States became an initial litmus test for Russia’s ability to become a European or Asian power in Europe.

For the Baltic States, the immediate challenge was how to better involve in the Baltic Sea Region’s affairs. From the economic and security perspective, Scandinavian countries, as well as German and Polish regions, were closely integrated with broader European structures. They could become strong lobbies for securing the Baltic States into the EU and NATO.

Nordic countries, as non-members of NATO, were stronger advocates for the Baltic integration in the EU, but less so in terms of NATO. Denmark, a member of both, was instrumental in keeping the Baltic dual-integration package on the table and avoiding the political separation of the Baltic States. Finland and Sweden had supported Estonia becoming an EU member first, but Poland supported Lithuania becoming a NATO member. Latvia was in the middle and its situation was less clear.

The unifying factor became the shared Baltic discord with Russia on many issues, since there was a general disagreement on what good neighboring relations mean. While Russia saw the Baltic States becoming NATO members as a menace, Latvia and the others saw Russia’s

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unfair meddling into the integration process as a poignant neo-imperialistic resurrection. If Latvia saw good trade relations as a remedy for interstate conflicts, Russia viewed its economic leverage as a right to intervene in order protect the rights of Russian-speakers. If Latvia saw keeping Latvian transit assets in the possession of Latvia or Western companies, the opposite was true for Russia.152

These, and other examples, have haunted Latvian-Russian relations for years. Language and ethnicity issues have been a salient point of discord for all sides. Language status, educational systems, citizenship rights, naturalization and integration processes, political processes and media have all served as leverage for political pressures and destabilization of Latvian domestic politics since its independence.153

The Baltic States were anxious about whether Russia would employ outdated and out-of-fashion means of military influence while the immediate adaptability to NATO standards was out of the question. The slow pace of reforms of the national armed forces called into question Latvia’s compatibility with transatlantic structures. If Latvia wanted to position itself as a partner, it had to be ready to fully participate in NATO’s international missions. It had to be a *de facto* contributor and a partner, not a *de jure* member and a burden.154

Considering the precarious security situation in the Baltic States, where Latvia probably was the weakest link for multiple reasons, international experts emphasized the importance of pragmatic dialogue and the absence of elevated and hysteric rhetoric with Russia. Latvia had to fix its domestic problems without making Russia an adversary. To avoid confrontation with Russia, it was argued, it was better for Latvia to be absent from some international talks.

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While both sides had their own rationales, international experts always alleviated Latvian concerns and refuted most of Russia’s allegations.\textsuperscript{155} This international advice has served as the justification for unpopular domestic reforms by goading Latvian elites to undertake them. The case with Slovakia had shown that without reforms there could be no membership in NATO or the EU. Therefore, Latvia had to expunge such communist legacy as corruption in the legal system, the public sector and administration.\textsuperscript{156}

The literature on Latvia’s transition outlines such challenges as the establishment of a stable political system, the need for a currency reform, curbing of inflation, transition to liberal markets, privatization and economic restructuring, the establishment of a government revenue and taxation system, promotion of independent financial institutions and agricultural reforms.\textsuperscript{157} Those challenges are the legacy of the five decade Soviet occupation.

What the Soviet Union had managed rather quickly, had to be undone even faster. The case with German unification vividly showed that the task was not easy, especially in terms of changing social practices. Moreover, Latvia also faced time pressure. If reforms were delayed, Russia might have asserted its influence over Latvia. What distinguished Latvia from East Germany was the absence of the affluent Western part. Thus, the transformation in Latvia required a stronger social coherence and zealous willingness to change.

Conclusion

The existing literature on small states is scarce and focuses on only a few aspects related to small states in international relations. Very few works describe how international affairs (as a process) shape domestic structures, apart from research related to international markets and trade. Furthermore, there is no literature on how ethnic and social relations could be shaped through international interaction and by international organizations. In this area, Latvia and


Estonia could offer some novel solutions. In terms of economic restructuring, Estonia, in particular, serves as a pertinent example in post-Soviet studies.

The literature about the Euro-Atlantic community is broad and succinctly outlines the major trends in post-Cold War Europe. A salient part of the debate is devoted to Europe with the Soviet Union gone and the bipolar struggle recast, at least initially. Russia pivoted back to the old geopolitical struggle when it unwillingly accepted Central European NATO membership and staunchly opposed Baltic membership.

Many authors have argued that with the bipolar system gone, the Euro-Atlantic community could be disbanded, too. But then it would have meant the return to the period between 1919 and 1939 when peace was reached, but not sustained. Upholding the Euro-Atlantic structures was a way for the revisionist powers to maintain peace, and for keepers of the status to prolong cooperation dividends. The Euro-Atlantic institutions proved instrumental in keeping major powers involved, while the major powers were sustaining those institutions.

Cooperation between the EU and the United States reached a point where the abandonment of the relationship would have brought more bad than good for everyone, including Russia. American foreign policy has decisively extended NATO’s lifetime. Of course, without adaptation and transformation, it would be impossible to meet novel challenges.

If Bosnian conflict had not gained traction between 1991 and 1995, NATO’s future role might have been in question. It is possible to draw parallels with the Korean War in 1950 when NATO, from the transatlantic treaty, grew into a military organization with shared responsibilities among allies. The post-Cold War process could have been viewed in parallel with those events in 1950s.

The completion of conflict in Bosnia with the Dayton Accords in 1995 marked one more important turn in transatlantic designs. It was the moment when cleavages between Russia and NATO (and the United States) started to grow. When the first NATO enlargement took place in 1999, the alliance was dropping bombs on Kosovo, the Baltic States were implicitly endorsed for NATO membership during the Washington NATO Summit, but Russia launched the second war in Chechnya. It was a low point between Russia and the United States.

There was a significant discord between Russia and NATO on views about security designs in Europe. Latvia, to the irritation of Russia, was a staunch supporter of NATO’s mission in Kosovo. Together with NATO members, it also participated in the peace-keeping and peace-
making missions. After Kosovo, NATO leaders affirmed that the alliance would not prevent Latvia from being a potential future contributor and member.

While the NATO-Bosnia mission showed that there are prospects for cooperation with Russia, the NATO-Kosovo affair in 1999 showed that NATO and Russia could be just one step away from a military conflict. If there was a debate among experts on what the world order would look like, Russia’s rhetoric, actions, and policies strongly signaled that realism and geopolitics were far from gone.

The views of newly independent states, like Belarus, the Baltic States or Poland illuminated the caveats for the emergence of world order where all states, small or large, would be respected on the same terms. As the Baltic States did not want the historic predicament to reoccur, their choices and their voices were quite straight-forward. And forward west it was.

Considering what has been written about small states, the Euro-Atlantic community, and Latvia’s anxiety to join the West, it is possible to conclude that there is no, or only implicit, literature on how the Euro-Atlantic integration allows remedying inherit sensitivities and vulnerabilities through the institutional adaptation of a small state. A particularly important aspect would be how the “Russian factor” affected transformation in multiple areas.

For example, in the case with ethnic minorities, Latvia’s position was always to attain membership first. Citizenship, human and language rights to Russian-speakers would be debated thereafter. On the other side, the ability for Latvia to solve those domestic challenges was an instrumental issue affecting the Euro-Atlantic integration. It would be valuable to review whether there was any significant change in terms of ethno-political transformation before and after the enlargement took place in 2004.

Furthermore, Latvia’s political system is unique. Left or right wing political parties in Latvia mean Russian or Latvian. The left is socialist, and therefore conceived as communist. The right is liberal, and therefore seen as freedom. In the meantime, there is little liberalism in the Latvian rightist movement and limited social welfare-state traits in the Latvian leftist camp.

The political system is rather divided along ethnic lines in the same way the communist party in Latvia when ballots for or against Latvia’s independence were cast in the 1990s. Considering the necessity to assume the post-modernist, non-nationalist identity, it would be valuable to review whether there has been a transformation of the political system.
Second, the Russian-speaking challenge has haunted Latvia since the collapse of the Soviet Union. While some Kremlin politicians have overtly noted that Russians abroad are just a means for Moscow to gain leverage over other countries, they can actually be seen as a genuinely friendly, patriotic and participatory group in Latvia. As a result, the society in Latvia would be based on democratic consensus that is essential for small states to overcome external challenges.

The Russian economic leverage in its nearest proximity is also important. There is some research on the prospects and limits for economic cooperation between Russia and Latvia. Nevertheless, as Russia has always played the economic card for certain political ends, there are very few who have questioned the role of Russian political-economic businesses in Latvia.

For example, Russian energy interests in Latvia as a transit region are salient. With economic interests also come political interest groups. It would be worth examining how Russian political-economic interests have influenced Latvian energy-market liberalization in terms of EU integration or if the Latvian political system has overcome the marriage of politics and economy.

All the questions above would allow us to look at how the Euro-Atlantic institutions alleviate or remedy some of the inherit vulnerabilities and sensitivities of small states. The fact that there are two distinctly different groups in Latvia does not speak to democratic consensus as proposed by Professor Katzenstein. If the social consensus in Latvia could be acquired or upheld through Euro-Atlantic integration, then the existing work on democratic consensus would gain a valuable addition.
CHAPTER III
A SMALL STATE, LATVIA

Introduction

Latvia has experienced two relatively short independence periods. First, it rose as an independent state in the aftermath of World War I and the 1917 Russian revolution. This moment of independence was short lived, however. As a prelude to World War II, the Molotov-Ribbentrop Pact outlined a security block “running from the Pacific clear to Rhine where the Baltic States were turned over to Russia, to all intents and purposes; and Poland became an island in a huge sea.”

Positioned between two revisionist powers, Latvia was left at the mercy of their intentions and evolving international system. Potential alignment with the United Kingdom, or France or even the United States across the Atlantic might not have altered the sequence of events. Like the other Baltic States, as well as Poland and the other Eastern European countries, Latvia was sandwiched between rivaling superpowers. There was no power or alliance strong enough to stop them before World War II. The outset of the war marked three occupation periods for Latvia. Within five years alone, the Soviet Union, Nazi Germany and the Soviet Union again denied Latvia’s independence. These events made it necessary to question Latvia’s vulnerabilities and opportunities in Europe’s periphery.

Before the war started, Latvia and the other Baltic States had sought a common security alliance. Nevertheless, their own regional interests created cleavages in security designs. Broader Baltic, Baltic-Polish, Baltic-Scandinavia or Baltic and Central European military alliances might not have changed the evolution of events either. Nevertheless, pre-war regional military arrangements might have enhanced resistance against the occupying powers. Furthermore, the way the Russian Federation viewed the Baltic States when the Soviet Union had collapsed might have been different.

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Notwithstanding few alternative courses of action, the delusional fantasy of escaping the consequences of World War II by declaring neutrality ended with the loss of Latvia’s independence in 1940. The first independence period was remembered as one of affluence and strong statehood. Therefore, the loss of independence carried the seeds of rebellion against the occupiers.

Several painful lessons were learned by Latvia during the war and the subsequent occupation period. It made Latvians question whether they could be powerful enough to withstand external pressures alone. Latvia, together with other small states, was cast in the uncontrollable spiral of events conducted by major powers. Therefore, one of our research questions is: what are the vulnerabilities and opportunities of small and weak states in international affairs?

Following 51 years of occupation, it was necessary to reorganize and reinvent the country after the complete restoration of independence in August 1991. The sense of insecurity indicated that non-alignment could potentially lead to another security calamity. Therefore, there was a need to seek security alliances. As a result, Latvia had to consider which of the existing alliances would be the most appropriate. Moreover, Latvia had to make non-provoking foreign policy choices vis-à-vis major powers.

The essential question for Latvia to consider was what factors influenced and constrained its adamant choice to reintegrate with the Euro-Atlantic community in 2004. Within only 13 to 14 years of independence, Latvia managed to reorganize, reorient, reform and even reinvent itself to make independence irreversible by joining the Euro-Atlantic community.

To answer the question, it is necessary to investigate the underlying factors that made it appealing and possible to join the West and secede from the East. Therefore, this chapter will outline Latvia’s inherent domestic, international and regional conditions. Those are all important sources of sensitivity and vulnerability and reasons for seeking membership in the Euro-Atlantic community.

Non-aligned Latvia: Vulnerabilities and Opportunities

Small states are defined by what they are not, or by their intrinsic weaknesses, when compared to larger states. When non-aligned, their international limitations are rooted in
domestic physical, economic and military capabilities.\textsuperscript{159} Their vulnerabilities and sensitivities mostly derive from geographic location, domestic political efficiency and economic character.\textsuperscript{160}

According to David Vital, perspectives for small, non-aligned states to respond, mitigate or offset negative externalities will depend on psychological, administrative and economic resources available for national defense. Thus, it is worth analyzing how Latvia compares in its nearest proximity with other regional powers from all those perspectives. It will allow us to delve into deeper analysis on what are the essential Latvia’s vulnerabilities and sensitivities.

The first and foremost commonly used measurement of a small state is its relative size (population and territory). First, Latvia can be equally compared to its closest neighbors to the north and the south, Estonia and Lithuania. The Baltic States altogether can be classified as small states when compared to their neighbor, the largest country in the world, the Russian Federation. When combined, the three Baltic States approximately equal Belarus, Latvia’s neighbor to the southeast. Altogether, they are still smaller than Poland, to the southwest, Finland, to the north and Sweden to the northwest.

Population size is the second measurement of the size of a country. Economically developed small states are said to have a population of 10 to 15 million people, while economically underdeveloped small countries have a population of 20 to 30 million.\textsuperscript{161} Latvia, with a population of 2.5 million in 1994 and 2.25 million in 2004, classifies as a small country.\textsuperscript{162} Moreover, the cumulative population of the Baltic States amounts to 7.7 million.\textsuperscript{163} All three Baltic States together still do not meet the 10 to 15 million benchmark for economically wealthy small states.

A third indicator of a small state is the size of the economy. According to the World Bank, the aggregate GDP output for Latvia in 1994 was $5.7 billion, but in 2004 it grew to $14.4

\textsuperscript{161} Neumann and Gestöhl, 24.
By comparison, the aggregate GDP for Estonia in 2004 was $12 billion, $22.6 billion in Lithuania, $23.1 billion in Belarus, $196.7 billion in Finland, $253.5 billion in Poland, $381.7 billion in Sweden and $591 billion in the Russian Federation.

The GDP per capita rate for Latvia in 1994 was $2,327, and $6,345 in 2004. According to the World Bank, the GDP per capita reached $8,850 in Estonia, $6,707 in Lithuania, $2,378 in Belarus, $37,636 in Finland, $42,442 in Sweden, $6,640 in Poland and $4,102 in the Russian Federation. In a comparative perspective, Latvia can be considered as a small economy with relatively low value-added output.

Military properties, as the next milestone for the comparison, are important for small, non-aligned countries to ensure national defense against external threats and domestic instability. In most instances, small, non-aligned states face resource constraints in providing for both external and internal security objectives.

The military spending of a small, non-aligned state can be a criterion for comparison. In 1994 and 2004 Latvia spent 0.8 percent and 1.3 percent of the annual GDP, respectively, for military. In comparison, Estonia spent one percent in 1994 and 1.5 percent in 2004, Lithuania 0.4 percent and 1.4 percent, Poland 2.4 percent and 1.8 percent, the Czech Republic 2.3 percent and 1.8 percent, and Hungary 2.1 percent and 1.5 percent.

Since the Baltic and the Visegrad states share similar security objectives, stemming from similar historic experiences, their defense spending patterns ought to be similar. To overcome non-alignment caveats, small states must improve their ability to contribute to common defense to be considered as valuable allies by major powers.

Notwithstanding the aggregate Baltic military spending, all three Baltic States together, or each of them separately, are miniscule military powers. Since the Russian invasion of Georgia in 2008 and that in Ukraine in 2014, the three Baltic States have the fastest growing military budgets. Latvia, Lithuania and Estonia increased spending on new defense equipment to $390 million in 2016, from $210 million in 2014. In comparison, the United States in 2016 has granted Israel a military aid package worth $38 billion for the next 10 years, equating to $3.8

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billion a year, or $10 million a day. It means that Israel in a little bit more than one month spends the same amount on military as the Baltic States in a year.

In international affairs every state is unique, but interstate relations are based on one major principle. The most important aspect is the capacity of any country to transcend domestic assets in power. The classification of small states, or any state in international affairs, in most cases is derived from the power the country can project. In all European languages, as in the international relations field, states are traditionally referred to as “powers” (French puissance, German Macht, Russian derzhava, Spanish poder etc.).

Power relations in international affairs play a crucial role. Neither the realist nor the liberal school of thought deny the importance of power in interstate relations. There can be a preponderant or a hegemonic power, and great, global or regional powers, but small powers, as a residual category of the debate to which Latvia belongs, are simply classified as small states.

In terms of their power, small states are usually defined by what they are not. The shortage of resources, and, consequentially, power, will determine their inherent sensitivities and vulnerabilities. Latvia, with little doubt, is a small state and a small power. Therefore, there are multiple aspects that it must consider.

Before going into deeper analysis about Latvia, in order to prove that small states are not always doomed, we should examine several cases that might suggest some optimism. Notwithstanding their size, some small states have developed significant niche powers. For example, some small states are norm setters, some are niche economies and a few can serve as development models, while a number of small states will excel as norm interpreters.

For example, Norway, Sweden, Denmark, Finland and Iceland have each, separately and together, strengthened global codes of appropriate behavior referred to as “norms.” Some countries, like Singapore, Taiwan, Malaysia and Hong Kong compensate for their limited sizes by developing niche economies and integrating into international markets. Some countries,

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169 Neumann and Gstöhl, 4.


such as Singapore, have managed to develop as a governance model for other small and large states.

The Singapore development model is not only appealing because of its ability to overcome and end the British colonial influence in Southeast Asia. The model has a significant influence on economic growth perspectives, as well as human rights perspectives stemming from the domestically respected order and law.¹⁷² Larger countries tend to respect the voices of such states in international affairs.

Using unorthodox methods, some small states have managed to withstand pressure from large states, despite their limited power, based on a favorable international opinion. Iceland, for example, managed to extend its territorial fishing zone at the expense of the United Kingdom.¹⁷³ In 2008, Iceland ignored requests to respect financial liabilities for the British and Dutch depositors in Icelandic banks.¹⁷⁴ After the economic and financial crisis of 2008, Iceland used international courts to justify its interests in face of overwhelming international pressure, especially form the United Kingdom.

Furthermore, Malta acted as a power broker when its prime minister adopted a maverick diplomatic strategy to receive development assistance from the United Kingdom in 1971 and 1972 in exchange for political loyalty. It is important to acknowledge that small states must be innovative and original. In the event that they use traditional interaction methods, their fortunes will traditionally depend on overwhelming powers.

However, other small states should not misinterpret these instances. In most cases, small states will be cost takers, not price setters. No small state can, in itself, constitute a major target of great power policy, but, instead, can be one that is secondary to a more important objective.¹⁷⁵ Small states are typically not involved in the shaping of major decisions. However, most decisions made by major powers will have the capacity to determine the future for small states.

As a consequence, larger powers tend to treat small states as unimportant or insignificant players in international affairs. Only when small states are instrumental in achieving certain objectives will major powers spend their resources on influencing decisions of smaller players. However, even major powers will pledge a relevant or limited amount of their assets, the least costly means for achieving foreign policy objectives.

For example, if the process of exercising military pressure against a small state can be raised high enough, then other, less costly means of achieving the major objective is preferred. Small states must therefore be ready to address external pressure by mobilizing domestic resources. In order to meet the challenges of an insecure international environment and globalized markets, a certain level of national solidarity and harmony on basic policy issues has to be in place. Small states must therefore be ready to address external pressure by mobilizing domestic resources. In order to meet the challenges of an insecure international environment and globalized markets, a certain level of national solidarity and harmony on basic policy issues has to be in place.176 For all small states, domestic coherence is the best answer to changing external conditions. However, not in all instances can a solitary society offset external pressures. Thus, it is worth assessing the domestic conditions that make Latvia sensitive and vulnerable.

Human Capital

The coherent idea of the state, its institutions and even its territory can all be threatened as much by the manipulation of ideas as by the wielding of military power.177 The resulting effect for small states is to be more vigilant when considering all known and unknown risks that major powers can utilize for their benefit.

Major security contradictions can include those between defense and security, individual security and national security, national security and international security and violent means and peaceful ends.178 Thus, several landmarks must be investigated to depict the vulnerabilities and sensitivities of a particular small state. In comparison with large countries, the weakness of a small state stems from limited human and administrative resources, economic shortfalls and insufficiency of resources for security and national defense.179

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178 Ibid, 10.
179 Ibid, 110-114.
The first and most common landmark for small states is their inability to follow and be involved in most regional and global processes due to limited administrative capacity and human resources. As a result, small, unaligned countries will be more circumscribed when it comes to harnessing information, even about a region to which they belong. To mitigate such risks, which come from this lack of intelligence, small states need to rely on their larger regional partners.

Liechtenstein, for example, has in the past relied on cooperation with Switzerland for diplomatic representation, public services and other crucial cooperation forums. 180 This is one way to overcome the diplomatic risk of non-alignment.

Non-aligned Latvia, due to economic constraints, was forced to close its embassy in Washington in 1923 and 1927, and its embassy in Stockholm from 1923 to 1925. 181 As in the case with Lichtenstein, closer cooperation with another state to offset the shortfall might have been helpful to better harness domestic resources for Latvia in the interwar period.

Small, unaligned states will have to reallocate a larger share of domestic resources to sustain an administration which is no less important for domestic public services than it is for international relationships. International or regional organizations, such as the EU, for example, can allow for small states to overcome their physical size constraints in some instances.

When aligned with international structures, small member states can gain a presence on the ground, collect relevant information and wield influence in places where they have no embassies. 182 At the same time, small states alone can still use their diplomatic network to pursue strategic objectives. Alignment with international organizations can boost administrative capacities of smaller countries.

Larger countries also have broader and more comprehensive diplomatic networks that are important in assessing and harnessing information about international political, economic, social or cultural affairs. As a result, larger countries have more detailed and timely information. After all, the major function of diplomatic corps is the gathering of intelligence.

The United Kingdom is an especially relevant case. In 1965, the number of British diplomats in a single small foreign country was larger than the number of diplomats deployed in Britain. While the British deployed 19 diplomats in Finland, the Finns had a capacity to deploy 11 representatives. That same year, Austria deployed seven diplomats in London, while Britain appointed 19 servants in Vienna. Elsewhere, the ratio was 14 Belgians in Great Britain and 22 British in Brussels, and while Greece appointed 15 representatives, London sent 25 of them.\textsuperscript{183}

![Table 2.1: Diplomatic list in 1994 and 2004](image)

Latvia in this case is not different from any other small country (Table 2.1). Only with equals in size, such as Estonia and Lithuania, could Latvia match in terms of numbers of foreign diplomats deployed in each of the respective countries. As diplomatic networks are instrumental in gathering crucial intelligence, small states have to rely on international institutions or special relationships with larger countries to offset administrative shortcuts.

In most instances, larger countries have more sophisticated information about the region to which a small country belongs, than the small regional country itself. There is little doubt that more informed states tend to utilize their intelligence advantages. While small states alone have

\textsuperscript{183} Vital, 18.
severely circumscribed diplomatic networks, the EU provides small member states with opportunities to multiply their influence well beyond what their relative size would allow.\textsuperscript{184}

As the functions for small states are not limited to sustaining diplomatic relations only, their abilities to channel information and coordinate actions between international and domestic levels will also face certain limits. The principal constraints, due to human resource limits, lead to the inability to harness the support of civil society and the private sector, and some inability to balance the bargaining powers of larger countries.\textsuperscript{185} Such circumstances will severely impact not only diplomatic relations, but also commercial, political, social or cultural prospects.

In terms of international interaction, Latvia is far from adapted. A decade after Latvia joined the EU, it is among the EU laggards like Hungary and Greece in terms of success with transferring national preferences to EU directives and regulations.\textsuperscript{186} All three countries are listed as the least successful facilitators of national interests within the EU. Latvia ranks second to last, with only Hungary being a bit worse. In terms of facilitation of national interests in the international environment, Latvia has massive room for improvement.

Inability to interact internationally determines the opportunity to qualify for high value-added service provisions, research and development options, sound business partnerships and beneficial cross-border projects. With limited aggregate resources, smaller states face difficulties with engaging in large-scale and knowledge-intensive initiatives.

Research and development components, however, can be a crucial precondition for developing an effective economy that can equalize an economic playground for small and large states. As a result, small countries must place significant emphasis on the development and utilization of the human factor. In almost every case, a well-educated society can be a solution for overcoming very great obstacles as well as limited population size.\textsuperscript{187}

Sound governance makes small states no less competitive. The ability of small states to respond to challenges stemming from the external environment depends on their capacities to organize the administrative processes, mobilize and consolidate domestic groups and build sufficient bureaucracies. Small states can sometimes enjoy the advantage of having all major

\textsuperscript{184} Bátora, 73.
\textsuperscript{185} Emily Jones, Carolyn Deere-Birkbeck, Ngaire Woods ed., \textit{Maneuvering on the Margins: Constrains Faced by Small States in International Trade Negotiations} (Commonwealth Secretariat, 2010), xi-xiv.
\textsuperscript{187} Vital, 191.
leaders, interests groups and heads of business structures in one room to sort out major decisions in a rapid manner.

Yet, there are also risks of groupthink, vested interests and rent-seeking principles in major decision-making, and the risk of the interests of certain groups being preferred over others.\textsuperscript{188} The factor that clearly stands out is the importance of political leadership, which is in turn often galvanized by high levels of pressure from interest groups and a high level of demand for performance in negotiations.\textsuperscript{189} The successes of any leader will depend on multiple criteria, such as experience and knowledge, strategic thinking and charisma, personality and work ethic and language skills and personal conviction.

In some instances, Latvia’s experience has shown that the challenges of statehood can be offset with a high level of social resilience. There are few cases where a country was able to exist for multiple decades as a legal international body while the society withstood a foreign occupation siege, as was the case with Latvia from 1940 until 1991.

The individual and institutional coherence outside Latvian borders could uphold the statehood idea in times when the country was \textit{de jure} subject in international affairs while \textit{de facto} it was a part of the Soviet Union. Since the occupation of Latvia in 1940, the diplomatic institutions and the community abroad were the only resources to preserve and uphold the idea of Latvia’s independence should the issue arise.\textsuperscript{190}

The preservation of the Latvian statehood and institutions, however, was heavily dependent on the individual willingness to bear necessary sacrifices in the name of Latvian statehood. For example, the first Latvian ambassador to the United States, Anatols Dinsbergs, assumed his official duties only when the Latvian embassy in Washington was officially opened in 1991. After spending 53 years in the United States as the Latvian envoy, only then could he return back to Latvia.\textsuperscript{191}

During the occupation years, Dinsbergs, together with other Latvian expatriates, was actively involved in preserving the statehood principles and upholding the communication

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\textsuperscript{189} Jones, Deere-Birkbeck, and Woods, 72. \\
\textsuperscript{191} Ibid
\end{flushright}
channels with the United States. When independence was restored, he submitted his resignation letter to the sovereign Latvian government in 1992. His duties in this official capacity lasted for only two years, but he spent a lifetime as an envoy in the pivotal state representing a non-existing government.

Throughout the occupation period, the Latvian society was under Soviet political, economic and social control. On the domestic level, there was a need for the society to withstand the communist oppression. The Kremlin’s Politburo used the communist party as a tool to assimilate Latvia into broader Soviet designs by dissolving Latvian culture and language.

Latvian society resisted and, remarkably, nationhood was preserved. After Stalin’s death in 1953, there was a group of young, energetic, idealistic and native Communist Party members in Latvia who sincerely believed that communism might succeed in Latvia if those sent from Russia would learn to communicate in Latvian.192

Soon thereafter, Khrushchev showed the limits of the post-Stalin communist thaw to the Latvian “national communists” by purging them from the communist structures. From the perspective of the Baltic people, the defining element of the Russian rule was the “russification” of the country. It was aimed at breaking down the Baltic resistance by decisively stamping out any move toward independence and suppressing the expression of the Baltic culture by forcing the primacy of Russian culture.193

To eliminate any kind of Latvian, Lithuanian or Estonian language or cultural exposure, the Soviets used all kinds of methods to dissolve the Baltic resistance rooted in culture and language. One of the most common features was the elimination of opinion leaders. The onset of the Soviet occupation marked imprisonment, exile or outright execution of many ethnic Estonians, Latvians and Lithuanians, while Russians and other Russian-speaking people from abroad were transferred to the Baltic countries.194

Russification and the ethnic assimilation of Latvians were designed to erode potential and existing resistance. In 1934 in Estonia, and in 1935 in Latvia, there were 8.5 percent and 10.6 percent, respectively, ethnic Russians, while in 1989 there were only 52 percent Latvians and 62

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194 Ibid, 150.
percent Estonians left living in each country, respectively, as the consequence of the Russification.\textsuperscript{195}

The Soviet legacy in the Baltic States, particularly in Estonia and Latvia, is very much felt in their current relations with Russia. For example, 30.3 percent of the population in Estonia are Russian-speakers and in Latvia the number is 33.8 percent.\textsuperscript{196} It has left significant impact on social cohesion, institutional traditions and leadership perspectives.

\begin{figure}[h]
\centering
\includegraphics[width=\textwidth]{figure2.2.png}
\caption{Constitutional Amendments, 2012}
\end{figure}

The ethnic and cultural minority is not evenly spread across Latvia (See Figure 2.2). The contemporary legacy of the past communist policies in the Baltic States is Russia’s self-declared

\textsuperscript{195} Kasekamp, 117, 155.
foreign policy obligation to protect the rights of Russian speakers. The Baltic States still remain in the zone of Russian special interests. Therefore, all policies related to ethnic minorities in the Baltic States must be crafted with special care and caution to avoid growing cleavages between two linguistic groups living in Latvia.

There is always a risk that the Russian-speaking minority can be mobilized to intimidate and reassert Russian influence; four out of 10 Kremlin-controlled TV channels are translated in Latvia and receive 20 to 30 percent of the daily audience (news broadcasted in Russian), and there are at least 40 organizations with a 1.5 million EUR annual budget representing the interests of Russian-speakers from within.

In addition, Kremlin-sponsored agencies oversee the Compatriot Policy in Latvia from without. There are even political parties that overtly support a Russian-speaking, anti-Latvian electorate. As a result, the existence of two linguistic communities has contributed to the emergence of different institutional arrangements that impede domestic social cohesion. The existence of two different linguistic communities in Latvia creates a risk of further institutional and social fragmentation.

The geographic spread of the Russian speakers corresponds with the geographic distribution illuminated in the table. The 2012 referenda in Latvia showed that 24 percent of citizens would support constitutional amendments to include Russian as the second official language in Latvia.

It also means that not all Russian speakers would support fragmentation of the society. With around 35 percent of the population in Latvia being Russian speakers, almost one out of three would support keeping Latvian as the country’s only official language. They support Latvian statehood and institutions built in accordance with Latvian cultural instances.

The Soviet legacy also left a significant mark on human capital in all three Baltic States. Estonian Prime Minister Mart Laar commented that, for the people who worked in the Soviet

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environment and based their entire career not on honest work but on lies and deceit, it was very hard to adapt to demanding liberal market reforms.\textsuperscript{201}

Latvian politicians shared the same skepticism about the value of inherited skills from the Soviet educational system, stating, “the higher educational achievements rate of Russians in particular has created psychological problems for most Latvians. The anomaly derived from misreporting of qualifications on census forms, especially by Russian officers’ wives who considered some insignificant diploma as the equivalent of university degree.”\textsuperscript{202}

In conclusion, small states should be concerned with population size. However, that is far from being the only factor. Small states must consider education as their priority. Sound educational systems can uphold institutional coherence, cultural significance, socio-economic conditions and democratic consensus. Small states must rely on well-educated society as the primary remedy for economic and military sensitivities and vulnerabilities.

\textbf{Interaction, Networks and Trade}

Social, economic and educational anomalies contributed to the collapse of the communist empire. Under liberal market conditions, the Soviet economic output was no longer desirable, and the biased progress and educational data served only propaganda purposes. The departure from the backward socialist model and the return to normalcy was very much desired to halt the degradation of the Baltic societies.

It demanded that individuals change and adapt new socioeconomic principles that sometimes placed many people outside of their comfort zone. Reintegration in a new economic space required individuals, companies and state institutions to adapt to new liberal market principles. The expansion of the Latvian diplomatic network well illustrates the future region in which Latvian interests were residing. After the breakup of the Soviet Union and the restoration of Latvia’s independence, there was a need to restore diplomatic representations to uphold Latvia’s return to new geographic, political, economic and social spaces (See Figure 2.3).

From the start, it was evident that Latvia’s primary interests were in Europe, but also with the United States and Russia. Apart from bilateral cooperation, there was a need to uphold freshly regained independence, as well as support security and regional cooperation interests in pivotal international organizations. Latvia thus delegated representatives to the United Nations in 1991, as well as to other international bodies, such as the Organization for Security and Cooperation in Europe (OSCE), to ensure international recognition.

Latvia also opened a permanent representation to the EU in 1992 and to the European Council in 1995 to promote cooperation in Europe. Latvia was represented in NATO as early as 1994 to promote future security interests. It opened a permanent representation in the World Trade Organization (WTO) in 1998 to adhere to international trade principles.203

By formalizing institutional cooperation with individual countries and international organizations, Latvia outlined its international interests. However, it still could not overcome the status of a non-aligned state because its reentry into the Euro-Atlantic community depended on adherence to the standards of Western organizations.

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To uphold international cooperation and administrative capacity at home, small states must overcome different impediments stemming from the absence of administrative leadership, non-existing or minor private sector and a fragile or immature civil society. Small states must primarily ensure that their domestic institutional frameworks reflect their capacities and interests for broader international cooperation. The most obvious fact about small states is that their foreign policy is governed by the policies of others.204

The second most common feature for small, unaligned states to consider is their economic sensitivity and vulnerability. In all situations, short of outright military conflict, this is the weakest spot in the small power’s armor.205 Retaliation against stronger powers in such circumstances is ineffective and ruled out due to discrepancies in trade volumes between small and large actors.

There is little a small state can employ to offset external economic pressures. The market size for small countries will always be less attractive. They will not be able to use open access to their domestic markets as a bargaining chip. On the contrary, larger states can use the access to their economically rewarding markets as leverage, in addition to other options such as withdrawing preferential trade agreements, economic pressure on officials, unilateral removal of negotiators from influential positions and obstruction of economic dialogue. They can even employ divide and conquer tactics where middle-income countries convince their smaller counterparts to obey larger states.

Small, non-aligned states are internally more sensitive to changes in international markets. It is harder for the small states to promote uncompetitive companies at home or abroad due to resource scarcity. With few exceptions, they will seldom be able to perform as entrepreneurial states and share resources and knowledge for the benefit of the private sector.

They will also face certain constraints in protecting the domestic sector from negative externalities. The private sector can, in many instances, favor protectionist policies over market liberalization, but these will, in most cases, trigger political pressure and economic retaliation from the large market participants. Although autarky might seem to be a fortunate end to the predicament, market closure and domestic entrenchment are the least likely of all the economic strategies available to small states. Only entirely undeveloped and non-developing states can-in

204 Handel, 82.
205 Vital, 40, 55.
principle-opt out of foreign trade, and only then if they are prepared to bear the social and political consequences of such stagnation.

Small developed and developing states are very dependent on world markets, and protectionism is therefore not a viable option.\textsuperscript{206} The inescapability of economic change suggests that small states must apply reactive and flexible policies, ensure corporatist compromises, uphold domestic political stability and promote resource mobilization to overcome severe change. The freedom of action has been circumscribed by economic forces over which states have even less control as international economic activity surges.\textsuperscript{207}

Miniscule economic size and limited resources suggest that small states might develop fewer economic sectors that depend heavily on imported resources and/or foreign markets. To offset limited inherent resources by importing supplementary production resources, and to satisfy domestic demand and consumption needs, small, unaligned states must export and import extensively. The resulting impact is increased dependence on foreign actors, which can reach asymmetrical dimensions and, therefore, is the primary source of vulnerability and sensitivity.

Furthermore, small states must consider the fact that larger countries can abuse trading relations. Asymmetrical interdependence can be used by larger market players for political ends. Economic cooperation is essentially beneficial if it is free from bureaucratic control and there are inherently peaceful ties between countries to sustain commercial relationships.\textsuperscript{208}

States in their commercial activities must consider both stability of markets and political and social relationships with their trading partners. Small states with limited output capacity and few industries will focus on specific markets and areas, and their exporting capacity may often be easily absorbed by a single foreign market. Limited industrial output and specialization areas, as well as fewer trading partners, suggest higher vulnerability and sensitivity risks.

Larger countries with multiple exporting industries might have more options to offset domestic economic losses within one sector by redistributing resources among others. One industry can compensate for losses in another sector. Rapid changes in export markets that occur for economic or political reasons can be more detrimental to smaller countries because their recovery capacity is more constrained.

\textsuperscript{206} Katzenstein, 24.
\textsuperscript{207} Keating, 6.
Latvia is a relatively new participant in international trade. Its economic integrity in international trade has been limited to two independence periods. In the inter-war years, Latvia managed to develop strong trading links with major European economies (See Figure 2.4), with more than half of its two-way trade absorbed by Germany and the United Kingdom alone. Major Latvian export items up until 1937 were wood and wooden products, as well as agricultural and farming produce, while Latvia depended on imports of textiles, cars, tobacco and coal and oil products.\textsuperscript{209} It is possible to conclude that the trade was relatively diversified.

Conversely, while the Soviet market was large and offered a significant consumer base, it was based on backward economic planning. The rigidly centralized economy resulted in overproduction or shortages of consumer goods, which were already of poor quality.\textsuperscript{210} The lack of innovation and adaptation pre-determined the faith of the communist model. There was no economic exchange with the Western markets. The Berlin Wall, erected in 1961, obstructed any


\textsuperscript{210} Kasekamp, 156.
cooperation to offset the backward economic performance in the Soviet Union, relative to the rising West.\textsuperscript{211}

The Soviet collapse in 1991 was an opportunity for Latvia to reformulate and reorient its economic relations. Aspirations to join the Euro-Atlantic structures were made evident at the outset of Latvia’s independence. Geopolitical changes also introduced changes in Latvia’s trading patterns (See Figure 2.5).

Until 1994, Russia remained Latvia’s largest trading partner, with the highest volumes of trade exchanged across the Latvian-Russian border. Nevertheless, in only three years, Germany, the United Kingdom, Sweden, Lithuania and Finland became Latvia’s largest trading partners. By 2004, the United Kingdom, Germany, Sweden, Lithuania and Estonia had surpassed Russia as its main export markets, with Russia remaining the third largest import market.

The Russian population of roughly 145 million made it an attractive export market for Latvia. After the restoration, the Latvian economy was weak, and the country faced immediate trade restrictions with the West. The economic integration of the Baltic States into the broader communist market still made Russia an important export market for Latvia (See Figure 2.6).

Some industries, nevertheless, due to the lack of competitiveness and consumer appeal, were doomed to go bankrupt. For example, in 1996, Latvia sent its last portion of minibuses to the Russian market, which were popularly known in the Soviet Union under the brand name “Latvija.”

In 2012, the former minibus factory was turned into a museum where visitors could enjoy the opportunity to have a glance at the 15 most modern minibuses as symbols of the backwardness of Soviet production. The same fate visited the producers of train and tram railcars and tire producers, among other uncompetitive production areas that were parts of

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broader communist economic planning.\textsuperscript{214} \textit{Lada} could not become \textit{Mercedes} just by driving on a road, because all products depend on how well developed the knowledge base of an industry is.

Latvian canned fish products were among the most salient export goods to Russia. Nevertheless, these were severely affected by the Russian financial and economic crisis of 1998, with a fivefold drop in value from 25 million EUR in 1996 to five million EUR in 1999 and 2000.

To mitigate such vulnerabilities to further Russian market fluctuations, the Latvian foreign ministry launched a new policy in 2000 aimed at re-directing Latvian fish exports to the EU market.\textsuperscript{215} The 1998 Russian financial and economic crisis caused bankruptcies of fish-reproduction enterprises that failed to reorient exports to alternative markets. Economic fragility and potential instability of the Russian market must be considered by Latvian exporters. In addition to the canned fish, there is the possibility that other Latvian exports, such as consumer products with short preservation periods, can be abused for political gains.

Since 1999, Latvia has launched and expanded exports of spare parts for electrical machinery to Russia. Not only is it an indicator of the opportunity to produce high value-added products in Latvia, but it also illuminates Russian interests to utilize economic capacities offered by neighboring Latvia.

Besides parts for the electrical machinery, since 1999, Latvia has also started exporting parts that are used by the metallurgy industry, materials used for jewelry production and materials used for popular underwear in Russia.\textsuperscript{216} Similar positive trading patterns have been evident in the pharmaceutical industry. Exports of medicaments to Russia have been relatively stable even during the Russian economic crisis of 1998.


As suggested by the theoretical literature about small states, Latvia is not an exception and heavily relied on imports of resources that it did not have, or had in insufficient amounts (See Figure 2.7).

There are several products that Latvia has ceased to import from Russia such as the caprolactam, which is used for nylon production. A similar trend was followed in other industries, such as imports of motor vehicles. These imports halted just after the financial and economic crisis of 1998, which started in Russia but later spilled into the Baltic States.

The explanation for the rupture of imports in some industries is found in the 1998 financial and economic crisis from which some Russian industries never recovered. At the same time, the demand for Russian-made products was not strong due to their poor quality. For example, Soviet-made Lada cars simply ceased to be competitive with Western-made cars. Thus, Latvian demand after the opening of trade markets for some import items declined to nothing.

Imports of such items as ammonium nitrate (used in agriculture) have experienced market fluctuations and, in some areas, have experienced an increase in activity. Thus, spruce woodchip

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and produce is one of the items that have been imported from Russia since 1998. Latvia has also started importing pine and birch wood and woodchip produce, as well as such items as liquefied propane (used as a substitute for increasingly expensive petrol).\textsuperscript{218}

Some Latvian economic sectors show further interests in extending cooperation with Russia, especially in areas where Latvia is in short supply of local resources or where its natural riches do not provide for growing demand. As in the case of exports to Russia, there is a need for small states to apply extra vigilance and potential resilience measures in the case of importing relations. Special attention must be devoted to areas where Latvia does not have the option of substituting imports, such as the energy sector.

Imports of natural gas from Russia are especially salient and carry the most risks for Latvia because of the lack of alternative supply sources due to limits in the country’s natural gas transportation infrastructure. Latvia is similarly vulnerable in terms of electricity, but there are alternative suppliers. Latvia is sufficiently connected with the Estonian and Lithuanian electricity markets and can also procure additional energy from the Scandinavian Nordpool spot electricity stock exchange.\textsuperscript{219}

One of the most common resources used in co-generation of electricity and heat by the state JSC Latvenergo is natural gas. It accounts for approximately 50 percent of the overall energy output for the company, which provides 90 percent of the aggregate electricity in Latvia.\textsuperscript{220} Yet, the electricity and heat produced by the company using natural gas is not evenly distributed through Latvia.

The electricity, produced from gas supply centers such as the capital, Riga, and suburbs around it. In 2004, the consumption and distribution of Russian gas in Latvia was 25 percent for production-industry needs, while 75 percent was delivered for production of electricity and heat to Latvenergo and other municipalities and households.\textsuperscript{221} Apart from these crucial energy dependency aspects, the political aspects of the natural gas market in Latvia must be assessed with additional scrutiny.

\textsuperscript{218} See “Latvian Imports from Russia in 8 Numeric Production Code Symbols from 1993 until 2004”

\textsuperscript{219} See “Electricity Production in Latvia,” JSC Latvenergo (March 6, 2016), accessed on 06/03/2016, http://www.latvenergo.lv/lat/par_mums/razosana/.

\textsuperscript{220} See “Thermal Electrical Production in Riga,” JSC Latvenergo (March 6, 2016), accessed on 06/03/2016, http://www.latvenergo.lv/lat/par_mums/razosana/tec/.

The Russian gas retail company Gazprom remains an influential interest group in Latvia and the Baltic States. Even the European Commission sees Gazprom as an influential political adversary, which jeopardizes market liberalization principles preferred by the EU by proposing and promoting bilateral cooperation based on long-term contracts with clients.\textsuperscript{222}

The overall European infrastructure allows Gazprom’s gas exports to 16 European countries, while its market share in all three Baltic States has been 100 percent.\textsuperscript{223} Disparities in size, resources and influence place the Baltic States in an unequal bargaining position. Even with and within the EU, Gazprom can influence the debate enough to use gas as a weapon of choice for powerful energy companies.\textsuperscript{224}

In addition to a disguised political influence in Europe, Gazprom has applied strategies where gas prices for some EU members, or especially for potential candidates, can be three times higher than for non-European ones.\textsuperscript{225} This means that the energy company can be utilized for political gains by awarding “obedient” clients with lower gas prices.

Therefore, Gazprom’s efforts to acquire shares of national gas distribution companies and crucial transportation infrastructure after the Soviet collapse were met with different strategies in the Baltic States. The acquisition of shares of the Baltic national gas companies depended on how well each state embraced the liberal market principles.

In Estonia, Gazprom acquired \textit{Eesti Gaas} shares during the first years of sovereignty, from 1990 until 1995. In Latvia, \textit{Latvijas Gāze} was privatized by Gazprom in the second stage of state building from 1995 to 2004. Lithuania resisted Gazprom until it became a EU and NATO member state in 2004.\textsuperscript{226} As a result, by 2010, gas prices in Lithuania were three times higher than those paid by Latvian and Estonian consumers.\textsuperscript{227}

No matter what strategy Gazprom used to acquire the Baltic national gas companies, there was in each case a resistance to sell the controlling package to Gazprom overnight.

\begin{itemize}
\item \textsuperscript{222} Nicolò Sartori, “The European Commission vs. Gazprom: An Issue of Fair Competition or a Foreign Policy Quarrel?” \textit{Istituto Affari Internazionali working papers} (January, 2013), 2.
\item \textsuperscript{223} Catherine Locatelli, \textit{EU-Trading Relations: the Challenges of a New Gas Architecture} (New York: Springer Science and Business Media, 2013), 317.
\item \textsuperscript{224} Morena Skalamera, “Invisible but not Indivisible: Russia, the European Union, and the Importance of “Hidden Governance.”” \textit{Elsevier: Energy Research and Social Science}, Volume 12 (2016), 29.
\item \textsuperscript{225} Catherine Locatelli, 316.
\item \textsuperscript{226} Agnja Grigas, \textit{The Case of Gazprom Politics: The Politics of Energy and Memory Between the Baltic States and Russia} (Routledge, 2014), 105-106.
\end{itemize}
Therefore, the acquisitions of Baltic energy enterprises were coordinated through loyal or subordinated firms.

For example, Gazprom cooperated with Itera Latvia in the early 1990s and 2000s with coordinated negotiations with the Latvian government.\textsuperscript{228} Covert agreements, lack of transparency and the presence of vested interests in place in Latvia and Estonia made it possible in due course for Gazprom and its partner to reach their objectives and acquire the controlling packages of Estonian and Latvian gas distribution assets. The acquisition of those companies by Gazprom was necessary to avoid future market liberalization.

Moreover, the Russian control over the Baltic energy transportation assets was instrumental in feeding Russian economic-political interests groups in Latvia. Even if Gazprom’s gas price for Lithuania was higher than that for Latvia or Estonia, the gas transportation and distribution fee in Latvia made the price for natural gas the highest in the EU.\textsuperscript{229}

Furthermore, some political-economic interest groups with ties to the gas industry are led by former KGB elites. For example, the head of Itera Latvia, Juris Savickis, was employed by the communist military and secret service from 1972 until 1991.\textsuperscript{230} Therefore, the gas business in Latvia still serves as a base for groups that Latvia should consider a security impediment.

Moreover, Latvia is particularly vulnerable because of large supply and demand disparities between Latvia and Gazprom. The share of natural gas sold to Latvia by Gazprom in 2004 was only 0.78 percent of the total amount of Russian natural gas exports.\textsuperscript{231} Such asymmetrical dependence suggests that Gazprom’s economic loss by halting gas exports to Latvia would be meaningless.

At the same time, Latvia might witness major electricity and heat shortages in the capital and its periphery, apart from bankruptcies of a few major enterprises. To mitigate risks stemming

\textsuperscript{228} Grigas, 116.

\textsuperscript{229} See a comparison of EU wholesale gas prices in the first quarter of 2016. Gas price paid by Latvian end-users was higher than paid in Lithuania for the most expensive LNG deliveries from Norway. It means that the distribution costs charged by JSC Latvijas Gāze were the highest in the EU. The controlling share of JSC Latvijas Gāze belongs to Gazprom and Itera Latvija. Information retrieved from European Commission: accessed on 10/05/2016, https://ec.europa.eu/energy/sites/ener/files/documents/quarterly_report_on_european_gas_markets_q4_2015-q1_2016.pdf.


from the energy imports, it is necessary to diversify resources used for energy production. In the Baltic States, Gazprom and subordinate companies demonstrate strong resistance and opposition against any kind of market liberalization prospects. Therefore, natural gas imports carry immense open-ended risks for Latvia.

Latvia’s future economic outlook suggests a reorientation to alternative markets, away from the former Soviet economic area. The first reason for such a trend is an insufficient consumption capacity in the CIS compared to the EU countries. A second reason is the economic instability of the CIS (primarily stemming from crises in Russia).

Latvian exports from the CIS were higher than exports to the EU-15 until 1994. With the economic and financial crisis in Russia and the CIS countries, Latvia’s exports to the CIS after 1997 decreased and did not return to their 1993 level until 2005 (See Figure 2.8).

![Figure 2.8: Latvian Trade with the EU-15 and the CIS: 1992-2014, (mEUR)](image)

Source: The Central Statistics Bureau of Latvia: Imports and Exports

Also, the aggregate import volume from the CIS was higher than from the EU-15 until 1994 and remained constant almost until 2003. It must be noted that the Scandinavian countries were left outside the trade analysis (one of the most salient trading partners for Latvia). The geographic proximity of Latvia to the CIS and Russia should have at least theoretically suggested
more favorable conditions for economic cooperation. Nevertheless, Latvian trading dynamics suggest that future improvements of the Latvian socio-economic conditions reside in Europe.

Small, unaligned states must consider economic weaknesses that can be exploited by larger powers for political gains. In the face of large economic offensives, small states can change their political orientation if the coercion for the society becomes unbearable. Small non-aligned states must consider the fact that such weapons can always be applied.²³²

The result of economic pressure will depend on the importance of the sector under attack, availability of alternatives, the importance of the political issue at stake, the relations between government and governed and the tenacity with which each party pursues its course.²³³ The art of exploiting economic disabilities for political ends therefore rests on the ability to evoke sufficiently strong internal pressure or even to create a sufficiently powerful domestic force to operate as an ad hoc ally.

By impoverishing the population, or making its day-to-day existence ever more difficult, some countries can alter their attitude to their government, or policies, or both, and upset political arrangements within a state. Considering that Latvia has a fragmented society along ethnic lines, and a society that wants to tap into the Western affluence, Latvia must consider measures to offset possible economic and political vulnerabilities.

Military Capabilities

Beside economic and population limits, small states must also consider their military capacity larger countries. The strategic significance of small powers emanate from various political, geographical, economic and military factors that are not always easy to identify or disentangle.²³⁴ After the collapse of the Soviet Union, the constellation of power in Latvia’s proximity was reshaped, but the attention from Russia never shifted. Thus, military capacities still played an important role even when the application of power seemed to be out of fashion.

One reason for small states to be concerned with great power clashes has to do with the essential assets they might hold in great power games. Large states might be willing to use their

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²³² Vital, 114.
military power not only for the protection of their own territory but also for the protection of the territory of a third state because of its relevance to their own security. Small states might need their own international strategy to mobilize domestic resources or explicitly adhere to security interests of larger countries.

On the other hand, because power and security struggles cannot be distinguished reliably, national security policy cannot rest on the relatively clear and straightforward principles that can be derived from either in isolation. Small states will always have to maintain a sense of adaptability to the changing external environment. Economic pressures against a small state can be translated ultimately into security terms. Certain resources, such as minerals, but especially fuels, are no less essential to industry and agriculture than to armed forces.

Small countries are primarily concerned with their viability, but their access to sufficient military capabilities depends on their economic potential. In 1914, there was no need for large scale investments to equip an army. The war required an infantry to be equipped with almost universal and fundamentally simple equipment used by all armies. More importance was attached to numbers, natural obstacles and the territory of a state. As the war continued, however, and new technological advances emerged, the military requirements rapidly changed. This trend has continued and even increased ever since.

Prices for the best equipment on the market at any time are much more significant than it was for the apparel and armaments used during World War I. As a result, what might have been appropriate for the defense of small, non-aligned states in the past might be obsolete in the present. Keeping up with the dynamics of the military industry for small states, due to their resource constraints, becomes a challenging task. Therefore, the protection of a greater power should be sought if political and geographic circumstances warrant it.

Furthermore, a single major defeat for a small state can mean the loss of the most valuable parts of the country—if not all of it—and the loss of any prospect of a victory with the nation’s own resources. Greater powers have larger territories and populations, which puts them

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237 Buzan, 207.
238 Vital, 105.
239 Ibid, 58-68.
in a strategically advantageous position. They can push the perimeter of conflict from its vital population, economy, supplies or decision-making centers.

Conversely, smaller countries, at the outset of a military intervention, can lose a fight for strategically important assets and, as a result, a war. Even the smallest losses can lead to the inability to retaliate, rehabilitate, or push back enemies’ forces. Even guerilla or partisan units can be weakened in no time due to lack of supplies, coherent regional management and centralized coordination.

Second, a smaller country must await the enemy at the gates, at the outer limits of its vital centers, invariably so when it is alone. The biggest challenge for small countries is a strategic surprise, for which a contingency plan is not in place. After significant losses in battle, prospects for recovery and retaliation can be bleak. All pre-emptive means for security must be mobilized and applied before an attack. It makes defense highly demanding from a socio-economic perspective.

Considering the myriad difficulties in ensuring sufficient contingency measures, small states tend to employ the best military deterrent possible. A small, non-aligned power, at least in so far as it is involved in, or anticipates, conflict, has the most profound reasons for attempting to offset limited numbers, limited supplies and limited maneuverability by acquiring weapons of the highest fire-power, mobility and operational efficiency. Such security objectives are desirable for any small state, but they carry implications for greater countries, too.

In search of superior military capabilities, small states attract the attention of the greatest powers. Considering these circumstances, larger powers will use preventive measures, which can be economically harmful. They will try to compel or coerce smaller countries from obtaining weapons of mass destruction. Moreover, not all small states will be economically fit to acquire and sustain such defense capabilities.

For example, nuclear forces are primarily oriented toward preventing war because, in a nuclear-armed system, a philosophy of live-and-let-live among powers becomes the only practical alternative to the high risk of annihilation. It might seem that the nuclear deterrent could be a viable option for small states, too.

After all, the stronger the capacity to resist and maintain an independent political course and the greater the damage a state can inflict on enemies in the event of attack, the more

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240 Buzan, 171.
restricted the greater powers are in their own political and military movements. Nevertheless, there are several downsides that small states must consider when contemplating the development and application of nuclear military capability.

First, the actual application of nuclear weapons might be a delusional security guarantee: insistence on the pursuit of what appears to be the national interest may lead to defeat, and even to self-destruction. Small states, because of their limited territory and human resources, can inflict significant damages on their own territory and population by attempting to stop conventional military campaigns with weapons of mass destruction. A nuclear response against conventional warfare on a small state’s territory can only worsen the situation.

Second, small states must maintain a profile where the others are convinced that the application of nuclear weapons is always credible under the appropriate circumstances. For example, if Czechoslovakia would have had a nuclear arsenal in 1938, the United Kingdom and France might have been more vigorously involved in dissuading them from using the military capability. On the contrary, Poland at the outset of World War II, when facing total annihilation, might have found the application of nuclear force justified.

If small states opt for nuclear military capabilities, they must consider several important consequences. First, to avoid economic pressure and isolation, there is a need for a strategic partner. The case of the United States and Israel is illustrative. The state of Israel is a crucial United States ally in the broader Middle East and North Africa. It is also essential for Israel to maintain the strategic support of the United States. Regional security and relative stability as well as game-changing technologies are some of the important products that support the vital interests of both countries.

An alternative example might be nuclear North Korea. A communist state, operated under a one-man dictatorship with all the accompanying socio-economic consequences. It is one of the most isolated countries in the world with a rigid state-controlled system where the philosophy of self-reliance has destroyed economy.

Military strategies for small states will depend on the security environment to which they belong. Also, geography for small states plays a dominant, if not the dominant, role in

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241 Vital, 159-160.
international affairs. States will not be able to choose their neighbors in the same manner as humans cannot choose their parents. Where the danger of conflict is remote-for geographical reasons, or because of the general political circumstances at the time-the sensitivity of even the smallest states to quarrels with their great, nominal enemies is likely to be small. Thus, military strategies and investment policies will depend on inherent security perceptions.

Latvia is a small and weak state. Such aspects as the shortage of human resources, small territory, few and small amounts of indigenous resources, the fragile and small economy, political stability risks and military weakness makes it a sensitive and vulnerable country. Therefore, it will always face certain risks that stem from unique regional circumstances.

The fact that Latvia was independent for only 35 years before it rejoined the Euro-Atlantic structures, is telling regarding its international possibilities. The small size and weakness of Latvia keeps it unable to offset Russia’s economic influence (especially in the energy sector), as well as the political influence exerted by strategically important enterprises.

Moreover, Latvia’s options to acquire democratic consensus are also limited. There are two significant ethnic groups in Latvia. The coherence of the society therefore depends on multiple aspects. Latvia, as a small state and a weak power, must seek out alliances to uphold its statehood internationally. All in all, future prospects for Latvia depend on the ability to wisely restructure policies domestically. Only then can the country hope to be less vulnerable internationally.

In conclusion, Latvian regional interests are primarily based on interaction with European powers, but mostly with those from the Baltic Sea region. As a result, at the outset of independence, Latvia made an effort to establish closer links with major European and Western institutions. The immediate political association was the choice, then the rearranging of the economic and political relations required incremental and tenacious domestic adaptation efforts.

Latvia had to analyze the scope and intensity of its trade. As a result, it could identify potential sensitivities and vulnerabilities that stem from market changes or political aspects. It also had to consider the effects of a small population, a miniscule economy and a small military. Small states face a dilemma in which their small numbers create a path of dependence in

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245 Vital, 89.
economic and military fields. As a result, small states are forced to consider the world around them.

Conclusion

Latvia’s fortune has always been determined by greater powers. It has been a small power with limited resources. Thus, Latvia has never been able to demonstrate significant power in international affairs. Only when Russia did not have the capacity to control events around its borders, during the Russian revolution and during the breakup of the Soviet Union, could Latvia become independent, to the disappointment of Moscow. In the interwar and postwar periods, the destiny of the Baltic States was influenced by the distribution of military power in Europe. Henceforth, Latvia was forced to remain incorporated into the Soviet Union.

Notwithstanding the painful historical experiences, Latvian domestic and foreign policies had to be crafted with caution. An escalation of security risks and eroding relations with Russia were detrimental for Baltic integration into the Euro-Atlantic community. On the domestic level, Latvia had to depart from nationalist policies, as well as assume post-modern polity that was rooted in liberal-democratic principles. Moreover, Latvia had to accomplish these tasks considering limited endowments and ethnically diverse society.

In conclusion, Latvia must not provoke excessive external reaction from Russia, but it must not remain complacent in its economic, political and social dominion. Cautious reform process is necessary. Russia’s hinterland did not promise economic stability, modernity or affluence in the long term. Even if the post-Cold War promises better future for Latvia, it still must consider inherent limitations, administrative and human resources, vulnerabilities and sensitivities that derive from international economic, political and social interaction as well as limited military capabilities.

Latvia has managed to partly offset some sensitivities and vulnerabilities that stem from small numbers, international ranking and social traits. By joining a security alliance, Latvia could offset its miniscule military capabilities. The EU integration and the socio-economic realm would suggest that integration and adaptation prospects can offset market related challenges. In the end, the integration in the Euro-Atlantic community does not promise to remedy all Latvia’s
sensitivities and vulnerabilities. Thus, some areas must be challenged by Latvia itself, even if the integration process can implicitly promote positive change.
CHAPTER IV

Introduction

The geopolitical rivalry between the United States and the Soviet Union turned international affairs into a bipolar competition for power and influence during the Cold War. Power and dominance can be achieved through two distinct strategies: one can be based on appeal, while the other option is coercion. Individual states that were incorporated into each of the rivaling blocks share different experiences since each of the bipolar zones were built on different principles.

Those principles were upheld and guarded by the military power but the geopolitical shifts and changes in alliances were affected by the principles for which each of the blocks stood. States within each of the blocks could exert milder or harsher opposition depending on the capabilities of second-tier allies, could challenge action of the major power or contribute to changes within each of the blocks. In the case of the American and Soviet zones of influence, it is possible to discern areas where each of the powers were comprehensively involved and how they differed.

In the United States, World War II is generally known as “the good war” in contrast to some of the “bad wars,” such as the genocidal Indian wars.246 Even during the Cold War there were cases that still haunted American foreign policy makers, such as Vietnam. During World War II, however, Americans, on the part of the allied powers, including the Soviet Union, helped to defeat Nazi Germany. As a result, the United States became instrumental in defeating a nefarious regime in Europe.

On the other hand, when the tables turned and the United States became enemies with the Soviet Union following the Tehran, Yalta and Potsdam conferences, Americans were instrumental in deterring another, no less nefarious, regime from further expansion through the Cold War. The overarching question is whether the United States remained good and benign as it

viewed itself in the framework of World War II. After all, it adamantly endured for five decades, defeated communist values and upheld those that it found important.

An example is Latin America or the Western Hemisphere, where the United States policy had been based on two major principles since before the Cold War. The Truman Doctrine became a powerful part of American foreign policy, aimed at the comprehensive deterrence of communist expansion worldwide. That also included the Western Hemisphere around America’s borders.

Furthermore, the Monroe Doctrine had, before the Cold War, been an American foreign-policy milestone aimed at keeping European powers away from the Western Hemisphere. Invoked in December 1823, the doctrine warned European nations that the United States would not tolerate further colonization or puppet monarchs in its neighborhood. Before the Cold War, Americans had explicitly upheld the principles of the Monroe Doctrine.

For example, the United States Marines were sent in 1904 to the Dominican Republic, in 1911 to Nicaragua and in 1915 to Haiti to keep Europeans out as an ostensible impediment to American economic interests. In other words, one doctrine was aimed at upholding political-security interests while the other was aimed at enhancing economic interests. It is difficult to ignore the strong reciprocity of both for the United States.

During the Cold War, however, there were two distinct periods of American foreign policy continuity and change. In the period from 1954 until 1970, cases like Guatemala in 1954, the Dominican Republic in 1965, and Paraguay stand out as examples where American political and economic interests were robustly defended in accordance with those same doctrines.

The second timeframe is from 1970 until the end of the Cold War. The salient policy change came when Jimmy Carter’s administration did not aim to deter communism, focusing on upholding economic interests instead. Washington was also vigorously upholding human rights principles in the Western Hemisphere. As a result, Carter changed the political landscape, causing considerable repercussions for the next president to revert to the decade-long hardcore realpolitik. At the outset of the Cold War, the hardcore political cohort was undoubtedly calling all the shots in Washington.

For example, in Guatemala, the United States was quick to plot the Central Investigation Agency (CIA) subversion in order to counter a communist surge and to defend American commercial interests in 1954. In 1951, popularly elected Colonel Jacobo Árbenz Guzmán had furthered democratic reforms but at the same time he encouraged labor organization and decreed an agrarian law reform.

One of the results of his policies was the expropriation of 71 percent of the land of the United States-owned banana producer, the United Fruit Company. Moreover, Árbenz appointed communist members to his government. As a result, he was irreversibly turning his political establishment into an ominous foreign policy target for the United States. Americans were determined to do what it took to “avoid one more Soviet bitch settling in Guatemala” and “challenging American hegemony in the area,” recalls retired Marine Corps Colonel Philip Roettingers.

An alternative to Árbenz’s regime was found in a secret government that enjoyed the support of the United States. Washington’s objective in 1954 became to install nationalist Carlos Castillo Armas, the leader of a CIA-planned insurgency, as president of Guatemala. When the subversion was successfully completed, American foreign policy shifted toward support of Armas to uphold the status quo.

Branded as “the operation success,” the CIA plot carried significant casualties for Guatemala. The American-supported regime in Guatemala was authoritarian and ruthless toward the local population. So, the regime was despised. However, the policy principles of the Truman and Monroe doctrines clearly stand out in this instance since American economic and political interests were at risk.

The reason for intervention in the Dominican Republic in 1965 was Lyndon Johnson’s fear that the military coup on April 24 in support of Juan Bosch, who had been deposed as president in 1963 by the United States, could lead to “another Cuba” crisis since Bosch was seen

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as too closely allied with Fidel Castro.\textsuperscript{251} As a result, Trujillo’s candidacy was preferred by the United States over Bosch’s government.

To support Trujillo, Johnson sent approximately 30,000 Marines to quell the coup in support of Juan Bosch. American foreign policy was subsequently driving the rising generation of educated and patriotic young Latin Americans to an embittered and hostile form of communism, like that of Fidel Castro’s in Cuba. Americans deposed democratic change in the Dominican Republic in favor of an assumed anti-communist authoritarian figure twice, in 1963 and in 1965. Since American economic interests were less at risk, this is an instance where Americans explicitly stood against ostensible communist expansion.

The perfect scenario that Washington sought in Latin America was seen in Paraguay. From 1954 to 1989 Alfredo Stroessner’s authoritarian, anti-communist regime ardently embraced the Truman Doctrine. As a result, Paraguay received political support, legitimacy and invaluable military, economic, and financial aid.\textsuperscript{252}

In response, Stroessner offered troops for the intervention in 1965 in the Dominican Republic and in 1968 in Vietnam.\textsuperscript{253} For such policies, Paraguay was handsomely rewarded during the Cold War. Nevertheless, Stroessner’s policies significantly severed Paraguay’s democratic and institutional traditions and human capital capacities. For five decades the country was ruled by a single person. As a result, it was difficult for the next leaders to deviate from strongly established authoritarian practices since the country was shallowly, poorly and illiberally institutionalized.\textsuperscript{254} Therefore, Paraguay turned out to be ill equipped to embrace any substantial regional or international cooperation when the Cold War was over.

The dynamic of American foreign policy toward the Western Hemisphere had never been as clearly expressed as in the mid-1970s. At that time, the policy appeared to change from support of the repression of human rights and authoritarian leaders to actively seeking ways to improve human rights practices of the most egregious violators.\textsuperscript{255} Until then, Washington’s


\textsuperscript{254} Mara, 25.

policymakers had been quick to abandon the ethical issue in favor of the realpolitik or hegemonic control principles.²⁵⁶

Two important aspects were instrumental in the American foreign policy change in the Western Hemisphere. The first was Jimmy Carter’s less decisive support of pro-American dictatorial forces. The second was the changing international economic landscape. The 1973 global oil crisis imposed significant economic strains on economies in the Western Hemisphere. The result was that in Costa Rica, Honduras and Panama conciliation on the part of political leaders headed off full-scale political crisis. In countries like Nicaragua, Guatemala and El Salvador the traditional elites to the social rebellion responded with a ruthless repression.²⁵⁷

In response, Washington denounced the ruthless leaders and their principles. Thus, humanitarian principles were prioritized over economic and political interests. Such policies were unprecedented and turned out to be difficult for Carter’s nemesis-Ronald Reagan-to overturn.

At the outset of the election in 1981, he had already vowed to exercise more determination and strength in the Western Hemisphere. Capitalism, Reagan believed, had been a powerful weapon in the ballet with communism.²⁵⁸ Nevertheless, Americans felt the consequences of the global oil crisis. Money had placed additional strains and made it increasingly hard to spend more in the Western Hemisphere since there was a substantial surge in the American foreign debt. Therefore, economic impediments had curbed American capabilities to impose stringent policies in the Western Hemisphere. The result was that Americans had to limit their involvement in favor of other priorities.

The result in Chile was that a coup, executed by Pinochet on September 11, 1973, to overthrow popularly despised President Salvador Allende, was not coordinated by the CIA.²⁵⁹ There had been an American effort to stage a coup that would prevent Allende from taking office after winning the presidential election in September 1970. However, local circumstances prevented it, as he was still popular in Chile. Nevertheless, Washington pushed for a coup that

²⁵⁶ Ibid, 9.
failed. In 1970, instead of kidnapping Chilean military Commander in Chief *René Schneider*, *insurgents ended up wounding and killing him*.

The objective of the coup was to destabilize the political situation in Chile. Instead of undermining Allende’s position, the CIA’s plot actually strengthened it, as the population rallied around Allende. At the outset of his reign, Allende was popular, while the American opposition was seen as ominous, since it had meddled into the domestic affairs of a foreign country.

As a result, Allende had political capital that allowed him to push for reforms and enhance his political position. He nationalized domestic economic assets and severed American commercial interests. In response, the United States imposed financial sanctions and covertly supported Allende’s opposition.

The result of Allende’s domestic reforms and nationalization efforts in Chile was the deterioration of socio-economic conditions. His policies resulted in shortages of food and basic consumer goods, causing the first “march of empty pots and pans” protest, organized by Chilean housewives.260

To protest the nationalization attempts, Chilean truck drivers went on strike in October 1972.261 In a country where distribution chains were not very well developed and barely profitable firms provided the necessary transportation services, this was a profound issue. Chilean discontent and opposition was growing. Not long thereafter, the first military attempt to overthrow Allende took place, but failed.

Although it appeared to be a lost cause, the failed military coup quickly mobilized an old Chilean military cohort in order to execute a more comprehensive and better-planned coup on September 11, 1973. Only then was Allende ousted and executed. But the coup was organized without United States involvement.

The head of the Chilean military, Pinochet, launched a notoriously atrocious military rule in Chile. In October 1976, President Carter repudiated the allegations that the U.S. overthrew the elected government and helped to establish a military dictatorship in Chile.262 The United States denied planning and executing the Chilean coup in 1973.

261 Devine, 31.
In Nicaragua, the advocates for change won a significant victory in 1979. The result was that the Sandinista National Liberation Front overthrew Anastasio Somoza Debayle’s dictatorship, which had been despised in the country since 1961. Before the ouster, Carter’s administration wanted to incrementally facilitate the departure of politically declining Somoza and pursue the installment of the Sandinistas. After the overthrow, Somoza fled to Paraguay, where he was soon killed. One of Washington’s hardliners, Jeane K. Kirkpatrick, criticized Carter’s policy, comparing the overthrow of Somoza with the loss of Iranian Shah at power.263

When Reagan came to power, he described Nicaragua under the Sandinistas as a “Soviet ally on the American mainland.” Therefore, he explicitly sided against the Sandinistas’ leftist government. Reagan tried to subvert the Sandinistas but failed. From 1981 to 1984, Reagan’s administration increased pressure by providing funding to the Sandinistas’ adversaries, the Contras. The administration also rebuffed calls for mediation and negotiations from Western Europe and Nicaragua alike.

Before the reelection in 1984, Reagan and his administration seemed to embrace the congressional ban on support of the Contras but continued to illicitly finance efforts by the Contras. Further conflicts with the Sandinistas were escalated by imposing trade and financial restrictions and by persuading Congress to resume financial aid to the Contras, which was abrogated when Republicans lost control over the Senate in the 1984 mid-term election (mainly due to Iran-Contras financial scandal). From 1986 until the inauguration of George H.W. Bush in 1989, Reagan held less and less leverage over events in Nicaragua.

In the same time span, similar events were taking place in El Salvador where Farabundo Martí’s National Liberation Front (FMLN) was emulating Nicaraguan Sandinistas. Moreover, the FMLN supported Sandinistas in Nicaragua, and vice-versa. When Reagan left office in 1989, deteriorating economic conditions around the Western Hemisphere caused decreases in trade and investment. Sandinistas still held power in Nicaragua, and the FMLN still waged guerilla war in El Salvador. Reagan’s avowed exercise of bold determination and increased strength against assumed communists did not bear fruit in the Western Hemisphere. This was due in part to the United States’ primary focus on the Soviet Union and, thus, limited resources for bolder policies in the Western Hemisphere.

263 Gilderhus, 214-227.
The legacy of America’s past interaction has a significant effect on the Pan-Americas relations. What was important, however, was the fact that the United States never expanded its borders at the expense of Guatemala, Paraguay, the Dominican Republic, Chile, El Salvador or Nicaragua. Furthermore, since Latvia was firmly incorporated into the Soviet Union, it had limited options in terms of cooperating with the United States. Thus, Latvia did not have the same experiences as countries in the Western Hemisphere.

However, American policies in the Western Hemisphere were used by the Soviet Union as a warning to abstain from meddling in Soviet affairs. When the Cold War was approaching its end, Shevardnadze was deflecting attention from Soviet crackdowns in the Baltic by pointing to the American involvement in Panama.

He explicitly noted that, “the comparison between Panama and Lithuania was not necessarily appropriate since Shevardnadze regarded Lithuania as part of his country.” Since Soviets perceived their occupied territories in a different way, it comes as no surprise that experiences of the occupied countries were different from those in the Western Hemisphere.

In the same way that there were distinct policy patterns that created an anti-American stance in the Western Hemisphere, there was much that Latvia shared with other countries incorporated in the Soviet Union.

This chapter aims at answering one important question: what were the shared experiences of many forcefully incorporated countries in the Soviet Union that contributed to the surge of the Euro-Atlantic community. The Baltic and Visegrad states were the Soviet satellites and occupied parts of the Soviet Union during the Cold War. As the Soviet Union had used its power against those same countries, they were tempted abandon the Soviet Union and join the Euro-Atlantic community. During the Cold War, the trend for the Euro-Atlantic community to implicitly or explicitly grow was evident.

For shared reasons, most post-Cold War newly independent states found themselves pitted against any further alliances with the Russian Federation, the heir of the Soviet Union. The author argues that the Hungarian revolution of 1956, the Prague Spring of 1968 and Poland in 1981 serve well to explain the dynamic of the Western surge and the dwindling of the Soviet

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appeal and influence. Explicit and implicit Cold War experiences made most countries willing to distance themselves from closer political alliances with the Russian Federation.

A Road to Hungary, 1956

Political fracturing of the Soviet Union started early. Milovan Djilas was a famous Yugoslav politician who assisted Josip Broz Tito in establishing a partisan resistance against Nazi clout in South-Eastern Europe. After World War II and at the outset of the Cold War, Djilas became the vice-president of the Federal People’s Republic of Yugoslavia, the second-highest ranking politician after Tito. He was involved in bridging the growing gap between Moscow and Belgrade and Stalin and Tito, from 1945 to 1948, which later broke Yugoslavia’s ties with the Soviet Union’s Cominform.

In 1948, Tito took his own approach to Yugoslav communism, which was no less heavy handed than Stalin’s. Nevertheless, it was a significant move in the Soviet Union at the time because, as Djilas recalls, famous Stalin’s aphorism determines the policies for the future: “This war is not in the past; whoever occupies a territory also imposes upon it his own social system. Everyone imposes his own system as far as his army can reach. It cannot be otherwise.”

Tito, to the irritation of Stalin, represented a possibility for change and deviation within the Soviet block. There was an intermediate phase before the Leninist one, in which everyone in the party was free to hold his own opinion so long as he respected the rules of discipline and, later, the Stalinist phase, in which the present, past or future actual or potential opponents confess to crimes that have not been committed.

What was important in Tito’s instance was not the drastic overall change of the Stalin and Tito communist regimes. In their own ways, the Yugoslav and Soviet regimes were repressive toward ideational, idealistic, economic, class, political or any other disguised or overt opponent against their communisms. The only difference was the experimental possibility for the Yugoslav workers to self-manage in state-run enterprises.

Yugoslavia was still a communist state and, consequentially, Stalin’s ally. The Soviet Union possessed an overwhelming military force in Europe to outnumber even the United States

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military might at the time, notwithstanding military capabilities of the West European countries. The Yugoslav departure represented the possibility of deviating from Stalin’s ideological path, which was seen as a menace to communism in Eastern Europe.

To uphold the regime, Stalin could not allow backsliding and loosening of his terror inside his communist party or outside the Kremlin. Tito projected exactly such challenges. In Europe, the slightest sign of national independence among communists was condemned as Titoism and punished with rigged show trials and death.267

There were countries in Europe that were uniformly hostile against Moscow and suspicious of Soviet intentions, like Hungary, Czechoslovakia (initially, in part) and Poland. The hostility and shadow of distrust was reasonable. Stalin’s intent was to impose the Soviet will by forging communist clout in the Visegrad region. The division of Europe was underlined by the overwhelming Soviet military presence on the European hinterland, outnumbering the Western military might by 1:12.268

As Stalin had argued, the military clout gave him an opportunity to impose social order in Central and Eastern Europe. In 1946 the world was startled to discover that there no longer existed any army that could withstand the Soviet forces.269 It gave Stalin the opportunity to impose his own political order—an order that was broadly despised for its atrocious character.

The East and the West were henceforth pitted against each other at the border stretching through neutral zones of Germany from Lübeck and Austria, from Linz all the way to the People’s Republic of Albania to the Mediterranean. At Yalta and Potsdam, Stalin made explicit his insistence that these territories between Russia and Germany, if they were not to be wholly absorbed into the USSR itself, must be run by friendly regimes “free of fascist reactionary elements.”270

The world became divided into two camps: the countries where a communist party was in power; and all the others, which were dubbed capitalist even if a labor party was in power, even if most of the enterprises were owned by the state and even if the equalization of incomes was carried further than in the socialist homeland. Stalin did not have other options-communist parties had to rule the “friendly-brotherly” republics. There was no power that could hinder

268 Judt, 150.
269 Aron, 111-123.
270 Judt, 118.
Stalin’s political force in Hungary, in Czechoslovakia or in Poland. From within the Soviet Union, however, there was a domestic resistance that, of course, varied from country to country, from satellite to satellite.

In Hungary, the Budapest municipal election of 1945 had already made it clear that there was no communist appeal in the country; they were consistently defeated by old liberal, social democratic and agrarian/smallholder parties.271 The Polish Communists in the so-called “Lublin Committee”- set up in July 1944 by the Soviet authorities so that they would have a ready-made government to put in office when they reached Warsaw-could hardly claim a mass base.

On the other hand, the polish Peasant Party of Stanisław Mikołajczyk accounted for some 600,000 members in December 1945. In Czechoslovakia, because of the 1938 Western Munich Agreement betrayal, the country was less ambivalent about the Soviet allegiance. London-based exiled president Edvard Beneš overtly expressed his position to Molotov in 1943 that, “in regard to issues of major importance, we would always speak and act in a fashion agreeable to the representatives of the Soviet agreement.”

The Soviets initially were seen as liberators from the truly heavy-handed Nazi regime in some countries. For example, Visegrad countries were cast in Hitler’s light by the Molotov-Ribbentrop Pact, to profoundly atrocious implications. While retreating, eager to make the most of their days in power in Prague, Nazis took the time to jump out of their cars in relatively quiet suburbs, break into basements where women, children and elderly people were hiding, and shoot them all.272

Nevertheless, even in Czechoslovakia, notwithstanding Hungary and Poland, the imposition of the communist foothold carried growing resentment against Stalin and communism. It is difficult to imagine a regime less popular than that of Adolf Hitler, but his closest ally for two years and his fiercest enemy until his death, Joseph Stalin, managed to form just that. As popular resentment and internal opposition grew, so increased the scope and the depth of Stalin’s purges.

The leader of the smallholders/peasant party in Hungary, Béla Kovács, was exiled to Siberia for espionage against the Red Army.273 The rest of the smallholders/peasants were

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271 Ibid, 131-137.
273 Judt, 136.
purged from the parliament as conspirators. In Czechoslovakia, Foreign Minister Jan Masaryk, who enjoyed overwhelming domestic popularity as a symbol of the cultural values and humanistic traditions of the country, was blatantly thrown out of his office window. Those who knew him denied the possibility of suicide. His father, Tomáš Masaryk, was a famous Czechoslovak democratic philosopher and politician who adamantly supported inclusion of all minorities in federal, multinational and democratic institutional designs.

In the blatantly rigged Polish Parliamentary elections of January 1947, the Communist-led “Democratic block” obtained 80 percent of the vote, and the peasant party just 10 (Mikołajczyk fled Poland in fear of execution as he was labeled as both anti-Nazi and anti-Soviet). During Stalin’s regime, potential opponents became targets not just for what they did, but also who they were. All means to forge the power were justified.

Unhesitant acceptance of communism in Czechoslovakia was rooted in the absence of illusions about the West after the 1938 Munich Agreement. Nevertheless, an evolution of events within the communist block proved that the Soviet socialism promises were delusional. The break with the democratic socialist principles was made before Stalin by the founder of the communist party, Lenin.

Therefore, communism became a tool for social oppression and, therefore, could turn against the bourgeoisie as well as ethnic groups. Well, this is exactly what was to happen. The public pronouncements about Rudolph Slánský’s Trotskyite/Titoite-Zionist conspiracy, sabotage, espionage and treason included references that the sabotage was staged by 14 people, 12 among them Jews.

The politically motivated trial and subversion of Slánský’s government was induced by Antonín Josef Novotný to further a Stalinist-style rule from 1953 to 1968 in Czechoslovakia. Novotný was poorly educated and his career had shown little promise until he displayed a flair for fabricated evidence during Stalinist purges.

The Stalinist political opponents, real and named, were incrementally eliminated by politically motivated covert pressure, followed by overt terror and repression. That was the only

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274 Kovály, 76-77.
276 Judt, 136.
277 Aron, 125.
278 Kovály, 138.
way to keep societies obedient and the empire together. Stalinist political and social terror consequentialy tightened the screws against the deviation from the communist economic model, where the collective prevails over the private. The promised workers’ revolution did not come. Therefore, internal political strengthening was necessary. The Soviet economy soon became focused around political expressions and less around addressing social needs.

Overwhelmingly heavy industrialization destroyed private initiatives promised by Slánský, sought by the Hungarians and cradled by the Poles. The will of Moscow’s political elite was imposed on Hungary, Czechoslovakia and Poland. The Kremlin’s policies were alienating local societies from communism’s promises. Several aspects that contributed to the growing social discontent were shared but not necessarily distinctly equal in each of the Visegrad states.

The communist rule was imposed from the top and subsequently ignored demands for subsistence and the social needs of the rest of the society. The Hungarians, for example, were looking for “socialism with a human face,” something that was not anti-socialist, but was anti-Soviet and anti-Russian. When Hungarian aspirations could not be met, the elimination of proponents took place.

Quelling of the Hungarian aspirations during Stalin’s reign caused tremendous humanitarian losses. It is estimated that Hungary, between 1948 and 1953, lost about one million people through arrests, prosecutions, imprisonments or deportations (of a total population of less than ten million). The humanitarian toll signifies the popular resistance against what Stalin had contemplated for Hungary.

Moreover, as a nation with distinct traditions, Hungarians were willing to see their customs blooming, rooted in the myths of “the land of the gypsy, dashing horsemen, beautiful and hot-blooded women, paprika, rich and spicy food, full-bodied wines and Tokay.” There was a sense of national uniqueness and distinctiveness that contrasted the communist humdrum.

Hungarian society was willing to merge popular customs with economic designs. The backbone of the Hungarian economy had been small farmers, shopkeepers, restaurant owners and artisans. Henceforth, the collective Soviet farm-kolkhoz-workers (skilled and unskilled, writers, accountants, factory managers, directors and secretaries) became powerless units, none

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281 Judt, 192.
282 Korda, 15-27.
able to regard themselves as a historic unit with its own interests to defend.\textsuperscript{283} They could no longer sustain their businesses under the collectivization and industrialization pressures.

The Soviet society was organized not for happiness, comfort, liberty, justice, personal relations or making discoveries, but for combat and oppression of others.\textsuperscript{284} In stark juxtaposition, the Hungarians were the nation of their own-descendants of Mongol followers of Attila Hun (former adversaries to the Russian tsars) who eventually flourished in a Christian kingdom to be later occupied by the Turks in 1526 and liberated by the Hapsburgs in 1686 to reluctantly accept Vienna’s Hapsburg dominion.

Their distinct heritage and language, their restless opposition to foreign domination and their love for discoveries made Hungarians nothing but opponents to Soviet dominance. Hungarian discontent was deeply rooted in cultural and national oppression. In the novel “1984” by George Orwell, it was stated that, “if you want a picture of the future, imagine a boot stamping on a human face-forever,” eloquently describing Hungarian freedom being stamped out by Stalin’s boot since 1948.

On the other hand, Czechoslovakia was among the most adamant supporters of communism among the contemporary Visegrad countries at the outset of the Cold War. Nevertheless, down the communist path, Czechs and Slovaks changed sides to become the most ardent opponents even though they initially saw communism as something they could embrace. The explanation lies in the fact that Eastern European countries had not experienced the full horrors of Stalinism and Leninism. The Nazi crimes were still in their minds.\textsuperscript{285}

Czechoslovakia had one of the most advanced economies at the outset of the Cold War. Therefore, the Soviet Union had to work hard to destroy the economy and to change public opinion, which was not initially hostile. No matter how Czechs and Slovaks loved the smell of recently plowed soil, fresh air and a clean breeze, they, especially the economically more advanced Czechs, also understood the inefficiency of their small farms.\textsuperscript{286} Therefore, the communist collectivization efforts found initial appeal in Czechoslovakia.

\textsuperscript{283} Aron, 132.
\textsuperscript{285} Korda, 10.
\textsuperscript{286} Kovály, 75-76.
Moreover, the Czech language belongs to the same language family as Russian (Western Slavic language with a strong Latin and German influence). In terms of language, there was a potential for milder opposition. Nevertheless, at the outset of his reign, Stalin brought to Czechoslovakia limits to self-expression and strong censorship, which severely constrained cultural expression, social reciprocity and freedom of the media.

The fear of self-expression and communication in general spurred the general fear of communism. Orwell, in his novel “1984,” proposed that, “If you want to keep a secret, you must also hide it from yourself.” Families and even their children could potentially unveil real, potential, or perceived “secrets.”

Censorship and social oppression on all levels strongly contributed to the growing terror and opposition of all that communism brought to Czechoslovakia. Students and youth, intellectuals and opinion leaders, play-writes and film-makers, journalists and novelists, all became targets and at the same time a disguised opposition against the communist influence, all under the radar of the communist watchdogs.

Furthermore, the economic model of the Soviet Union was not sustainable. Initiated by Stalin himself and continued by his heirs, the collectivization and rigid economic planning were the seeds for the demise of the Soviet empire. Poor economic performance was evident in large industrial centers. Owing to large-scale industrialization, the countryside was empty of economic activity but small farmsteads in distant rural areas could compensate for food shortages. There was nothing industrial centers could offer in exchange.

The private micro-farms and enterprises, covertly encouraged by Khrushchev himself, were increasingly successful compared to collective kolhozs and sovhozs. By 1965, 66 percent of the potatoes consumed in the Soviet Union and 75 percent of the eggs came from private farmers. In the Soviet Union, as in Poland or Hungary, socialism depended for its survival upon an illicit capitalist economy to whose existence it turned a blind eye.

Small gardens had become not only the primary sources for subsistence, but a social tradition—a way of living and surviving within the communist bloc. The industrial output created by the Soviet economy was not demanded by, nor necessary, for anyone, except for those responsible for multiyear plans.

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288 Judt, 423.
Since private entrepreneurs were deprived of capital and forced into factories, private initiative was doomed. Zdeněk Mlynář, a Czech communist studying in Moscow in 1950, recalled poverty and backwardness where huge villages in remote areas consisted of wooden cottages, transportation infrastructure was deliberately destroyed and the grain harvest was below the level of the last peacetime period harvest under tsars.\textsuperscript{289} The Soviet Union at the outset of the Cold War looked like the Potemkin village-disguised by a veil to hide its inevitable failure. There was nothing that could potentially revert the deteriorating situation politically.

In Yugoslavia, the insufficiency of Titoism had been tested by history. There, the workers were given the early right to self-organize in 1948. In other countries, the seize of freedom and individual property just after the war for the sake of “understood necessity,” for party discipline, for conformity with the regime, for the greatness of glory of the Fatherland or for substitutes that were so convincingly offered, could be justified.\textsuperscript{290} But in the long-term perspective the deprivation and inefficiency could not be ignored. Only where the living standard was raised could the revolutionary ardor of the masses be cooled down.\textsuperscript{291} Władysław Gomułka, the Secretary General of the Polish Communist Party, well understood that.

At the outset, he openly criticized plans for land collectivization in Poland and was publicly associated with talk of a Polish national path to socialism.\textsuperscript{292} He was seen as a menace by loyal Stalinists in the Polish communist establishment. Therefore, Gomułka was replaced by Bolesław Bierut and reduced to Administrator of Social Assurance in 1948. In 1951, he was arrested.

After the October Revolution of 1956 in Poland, Gomułka became Bierut’s nemesis since he was liberated from imprisonment in September 1954 after Stalin’s death. Gomułka was relinquished to mitigate Polish social discontent. With oppression, he succeeded in keeping Poland obedient, but then he was forced to grant several concessions to Poles.

Despite the fact that the Polish rebellion in 1956 was quelled, its most notable outcomes were private peasant ownership of about 80 percent of the land, the independence of the Roman Catholic Church, liberal cultural policies and the legitimization of most of Poland’s national

\textsuperscript{289} Ibid, 166.
\textsuperscript{290} Kovály, 11.
\textsuperscript{291} Aron, 123.
\textsuperscript{292} Judt, 180.
symbols.\textsuperscript{293} Despite the fact that the immediate social unrest was contained, underlying pressures were not resolved.

Meanwhile, the broadest and the most comprehensive rebellion against Stalinist-type oppression came to Hungary. After the Polish uprising was unsuccessfully quelled, there was a multitude of regional and international events that brought Hungary closer to the revolution of 1956. To better outline the pre-conditions or factors that contributed to the Hungarian heroic uprising, it is necessary to understand what happened after Stalin’s death from March 1953 until the Hungarian revolt in October 1956.

It might seem a very short period, but the dynamic nature of events hinted at fissures and a changing character in international affairs. The Tehran, Potsdam and Yalta conferences and the surge of the 1947 Truman Doctrine during Stalin’s era alluded to the dwindling of European political influence and the surge of American power.

Taken from the United Kingdom, the custody for Greece and Turkey was assumed by the United States to deter communist expansion there. The Soviet boycott of the UN on June 27, 1950-when the Security Council cast the vote in favor of the allied military intervention in the Korean peninsula-illuminated tremendous reciprocity between remote and proximate events, institutions and power, and between diplomacy and capabilities. The Korean vote and war proved that confrontation between communism and capitalism was going to be played out practically, not ideologically. There was little Americans and Russians could agree on while they obviously shared reciprocal contempt.

On May 15, 1955, 10 days after the formal incorporation of West Germany into NATO and the abolition of the Allied High Command in the Federal Republic, the Soviet Union announced the formation of its own Warsaw Pact. Poland, Czechoslovakia, Hungary, Romania, Bulgaria, Albania, East Germany and the Soviet Union formed an alliance of “friendship, cooperation and mutual assistance” under a unified command.\textsuperscript{294}

Hitherto, Soviet wartime treaties with France and Britain were abrogated and the Soviet Union further assumed full sovereignty over East Germany. The fault line between the two Germanies grew broader and deeper. NATO Allies and the Soviet Union were growing into two

\textsuperscript{294} Judt, 246.
increasingly consolidated yet separate, rivaling blocks. Only some countries had the luxury of assuming neutrality.

Postwar Austria, a birthplace of the most notorious Nazis, including the Fuhrer himself, would actually be treated as a victim that had been occupied by Nazi Germany, rather than as an integral part of it.295 Thus, the Soviets and the Allies could agree on neutrality in Austria, which would imply the strict requirement for Austria to abstain from NATO membership.

Nevertheless, the price tag for this neutrality was handsome. After having extracted about 100 million United States dollars from its zone of occupation in Eastern Austria, the neutrality accord required buying out Soviet economic interests for an additional 150 million dollars.

The acceptance of the Soviet terms made it possible to grant neutrality to Austria with an official inauguration at the Geneva Summit in 1955 (the first meeting since Potsdam between the United States and the Soviet Union leaders, Eisenhower and Khrushchev). With the prompt withdrawal of the Soviet military from Austria, pluralism and free-market economics were flourishing there.296 Austria’s ability to assume neutrality carried implications for the communist block, too.

On the regional level, the result for Hungarians was the ability to cross the common Austria-Hungary border and then the common Austria-West Germany border.297 The route was also used by a few foreigners as inroads into the Soviet Union. The vast differences between the West and the East, between Austria and Hungary, were already vividly seen before the Hungarian revolution in the communist part of Europe where people were frosty, unfriendly and suspicious; streets were empty of cars, but filled with military vehicles and some shiny Pobedas driven by communist party apparatchiks, the landscape contained huge piles of bomb rubble and the horizon was dominated by hideous new gray cement buildings and ugly memorials to “Soviet liberators.”298

The Soviet Ambassador to German Democratic Republic tactfully advised Moscow in December 1959: “The presence in Berlin of an open and, to speak to the point, uncontrolled border between the socialist and the capitalist worlds unwittingly prompts the population to make a comparison between both parts of the city, which, unfortunately, does not always turn out

295 Korda, 65.
296 Gati, 5.
297 Korda, 5.
298 Ibid, 84-85.
in favor of Democratic Berlin.” In contrast, Western Europe, with the reconstruction assistance offered by the Marshall plan from 1948 to 1951, was robustly recovering economically, socially and culturally. Quality of life disparities between the East and the West were growing rapidly.

On the international level, it was nevertheless hard for the former European colonial powers to break their ties with the past. The political recovery was harder than the one offered by the Marshall Plan. In some instances, post-imperial implications in Western Europe affected lives in Eastern Europe, too.

Apart from vital economic interests, British former imperial glory did not allow Anthony Eden to accept the possibility of losing the Suez Canal to Egyptian leader Gamal Abdel Nasser. There were a few bilateral meetings held by both leaders that illuminated poor body language, hinting at the incompatibility of Egypt’s political trajectory with the will of Eden.

A secret plot to seize the Suez Canal and overthrow Nasser was therefore planned under the leadership of the Brits in close alliance with the French and the Israelis. Without going into more detailed scrutiny about the motives that drove the Suez crisis in 1956, it is important to assert that it was played out almost in parallel to the revolution in Budapest.

Some things may never be certain, but the involvements of the British government and MI6 in goading the Hungarians to fight in order to tie up the Soviet Union in the streets of Budapest while the United Kingdom, France and Israel invaded Egypt, is important to consider. On the other side of the Atlantic, the U.S. was ill-equipped and clueless about the coming of events and composition of powers around the Suez Canal.

The outcome of the affair placed a strong trump card into Khrushchev’s hands. He shamed the allies and forged stronger ties with the Arabic side of the Middle East, Egypt in particular. The Soviets promised the buildup of the Aswan Dam in Egypt, something that Americans refused to do after some political bargaining failures with Egypt. It further allowed the strengthening of Khrushchev’s foothold in the Arab world. On the other hand, the Suez offered a veil for Khrushchev to disguise Soviet actions in Hungary in 1956.

Eisenhower, caught by the British and French surprise, hit the two countries where it hurt most. The United States was selling the British and the French economic assets to impose

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299 Judt, 250.
300 Korda, 13.
stringent financial constraints. On top of financial and economic constraints, the Suez crisis precipitated decolonization and the shrinking of the British Commonwealth. The Sudan (in 1956) and Malaya (in 1957) were the only among the former colonies that still respected their ties to Britain. After the Suez crisis, the only option left to France was isolationism. Thus, the construction of a united Europe became more urgent and necessary.

Despite the fact that the Suez crisis created some cleavages in transatlantic cooperation, it forced Europeans to urgently seek closer cooperation based on a common European market. The Suez affair created cleavages in transatlantic partnerships and ostensibly spurred a Hungarian surge in 1956, but it contributed to the unification of Western Europe.

The French foreign minister Christian Pineau records Adenauer as saying that, “France and England will never be powers comparable to the United States ... not Germany either. There remains to them only one way of playing a decisive role in the world: that is to unite Europe. We have no time to waste; Europe will be your revenge.”

The Suez crisis was not the only issue for which the Eisenhower administration was not ready. The absence of United States intelligence made things worse in Hungary. “The Voice of America” and “Radio Free Europe” strongly encouraged Eastern European countries to stand against the communist power and take their faith in their own hands. The initial allied liberation promise was taken seriously in Hungary.

When the actual rebellion against communism broke out, there was no assistance from the United States or Europe (which was busy with Suez anyway). Radio pleas coming from Hungary during the revolution made the tragedy even more painful and shameful for the West: “Any news about help? Quickly, quickly, quickly!” Those were the final words before the final Soviet crackdown on Hungary in 1956.

Before the revolt, the broadcasts encouraged rebels to aspire for everything, while something would have been better than nothing at the time. Even during the actual fighting in

301 Judt, 298.
Budapest, “Radio Free Europe” kept encouraging its Hungarian listeners to keep fighting for all they sought and more, regardless of whether those goals were realistic.\textsuperscript{305}

American intelligence agencies were responsible for “Radio Free Europe” media content without having actual knowledge of the state of affairs in Hungary in 1956. In the 1950s, the CIA did not even have an active program in or toward Hungary. It was assigned the lowest priority among the satellites of Central and Eastern Europe.

The last significant precursor to Hungarian revolt came from Moscow. The Communist politburo well understood that the Stalinist policies were not sustainable socially, economically and consequentially, politically. Stalin’s death also caused a struggle for power within the communist establishment in Kremlin. The critical reality of Stalin’s past was felt at the historic Twentieth Congress of the Communist Party of the Soviet Union in February of 1956.

During the congress, Khrushchev denounced Stalin’s rule, hinting at substantial changes in international communism. The resulting change within the Kremlin’s political establishment was the uncertainty that led to further fracturing of the communist leadership into political groups. A collective leadership was proclaimed split between Stalin opponents, like Molotov and Mikoyan, and their younger rivals, party apparatchiks and “yes men” to Stalin, like Georgy Malenkov, Nikita Khrushchev and Nikolay Bulganin.\textsuperscript{306} There was a vicious struggle for power in Moscow that escalated after the congress.

Lavrenti Beria, head of the secret policy and second in charge after Stalin, was denounced, tried and executed. The two groups that rose out of the congress developed ideas about the future of communism. They were seeking something in between Stalin’s ideology and the communist lines of Tito. “Titoism” introduced some decentralization in decision-making and allowed experiments with factory and some worker autonomy. “Stalinism” impoverished society under the absolute rule of a local party autocrat who was paranoid and all-powerful.\textsuperscript{307} Such fractionalization created dissent not only in Moscow, but within most of the communist republics and satellites. Political changes were imminent in Visegrad countries, too.

In search for socialist legality, which would replace Stalin’s excess, Hungarian communist leaders were summoned to Moscow in June 1953. Mátyás Rákosi, Gábor Péter, Ernő Gerő, Tamás Kádár represented a diehard Stalinist cohort.

\textsuperscript{305} Gati, 3-5.
\textsuperscript{306} Korda, 78-80.
\textsuperscript{307} Judt, 429-430.
At the meeting, in front of younger and more progressive communists, Hungarian elites learned that Rákosi, a well salted Stalinist, would be replaced by more moderate Imre Nagy (a convinced communist who had opposed the collectivization of agriculture and who had a look of a man who enjoyed his food and his wine).

Nagy’s political influence and connectedness in Kremlin were evident in Hungary, as he could obtain news before officially announced. But the meeting in Moscow represented unprecedented change, which was hard to digest for the Stalinists and impressive for Hungarians to watch. Moreover, it was proof that Khruscehev was looking for compromises, alternatives to Stalinist diehards.

The meeting was especially embarrassing for Stalinist Rákosi. The comrade was lectured and shamed for economic mismanagement. The anti-Stalinist sentiment was unleashed during the meeting in Moscow. Even Molotov, a hardline Stalinist, took the floor to criticize Rákosi’s know-it-all attitude and wave of repressions that engulfed Hungary.

One of Rákosi’s Stalinist comrades, Kádár, seemed to embrace Moscow’s dictate and instructions but later became more moderate. The reshuffling of the Hungarian leaders by Moscow impressed Hungarians. Even the hardliners could be moved around the posts as Moscow pleased. And it was Moscow that prepared the invitation list for the Hungarian-Soviet meeting of 1953.

The obvious next step for Nagy was to remedy the failing economy, which was based on heavy industrialization, elimination of private property and agricultural reforms that left the country bereft of even the most rudimentary consumer goods. He wanted socialism to succeed in a country he loved. During the next two years, Nagy did just that.

He promised to put “a human face” on communism and succeeded quickly. Life became better, food was plentiful, the worst of the terror was over and some freedoms in the arts were permitted again. Hungary was inevitably becoming a regime that was close to unacceptable for Moscow. The most obvious reason was the fragility and tectonic power shifts within the Soviet Politburo. Hungary’s initial success challenged the political designs in Moscow.

The Soviet secret police chief Lavrenti Beria was executed in December 1953. He was one of the staunchest supporters of Nagy. Before, Imre Nagy was involved in forging the secret policy branch in Hungary. Georgy Malenkov was groomed to be Stalin’s heir. In 1955, Nikita

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308 Gati, 29, 50-51.
Khruschev succeeded in ousting Malenkov. He was a more moderate communist member in Moscow, and another of Nagy’s patrons in Kremlin.

As Hungary was rapidly changing, Rákosi was stepping up his criticism about the new course. His pleas resonated in Moscow. Khrushchev had his own problems with the Stalinist Soviet generals, not all of whom were eager to bury Stalinism along with Stalin.\textsuperscript{309} Once Malenkov, one of Nagy’s patrons, was demounted, Nagy promptly lost his government, party and academic positions (at Rákosi’s insistence, of course).\textsuperscript{310}

In a similar vein as with Rákosi in 1953, the departure of Nagy was announced in Moscow. Shaming and blaming in Kremlin was reminiscent to what his nemesis had experienced just two years prior. This time, the Stalinist values and the deviation from the communist ideological course dominated the discourse.

The departure of Nagy was not left unnoticed by Hungarians. Even though Nagy was a communist and adamant Muscovite, Hungarians liked him because he spoke the language Hungarians understood. He also sought economic and political change, and was something of a lone ranger surrounded by scheming, wily “real” communists. Despite the severe downgrade in his status, Nagy was allowed to stay in Hungary.

He was, therefore, publicly visible to Hungarians as an alternative to hardcore Stalinists. Moscow thought such a decision would be sensible. If Rákosi caused problems, he could also be replaced. During his time as prime minister, Nagy had released Stalin’s prisoners. Among them were the church members.

Until Stalin’s death, one of the most notorious show trials was that of Cardinal József Mindszenty who, having been drugged and tortured, confessed to leading an “anti-state” conspiracy for which he was sentenced to life imprisonment.\textsuperscript{311} The church was not a close Nagy political ally, but it did stand in stark opposition to the nationalization of the church’s property. The Catholic Church was less a Polish-type national unifier than a supporter of the private property rights in Hungary.

During his tenure, Nagy introduced an intellectual revolt that inspired intellectuals, but he never managed to forge a strong alternative political cohort with Stalinist dictum. In fact, at his

\textsuperscript{309} Korda, 81.
\textsuperscript{310} Gati, 24.
\textsuperscript{311} Ibid, 48.
departure, he left behind unorganized political cohorts and groups, which were not Stalinist, nor Nagy’s compatriots.

What was obvious, though, was their uniform willingness to see Rákosi out and Nagy back in. In Hungary, the Petőfi intellectual and revolutionary circle held debates on the most controversial of social issues, some of which were broadcasted into the streets by loudspeakers.\textsuperscript{312} Despite the fact that there was a genuine willingness to crush the circle in 1956, Moscow was afraid of sparking another round of protests to parallel those in Poznan, Poland. The Poznan Uprising was suppressed at the cost of 74 deaths and 575 severely injured. It constituted a much higher death toll than any of the future Polish disturbances.\textsuperscript{313}

The post-Stalin discontent in the post-Nagy period was making its way to Hungary, too. Sensing risks of social unrest, Rákosi was replaced by Ernő Gerő, just another Stalinist thug, for the sake of having a different person in charge of the Hungarian communist party. The move did not satisfy the Hungarian appetite for change.

Students demanded the withdrawal of Soviet forces from Hungary, the cancellation of further reparations payments to the Soviet Union, the return to power of Imre Nagy and free elections. Such fragile but surging social unrest prompted the march of 300,000 protesters through the streets of Budapest on October 23, 1956.

The members of the government briefly watched the protesters in dissent. Opening fire on demonstrators might have triggered more violent demonstrations. The fear of using force doomed those in power. The communist party and government in Hungary became as helpless as the monarchy of France had been in 1789 or the Russian czar in 1917.\textsuperscript{314}

Intellectual, student and other demands quickly resulted in a rapid escalation of the social unrest. Crowds tried to seize control of radio stations, others marched to newspaper offices and still others to the giant statue of Stalin. The last group, with immense effort and the help of a passing truck carrying a welder and his tools, finally succeeded in toppling the statue of Stalin. They left behind on the top of the rose marble plinth only two giant bronze boots.

In the meantime, student delegations were barred from entering buildings and broadcasting their 16-point demands on Radio Kossuth.\textsuperscript{315} The situation quickly got out of hand.

\textsuperscript{312} Korda, 90-92.
\textsuperscript{313} Sanford, 61.
\textsuperscript{314} Korda, 92-98.
\textsuperscript{315} Gati, 132, 156.
Flocking behavior in Hungary was encouraged by nationalistic slogans and debates. The secret police and the security forces either attempted to vanish into civilian clothes or barricaded themselves in their headquarters to defend their lives.

The same day, protesters gathered in front of the Parliament to demand Nagy’s return. It was past midnight when the audience, made up of party members and non-members alike, chanted slogans like: “Vissza a pártba!” (return Nagy to the party). The situation in Budapest rapidly deteriorated and ended with casualties. Security teams fired random shots into groups of insurgents. Access to the strategic sites was hindered by demonstrators and the secret police alike. There was chaos in Hungary.

Seeing the state of Hungary, Moscow had made up its mind. Russian troops entered Budapest and moved to secure every important point in the country on October 23, 1956. In the meantime, Nagy’s immediate concern was to quickly put together a government that contained enough “real” communists to satisfy the Russians and enough “reform” or “liberal” communists to pacify the rebels in the streets.

The situation was already out of hand on both sides. Gerő was not capable of reversing the situation because the Hungarians were already on the streets, while, for Nagy, things had simply gotten too far out of control. Tanks, armored personnel and planes in the sky demonstrated overwhelming Soviet force.

Nonetheless, Budapest was not ready to conform. The descendants of Hingis Hun were ready to put up a fight, which is exactly what they did. Hungarians in the streets used “Molotov cocktails” as the welcome-drinks for Soviet tanks. The techniques the young people, many of them schoolchildren, used to destroy tanks were amazing.

In response, Russians used heavy artillery at the least sign of resistance. The Russian assumption that demonstrations with brute force could be easily quelled proved false. The effect was like the clumsy bear (tank) entering a nest of wasps (Budapest filled with freedom fighters). The government was unable to persuade the Hungarian army generals to end support of the insurgents.\footnote{Korda, 100-103.} The country was bereft of institutions, which could be effective in restoring peace and political control, as well as consolidating society.

After violent shootings in front of the Hungarian parliament, the truce was granted on October 28. With the Hungarian Army just standing by, the war between the mighty Soviet army
and the incredibly brave and ingenious insurgents had come to a standstill. The Soviet military vacated Budapest streets. It seemed for a moment that the brave Hungarians had accomplished what “Radio Free Europe” had suggested.

To restore political stability, there was an immediate need for new political leadership and social order in Hungary. Nagy was the only potentially credible political leader on the scene to sort things out and to adapt the regime to better favor national interests. But Nagy turned out to be ill-equipped to do so.

On October 28, with insurgents talking to officials, including Nagy himself, the coordination phase began with a heroic salutation and a cease-fire. It continued with the creation of a new government, which included a couple of non-communists like Zoltán Tildy and Béla Kovács, four centrist Kádár supporters, and two Nagy reformers, but concluded with the restoration of a multiparty system, restoration of the National Guard composed of police, army and insurgents, and the Soviet declaration to withdraw military forces from Budapest. It seemed like the dream of a communism with a human face was becoming reality. That might have been the case if only Imre Nagy could appease and accommodate ideologically different groups in Budapest.

Insurgents did not hesitate to display their hatred and contempt toward communist offices, symbols and people. Nagy pleaded for the end of the violence, well aware of how it was infuriating Mikoyan, Suslov and the Soviet generals still residing in Hungary. But there was nothing to stop it. Radical Nagy allies carried a warning about his waning popularity. Hungarians wanted the “real” Nagy to stand up and were concerned that he was just a Soviet puppet.

Imre Nagy was sandwiched between the two groups. One demanded the restoration of order and compliance with the communist principles while the other demanded more of the impossible. Social-political groups were pressing for their own inherit interests. Soviets had implicitly accepted the Hungarian uprising outcomes—if only Hungary could settle itself to avoid challenging the Soviet Union.

The pressure to take sides led Nagy to write his historic speech, “In the interests of further democratization of the country’s life, the cabinet abolishes the one-party system and puts the country’s government on the basis of democratic cooperation between the coalition parties as

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317 Gati, 162-172.
318 Korda, 129.
they existed in 1945.”\(^{319}\) By the time the speech was delivered, Stalinist Hungarians had already fled Budapest. The speech was seemingly approved by Mikoyan and Suslov beforehand. The revolution seemed victorious!

Indeed, the Soviet declaration published in journal “Pravda” on October 31 stated that there was a genuine willingness to withdraw Soviet troops from Budapest. Official archives also prove the authenticity of such information. It meant that the Soviet Union contemplated treating Hungary in the same manner as Austria, Finland or Yugoslavia. It would have further meant the end of Europe as we knew it after the Hungarian revolution on 1956.

Nevertheless, on the top of the burst, Imre Nagy announced that Hungary had demanded its release from the Warsaw Pact on October 31. Hardly anything was more certain to trigger anger among the Russian military than the violation of the Warsaw Pact. Hungary did not intend to be another Poland held in a looser leash.

After lengthy discussions with Poland’s Gomułka, who had recently quelled mutinies in Poznan, Khrushchev reversed his decision. On the morning of November 1, Nagy was awakened with the news that the Soviet troops had crossed the Soviet-Hungarian border. On that November day the Soviet Union reversed its course for Hungary.

Henceforth, Nagy’s pleas for assistance at the UN were not heard. The Suez Canal crisis dominated international discourse. Soviets had a free hand to do whatever they wanted in Hungary. After ruthless shelling of the city, and more skillful purges in the Budapest streets, the Soviet Union had toppled Nagy’s government. Imre Nagy was later captured and executed.

János Kádár announced a new “Revolutionary Hungarian Worker-Peasant” government through radio broadcast.\(^ {320}\) The Soviet Union harvested its short-term fruits, but planted seeds for the long haul to keep the union together. They had proved to the world that the communist empire could only be held together with the turret of a tank. What happened in Hungary before and after the November policy reversal perplexed not just Hungarians. There was significant dissent inside Kremlin too. The departure from Stalinist-Leninist principles proved to be harder than Khrushchev initially thought.

Nevertheless, a new ideological communist model was born: Kádárist or the strategy to assure the Kremlin authorities that there was no Hungarian (national) model, merely a limited

\(^{319}\) Gati, 175-191.  
\(^{320}\) Korda, 174.
practical solution to local difficulties.\textsuperscript{321} It was nevertheless different from Stalinism or Titoism. Kádárist was later baptized as the “goulash communism.”

It provided solutions to economic and social challenges. With Kádárism, Moscow pretended that everything was in order in Hungary. Kremlin ignored the incremental and mild reform process in Hungary. The Soviet Union chose to turn a blind eye on its most crucial problems—an ailing civilization.\textsuperscript{322}

Prague Spring, 1968

The revolution and protests of 1956 were the legacy the Soviet Union carried until the Prague Spring of 1968. Reasons that led to Prague were different than those in Hungary. The social unrest that came to Prague in particular and Czechoslovakia in general was derived not only from within but also outside the country—and not only Czechoslovakia, but the whole Soviet Union.

The Czech and Slovak discontent had similar roots as Hungary with the Czech and the Slovak socio-economic grievances being ignored. Czechoslovakia had not escaped political purges either. Karol Bacilek (the first secretary of the Slovak party, who was later replaced by Alexander Dubček) explained to the National Conference of the Czech Communist Party on December 17, 1952 that, “the question as to who was guilty and who was innocent was in the end to be decided upon by the party with the help of the National Security Organs.”\textsuperscript{323} The Slánský trial proved that the latter fabricated the evidence for the former to organize show trials and purge political opponents.

For people who were employed by the communist party, there was limited space for any leeway. “Whoever is not with us is against us,” ran the slogan. Both one belonged, body and soul, to the Party, or one was considered a traitor.\textsuperscript{324} Stalinist-style purges continued until his death, and beyond.

In the early 1950s, there were 100,000 political prisoners in Czechoslovakia (a nation of 13 million) while “administrative liquidators” quietly shot without publicity or trial all “regime

\textsuperscript{321} Judt, 429.
\textsuperscript{323} Judt, 190-192.
\textsuperscript{324} Kovály, 78, 85.
opponents.” Political consolidation in the Soviet Union in general, but in Czechoslovakia in particular, was more robust than in other Visegrad countries.

Initial Czechoslovak economic well-being or better standing inside the Soviet Union allowed for stricter political controls and the postponement of economic reform. Nevertheless, as the economy deteriorated, social pressure on political elites grew. Some comrades from the Slánský’s cabinet, like Trade Secretary Rudolph Margolius, were more and more often approached by random citizens asking for help.

Older people, former tradesman or self-employed, who had their shops confiscated, were looking for pensions and other jobs. In some cases those in power could assist. Nevertheless, the roster of the needy was growing. At some point even the mighty at the top who genuinely wanted to, could not assist. Economic pleas for help inside Czechoslovakia could be resolved only by introducing a more ruthless regime without destroying the communist edifice.

Economic problems were blamed on political elites. The cynical execution of Rudolph Slánský, for example, was a result of accusations of over-billing Moscow for Czech products. The over-billing in the Czech case was, however, an established Soviet practice, as the prosecutors well knew. A way of funneling cash through Prague to the West for the use in intelligence operations. After most of Slánský’s ministers were tried and executed, his nemesis, Antonín Novotný, imposed a stringent regime over Czechoslovakia by tightening the communist grip even further.

A thaw took place in some Soviet countries. But the absence of any reforms and the opposing Stalinist principles drove even the most influential Czech and Slovak comrades crazy. For example, reliable, unheroic, unimaginative Muscovite, the Czechoslovak President Klement Gottwald, who was convinced that Stalin’s path to communism was the correct one, had long disguised his opposition against the regime with heavy drinking.325

In 1948, Gottwald was seen as the communist who would lead Czechoslovakia into a wonderful new world.326 Nevertheless, the economy was crumbling and social anxiety was growing while the regime was drifting further toward Stalinism. The elites, the country, and the society were further submerging into poverty, deprivation, and desperation.

325 See Judt, 190; Kovály, 100.
326 Judt and Snyder, 243.
While Czechoslovakia remained Stalinist, the world around it was changing. With new technological tools, such as satellites and inexpensive erasable videotape, television was making communication much more global. It was thrilling because for the first time in human experience the important, distant news of the day became immediate.\textsuperscript{327}

The international community could obtain news faster and thus became more knowledgeable than when de-colonization took place. France ended its colonial adventures in Indochina by losing the war for Vietnam against Ho who, beforehand, had lived in Paris under the pseudonym Nguyen O Phap (“Nguyen who hates the French”). The Vietnamese despised the French.

The United States substituted for France in Vietnam. The Gulf of Tonkin Resolution of 1964 gave broad congressional approval for expansion in the Vietnam War. Henceforth, the American military surge was internationally despised, even by its allies. During his 1967 New Year’s message, De Gaulle spoke of “the detestable unjust war” in Vietnam, in which a “big nation” was destroying a small one. Notwithstanding the French hypocrisy, there was an international resentment against the expanding American power and presence abroad. Transatlantic alliances seemed to be in crisis.

In the meantime, Europe was economically booming. The post-war economic growth differed slightly in its timing from place to place, coming first to Germany and Britain, and then a little later to France and Italy.\textsuperscript{328} Western European countries witnessed unseen economic activity and unprecedented prosperity in the three decades following Hitler’s death.

Cars, clothes, baby carriages, packaged foods and washing powder all became available in a bewildering variety of shapes and sizes and colors. There was also a tremendous shift from industrial production (which became increasingly effective) to services and tertiary sector jobs.

Endorsed by the European economic growth, France was leading the political debate in Europe. The Atlantic Alliance was born of a European crisis of confidence; and the Atlantic crisis of confidence now promoted European unification.\textsuperscript{329} Similar to the aftermath of the Suez crisis, Europe was consolidating under De Gaulle.

Europe, especially France, grew as a post-colonial middle-power between the United States and the Soviet Union. France embraced a German partnership as the focal point for the

\textsuperscript{327} Kurlansky, 4, 19.
\textsuperscript{328} Judt, 325, 349.
\textsuperscript{329} Serfaty, 66.
European consolidation. At their first meeting at Rambouillet in September 1958, De Gaulle and Chancellor Adenauer came to a personal agreement underlining the terms of such an entente: in return for complete support of France for German claims, Germany would support France’s positions toward NATO and Europe.\(^{330}\)

The growing welfare and political standing also contributed to bold social change. European societies started challenging the conservative postwar values for better, or at least novel, ones. In other words, the new Europe started challenging the old one, the young were challenging the older generation. European youth wanted to be different. They wanted to decide their own lives and futures culturally, socially, economically and politically.

The expansion of culture and alternative values took place. For example, the expansion of American pop-culture coincided with the explosion of American rock music. Working-class teenagers, for whom jazz had never held much appeal, were immediately attracted to the American revolution in popular music: driving, tuneful, accessible, sexy and, above all, their own.\(^{331}\)

The American economic expansion and way of living was very much admired, especially by the young, in Europe. The British novelist J.B. Priestley described the process in 1955 as ‘admass’ or Americanization-adoption in Europe of all the practices and aspirations of modern America. The growing prosperity and consumption patterns in Europe, promoted by the growing advertising sector, were seen as the American way of life.

Above all, American culture in Europe was efficiently introduced through the nearly unrestricted movie industry. Within a very short time, jeans, motorbikes, Coca-Cola, big hair (male and female) and pop stars had spawned locally adapted variations across Western Europe. The frivolous side of the 1960s-fashion, pop culture, sex-were not be dismissed as mere froth and show. It was a new generation’s way of breaking with traditions of the older generation, the gerontocracy (Adenauer, De Gaulle, Macmillan and Khrushchev).\(^{332}\)

In 1965, when the Students for Democratic Society (SDS) called for a Vietnam antiwar demonstration in Washington, many, including some in the old pacifist movement, complained that SDS had failed to criticize communists.\(^{333}\) Peace movements rose and were socially

\(^{330}\) Ibid, 130.
\(^{331}\) Judt, 348-352.
\(^{332}\) Ibid, 398.
\(^{333}\) Kurlansky, 11, 14.
different. For example, marijuana-smoking and peace-demanding youth introduced a new social cohort labeled hippies. The name itself was a symbol of goofy brilliance much appreciated by young militants, but few others.

Hippies, pacifists and anti-war, anti-oppression, freedom-oriented movements were organizing sit-ins and spontaneous protests against war, oppression and violence. The war in Vietnam was one of the most obvious focal points for youth of the time. The new movement despised all violence, be it war in Vietnam or the communist atrocities in the East. The youth henceforth became a new social group that brought forth new political demands.

The Soviet atrocities were not lost on the anti-violence, anti-war and anti-oppression movements. Between 1956 and 1968 Marxism in Europe lived and thrived in a state of suspended animation, but Stalinist communism was in disgrace, thanks to the revelations of 1956. Europe, for example, not only represented the bipolar clash between communism and capitalism. It also brought to attention different variations of socialism within Western and Eastern European states. Demands for more social security and care mobilized youth around Europe.

The student dormitories in Nanterre, France, had harbored clandestine student movements, which opposed the exclusion of youth from decision-making, growing economic deprivation, and inequality. The first protests in the Nanterre dormitories broke out in January 1968 when squatters, who refused to pay rent, were expelled.

For different reasons, the same thing was happening in Italy and Germany. In 1963, Italy was governed for many years by the center-left coalition. Until 1966, the Federal Republic was led by the “Grand Coalition” of Christian Democrats and Social Democrats. The youth challenged those political establishments in Europe, which, from the perspective of the young, were incrementally imposing unfair social practices on the younger generation.

The young men and women in the European student crowds were overwhelmingly middle class. They all were eager to protest against the political establishments, but in every European country they had different motivations. The Parisian bourgeoisie itself—Fils à Papa (daddy’s boys)—was fighting armed powers on the streets while their parents were watching from cozy balconies. Youth and students were protesting against rigid institutions and a political

334 Judt, 401-413.
culture that excluded the youth. The young were the ones that challenged European institutions to undertake reforms.

For example, France was run by a tiny Parisian elite, socially exclusive, culturally privileged, haughty, hierarchical and unapproachable. In Italy, the protests were organized by the youth and the students, but the discontent was rooted in the absence of access to transport, services, education and, above all, housing.

In 1966, students at the University of Strasbourg published a paper, “On the Poverty of Student Life,” which stated, “The student is the most despised creature in France, apart from priest and policeman.”335 In the United Kingdom, students started out by demonstrating against the war in Vietnam and moved on to local issues such as the size of government grants for education and control over universities.336

The youth radical intelligentsia of the 1960s in Germany accused the Bonn Republic of covering up the crimes of the founding generation.337 Little about the post-1933 history was taught in West German schools. In Italy in 1968, students protested inadequate facilities and carried a long red flag from building to building on the campus of the University of Rome once it reopened after being closed for 12 days in mid-March due to violence. The same year, Spanish students were protesting against an openly fascist regime that sanctioned a mass for Adolf Hitler in Madrid.

Youth protests were evident in other parts of the world as well. In Brazil, armed violence that killed the protesters in the opening months of 1968 failed to keep students from protesting the four-year dictatorship. In Japan students were violently protesting the presence on their soil of the United States military machine engaged in Vietnam.

Young women in the Mexican student movement of 1968 shocked Mexican society by carrying signs saying “Virginity Causes Cancer.”338 Apart from that, there were multiple sit-ins, demonstrations, protests and expressions of free thought carried out on multiple American campuses. Despite being geographically distant, some student movements reciprocated and endorsed fellow student rebellions abroad.

335 Kurlansky, 217.
336 Ibid, 82-83.
337 Judt, 417.
338 Kurlansky, 190, 205.
Student movements were also surging in Eastern Europe. By fall 1967, Czech writers were openly demanding more freedom of expression and students from Prague’s Charles University were demonstrating in the streets.\textsuperscript{339} Student dormitories were sheltering free thought and youth protest movements. The surge of new ideas and new movements were without doubt a menace for the Soviet system.

Stalinist inertia was aimed at repressing such ideas, not merely in terms of basic education of the Soviet man, but even in the useful and applied sciences, which were gravely handicapped by the lack of freedom of discussion.\textsuperscript{340} The challenge for the communist camp was to contain the influence of the youth, which was, nevertheless, beyond its Eastern European regional clout. It was the international student movement that had found inroads into the communist camp.

For example, Soviet oppression was well reciprocated in college campuses in Chicago. The anti-war demonstrators carried banners labeled “Czechago,” referring to Chicago as the Prague West.\textsuperscript{341} It was not because the conditions or objectives of student movements were shared between the United States and Czechoslovakia. It was because the protests pitted the youth against the power.

Incidentally, police suppressing protests in Chicago gave the same answer to protesters as the Soviet army in Czechoslovakia in 1968. The student’s question was: “Why are you here?” The police officer’s answer was: “It is my job!” Students and socially excluded groups demanded more lawful rights, and the social surge had become international.

In 1963 in the United States, an estimated 930 civil rights demonstrations were carried out in 11 southern states, resulting in 20,000 arrests, while the young generation around the world was watching these David-and-Goliath tactics.\textsuperscript{342} In the United States, the Nobel Prize winner Martin Luther King, Jr. was rallying a civil rights movement. He compared himself to Moses, who led his people out of slavery, but died on a mountaintop in Jordan in view of the Promised Land.

After King’s death, surges of protests broke out in multiple American cities. In the hope of calming Black America, Johnson signed the Civil Rights Act. Apart from that, workers

\textsuperscript{339} Ibid, 22.
\textsuperscript{340} Berlin, 19.
\textsuperscript{341} Kurlansky, 277.
\textsuperscript{342} Ibid, 89, 115.
demanded more social protection, equality, higher salaries and shorter working hours. It was not a novel thing for European or American politicians to consider. Such demands were nevertheless impossible to meet for the Soviet Union, which was experiencing embarrassing economic performance.

The contagious effects of the social and youth movements were what communist leaders feared most. International protests had gained traction inside the Soviet Union, too. Khrushchev was perplexed and his dissent had two major results. One was the intrusion of Western values and their growing appeal within the communist block.

The other was Khrushchev’s own demise: in October 1964 protestors were irritated at policy failures and the autocratic leadership style, but, above all, it was Khrushchev’s inconsistencies that made Kremlin uneasy. Thus, Khrushchev was ousted and powers were changing hands in Kremlin.

Moreover, Soviet communism was losing the competition against Maoist communism. In October 1961, in competition for global influence, Moscow closed its embassy in Albania, the Beijing’s European locum. And Cuba was turning its back on the Soviet Union. Trials of the pro-Soviet officials at the beginning of 1968 appeared to symbolically distance Cuba from the Soviet Union. Castro seemed more interested in China than in Russia, which from the point of view of the new Left, was the correct choice. Fear was mounting in the face of cultural and ideological challenges to communism. In the past, leaders like Lenin had always worried more about his critics than his principles; his heirs were no different.

In addition to the cultural-ideological realm, small states showed an increasing potential to stand up against greater powers. The Six-day War illuminated Israel’s overwhelming military superiority over the Soviet allies, the Arab countries. Israel was acting on its own, without the assistance from the United States and without consulting France. De Gaulle publicly expressed distaste toward Israel and Jews. Like many secular Jews of his generation, he found himself wondering if his Jewish identity and his relationship to Israel should not play a more important part in politics.

Inside the communist block, the Polish Jews strongly supported Israel. At some point there was no difference between Polish Jews and Poles themselves because supporting Israel was

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343 Judt, 424.
344 Kurlansky, 171.
345 Judt and Snyder, 230.
a way to oppose Moscow. The same political stance, as a way to oppose Kremlin, was shared in
countries like Romania, Albania, Poland and Czechoslovakia. Moreover, Cuba’s bearded Fidel
Castro was much admired among the youth for the courage he showed against two major powers,
the United States and the Soviet Union. The possibility of small states defying larger powers was
unprecedented in recent history.

Within the communist block, the next challenge was imminently approaching. As in the
case with Hungary, the seeds of Prague Spring came from Poland. And as in the other
communist states, there was a debate about the future of the Polish nation and culture. In
practice, there was a disagreement about how to best preserve the nationhood.

Political realism until the late 1970s (as in Wielopolski’s “Organic Work” before 1863)
emphasized the priority of national survival until better times while political idealism (as in the
interwar Piłsudski-ite self-confidence) stressed the open aspects of the Polish struggle for
independence and the psychological aspects of national will.346 The ideas converged at some
point.

The ideological stance was rooted in identity. Polak-Katolik (Pole-Catholic) undeniably
has a deep Polish socio-psychological dimension.347 Such explanations will inevitably bind
Polish nationalism with catholic principles. The political realism and political idealism have a
capacity to outline the path for national preservation to some extent; there were other reasons
that brought demands for a reform to Poland.

Domestic fracturing and social cleavages surged between political cohorts and workers as
well as between workers and students in 1968. In neither case was the social discontent rooted in
Polish nationalism or religious traits. The rebellion was more of a consequence of the ongoing
international student rebellion.

On March 8, several hundred University of Warsaw students staged a demonstration and
marched to the rector’s office shouting, “No studies without freedom!”348 The response from the
Polish militia was to oppress the student riot. Men, dressed in civilian uniforms but wearing the
red and white of the Polish flag armbands and carrying clubs, along with 200 police officers,
chased and beat students. The police arrested those who tried to flee.

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346 Sanford, 5.
347 Ibid, 216.
348 Kurlansky, 118-121.
Overwhelmed by the brutality, around 20,000 students immediately marched in protest in Warsaw. They were clubbed by police once again. The brutality of the regime created a momentum that young Polish anti-Soviet intellectual dissidents like Jacek Kuroń and Karol Modzelewski could never have dreamed. Soon thereafter a student movement, consisting of young polish communists, the children of the country’s elite (three of them were children of government ministers), was born.

Students were engaged in riots in the name of independence and freedom. And every demonstration was promptly greeted with a brutal counterforce. Therefore, power structures and military units in Poland were very much despised and thus were quickly rebranded as the Nazi secret police-Gestapo.

The other social cohort that showed its discontent on the streets was workers. Their demands were easier to comprehend and to meet by the government. Fortunately for the communists in Poland, demands of the students and workers were different and, therefore, could be juxtaposed. In 1968, students had a motto, “There is no bread without freedom,” recalled Eugeniusz Smolar, a student activist and the son of an influential party member. For workers it was the opposite, for the bread always comes first.

To quell the student riots, the government closed factories early. They labeled students as the fifth column in the country and pitted Polish workers against Polish students. For some years to come the government was able to contain protests because either workers did not support students or intelligentsia or students would not support workers.

When the immediate protests of 1968 were eliminated in Poland, the Polish students, impressed by the events in their neighboring country, carried signs that said, “Polska czeka na swego Dubczeka!” (Poland awaits its own Dubček!). It might just be the case that the post-Novotný leadership in Czechoslovakia was already doomed by the explicit events and slogans of neighboring Poland.

In general histories of Czechoslovakia, to say nothing of broader accounts of postwar Europe, the Cold War, or the history of Socialism, the replacement of Antonín Novotný by Alexander Dubček as First Secretary of the Czechoslovak Communist Party on January 5, 1968, is routinely noted as the start of the Prague Spring. It was the moment when the dark forces

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represented by Novotný’s Stalinist old guard were vanquished by the supposed light of Dubček’s humane socialism.\footnote{Mary Heiman, “The Scheming Apparatchik of the Prague Spring,” \textit{Europe-Asia Studies}, Volume 60, No. 10 (December, 2008): 1717–1734, 1719.}

The other important precursor to the Prague Spring was the abolishment of censorship and the introduction of the free media in March 1968. However, more openness introduced new political challenges. By 1967, as Dubček later recalled, a direct clash between communist functionaries impatient for further reforms and those believed to be holding progress back had become inevitable.\footnote{Alexander Dubček and Jiri Hochman, \textit{Hope Dies Last: The Autobiography of Alexander Dubček} (Kodansha America, 1993), 112.}

The confrontation finally came out into the open at the Fourth Writers’ Congress, at which former Stalinists like Milan Kundera, Pavel Kohout and Ivan Klíma publicly joined forces with non-party writers such as Václav Havel in opposing censorship, however discreet the technique.\footnote{Heiman, 1727.}

Broader social discussions on daily life, culture, economy and politics surged thereafter. Communism was challenged in all public forms, overtly through cultural works and covertly through social debates, or vice versa. In 1956, the truth was still whatever served the needs of the party. The party meant comrade Novotný and his allies, inseparably bound by their crimes.\footnote{Kovály, 165.}

For Stalinists, if patterns did not correspond with facts, then facts could be made to tally with the pattern.\footnote{Berlin, 22.} In 1968, however, social groups gathered to discuss communist crimes, rising youth violence, and social and economic problems. Individuals were gathering for the sake of discussions because they provided a unique opportunity to voice the myriad challenges of the time. These opportunities contributed to social cohesion. The social unity that emerged in Czechoslovakia was associated with Dubček. He was welcomed by the two ethic groups of the same state, Slovaks and Czechs.

Society did not hide its sympathies. Every morning on the once-dreaded staircase of the Central Committee building, women were waiting with homemade cakes, children were giving their teddy bears for good luck and no one missed seeing Dubček on television.\footnote{Kovály, 181.} It seemed like good fortune and optimism had finally come to Prague.
Thousands of people in Prague, especially the young, had taken to the streets on February 15 to celebrate the Czechoslovakian hockey team’s victory over the undefeated Soviet team in the winter Olympics in Grenoble, France. It was a widespread belief that if Novotný had stayed in power, somehow the Czechoslovakian team would not have been allowed to win. From that moment on, it seemed that cheering crowds never left.

There was a growing belief that with Novotný nothing was possible. The shortages of consumer goods and inefficiency of production were taking their toll. Beforehand, the popular will to reform the economy and the agricultural industry, and to establish private enterprise to better serve consumption needs, was never met. The situation for the old political guard deteriorated even more when the press took Novotný himself under scrutiny.

He and his son, it was revealed, used a government import license to obtain Mercedeses, Alfa Romeos, Jaguars, and other Western cars in order to impress women.\textsuperscript{356} Such hypocrisy among the highest Stalinist echelons severely undermined political credibility, or what was left of it.

Since Khrushchev, who was Novotný’s patron, was deposed, there were no influential communist political figures to bolster Stalinists like Novotný in Czechoslovakia. Witnessing the deteriorating situation, Brezhnev suggested that Novotný sort things out on his own. Moscow had turned its back on Novotný and accepted Dubček (and, therefore, reforms).

The social dissatisfaction with the regime was a sufficient catalyst for Dubček to purge an old guard from power and replace it with more progressive young party members. Thus, social change came even faster. Political shifts resonated well in the cultural realm, and vice versa. Hitherto, rigid censorship and communist party ideology were replaced with stinging playwrights, poetry and literature.

As a result, some communist republics became anxious. On top of Albania’s and Romania’s oppressive Stalinists, East Germany’s Walter Ulbricht (a hostile, vain and senile old man), Bulgaria’s Todor Zhivkov (considered dull and possibly stupid\textsuperscript{357}) and Poland’s Władysław Gomułka were becoming concerned about the potential Czechoslovak effect on their

\textsuperscript{356} Kurlansky, 35.
\textsuperscript{357} Ibid, 288.
regimes.\textsuperscript{358} Very recently student movements and protests were crushed in Poland, France, and Germany. However, in Prague, there was an optimism. It was the place to be.\textsuperscript{359}

The cultural surge, based on free media, activities of dissident groups and reform-minded writers, challenged communist principles. On top of that, Prague witnessed an influx of foreign tourists. All jazz clubs and hotels were overbooked. Suddenly, a Prague student who had never seen the rest of the world, bearded and in Texasski jeans too stiff and too blue to fit, felt like a part of a liberating world youth movement.\textsuperscript{360} Like the other international youth movements, Czechoslovaks were demanding reforms.

In Czechoslovakia, demands for reforms came primarily from youth and intelligentsia. Such magazines as “Literarni Listy” included articles written by famous play writer Vaclav Havel and philosopher Ivan Svitak about slow pace of reforms in Czechoslovakia. Freedom of the press challenged Stalinist political structures. The student paper “Prague Weekly” carried an article written by Ivan Svitak demanding the opening of the Masaryk case.

Comrades, previously involved in Stalinist-type purges, feared that their criminal roles would be revealed. While the victims of communist crimes were interviewed on the television, many involved in committing crimes, such as the vice-president of the Supreme Court Jozef Brestansky, committed suicide. There was a sense in Prague and in Moscow that things were getting out of hand.

There were some efforts to sort out the politically fissured environment. After the Cierna meeting in July, when Dubček appeared to have comforted Brezhnev about the situation in Czechoslovakia, 19 pro-Soviet communists covertly sent a letter to Moscow. They encouraged a Soviet military intervention to reverse the presumed counterrevolution, which, according to their estimate, would take place after the Slovak Party Congress on August 23.

At the same time, in Prague, multiple social groups and opinion leaders were pushing harder for reforms. Anti-Stalinist reformers were embracing social demands while hardcore communists resisted. Dubček sided with the communists but he was not decisive enough to quickly contain social change and restore political and social order. It was not his objective to abandon Moscow as Nagy had done more than a decade before. During the Slovak Party Congress

\textsuperscript{358} Judt, 444.  
\textsuperscript{359} Kurlansky, 238-249.  
\textsuperscript{360} Ibid, 37.
Congress, Dubček wanted to work out a memorandum to reassure the Soviets. But he had run out of time.

Three days before the Soviet invasion, Dubček had a secret meeting with Hungary’s Kádár, who might have wanted the reform in Czechoslovakia to succeed for the same reasons as Germany’s Ulbricht, Bulgaria’s Zhivkov and Poland’s Gomulka wanted so badly for the uprising to fail. Nevertheless, Kádár was risk averse. He did not want to bring Hungary out of step with Moscow for the experience 12 years before. He was probably aware of the plans to invade that Kremlin had made for Prague already.

In any case, Dubček failed to grasp Kádár’s subtle but desperate message and warnings. The politburo had decided to contain cultural uprising in Prague, impose censorship and uphold communism in Czechoslovakia. On August 20, when the Slovak Party Congress was taking place, Premier Minister Oldřich Černík announced that the armies of the Warsaw Pact had crossed the republic’s border. The Czechoslovak military was ordered to abstain from resistance.

The Soviets had contemplated a scenario in which Czechoslovaks, seeing the Soviet military approaching, would oust Dubček. Nothing similar happened. There was no alternative candidate nor government and, moreover, Dubček was very popular. The Czechoslovakian government under Dubček did not come close to imposing the terrors seen under Novotný or Hitler. The Soviet army was seen as the occupying, not the liberating, force. Instead of the anticipated glorious liberation, Kremlin had to arrest Dubček’s government and thus become a villain.

After the Prague Spring and the ousting of Dubček, there was a need for at least an interim government that would be acceptable for all parties. The pro-Soviet Ludvík Svoboda was inaugurated as the Czechoslovak president. He was a compromise figure for Czechs, Slovaks, and the Soviets.

Moscow wanted to use Svoboda as a focal point for funneling stricter policies and reversing social change. But the ageing Soviet general proved to be harder to control than the Soviets originally thought. On no account did Svoboda cooperate with Moscow. The popular demands for Dubček to return were surging in Czechoslovakia. Svoboda resembled what was happening in Prague. Therefore, Nagy’s scenario for Moscow was not feasible.

361 Kurlansky, 288-304.
First, Moscow tried to work out an accord with Svoboda. The president countered threats by threatening suicide, as there were no alternatives to Svoboda’s interim candidacy. The only condition that would allow for a compromise was the release of Dubček and his fellows for negotiations in Moscow.

The political situation of post-Prague Spring significantly undermined Moscow’s image within and outside the communist empire. There was a need for settlement and Moscow turned out to be more needy than Prague. The Soviets offered nothing to Czech and Slovak elites except for a protocol that guaranteed understanding and support in directing society in Czechoslovakia. The accord was forced down the throats of the captive Czechoslovak leaders while their country was occupied by Soviet tanks.

Media made news about Prague immediately available everywhere. The Prague atrocities were broadly condemned inside the Soviet Union, too. A young Czechoslovakian student, Jan Palach, in protest of the Soviet occupation, committed self-immolation. In April 1969, in the Latvian capital Riga, a Jewish student, Ilia Rips, set herself on fire to draw attention to the Soviet treatment of Dubček.362 In Poland, students were engaged in protesting Soviet oppression in Czechoslovakia, but their public outbursts were stamped out by the authorities. Even Yugoslavia’s Tito and Romania’s Ceauşescu denounced the invasion as “a great mistake,” spurring protests in Belgrade and Bucharest.

There were ripples of protests that went so far as to reach the heart of the empire. In August 1968, in the Red Square Pavel Litvinov (grandson of Stalin’s foreign minister) and Larissa Denial (wife of the imprisoned Soviet novelist) were among those who publicly condemned the Soviet actions. Only in Stalinist countries, such as East Germany, Bulgaria and Albania, was the Prague Spring portrayed as the fight against Nazi intruders.

In Czechoslovakia, as in the case with Hungary, everyone was eager to show unwelcome military regiments the Moscow direction. Despite the fact that social and economic problems were growing in Czechoslovakia, the Soviet Union chose to resolve democratization efforts with military means. Just after the events in August 1968, Czechoslovakia turned from one of the most welcoming allies into a significantly belligerent opponent of Soviet principles. Prague

362 Judt, 446.
Spring showed that communism is a civilization that plays fasts and lose with its principles and is thus a dying civilization.\textsuperscript{363}

\textbf{Solidarity in Poland, 1981}

The Hungarian legacy of 1956 and the Czechoslovak lessons from 1968 were carried forth in the events in Poland in 1981. Poland was nevertheless different from Hungary or Czechoslovakia. It simply was a larger country and greater power within the Soviet bloc. It takes more than three Hungaries and around three Czechoslovakias, separately, to match the population of Poland.

No matter how mighty was the Soviet Union, even a preponderant power must face its limits in certain situations. Hungary in 1956 and Czechoslovakia in 1968 were facing military annihilation from without and similar challenges were seen in Poland. The proletarian masses were eager to satisfy their demands through trade unionism, the immediate struggle for improved living conditions.\textsuperscript{364}

The Soviet fear of a potential external influence and the non-intervention Helsinki clauses of 1975 were taken seriously by Henry Kissinger and his successors. Nevertheless, Soviet leaders on the other side were faced with growing and ultimately uncontrollable circles, clubs, networks, charters and individuals, all demanding merely that their governments stick to the letter of the 1975 Helsinki Final Act and to fulfill their obligations when it came to human rights.\textsuperscript{365} Such domestic challenges were coming to Poland, a country that could not be crushed in the same manner as the smaller Hungary or Czechoslovakia.

The mutinies of the 1980s and the imposition of the military rule in Poland were enhanced by several important international events. One important factor again came from the broader Middle East. In 1973, the Yom Kippur’s or Arab-Israeli war took place from October 6 to October 25.

The conflict consolidated oil exporting Arab countries into a common oil exporting organization and therefore substantially changed the global economic landscape. All major economies heavily depended on cheap imports of fossil fuels but the price after the war substantially increased.

\textsuperscript{363} Césaire, 31.
\textsuperscript{364} Aron, 120.
\textsuperscript{365} Judt, 502.
From one side, the Soviet Union was among the beneficiaries as it was a top exporter of oil. On the other hand, the West and Poland were suffering from rising oil prices. The economic conditions incrementally severed Eastern Europe and stagnated the Western part of Europe.

The growing costs of primary energy needs inflamed initial international financial and economic uncertainty. Between 1946 and 1971, countries operated under the Bretton Woods system. Most countries settled their international balances in United States dollars. In return, Washington promised to redeem other central banks’ holdings of dollars for gold at a fixed rate of $35 per ounce.\(^{366}\)

On August 15, 1971, President Richard Nixon announced that his country was unilaterally abandoning the system of fixed exchange rate.\(^{367}\) The United States decided to abandon the gold-dollar peg and have its own independent monetary policy. This caused financial and economic uncertainty in Western and Eastern Europe. Both parts depended on dollar currency reserves. More uncertainty increased the fall of national currencies in Europe, but increased the price of a dollar. All imports, denominated in dollars, became more expensive.

In Poland, Edward Gierek’s regime was responsible for a major economic crisis that stemmed from excessive foreign debt ($20 billion in hard currency alone by 1980).\(^{368}\) The debt was not Gierek’s fault alone. It was a result of the absence of reforms and adaptation of the Polish economy to domestic and external consumption requirements. The budget deficit was the result of economic mismanagement.

First was the failure to use imported Western technology to optimal effect. Second was the delusional investment priority that favored some prestigious heavy industry projects. And third was the fanning of excessive expectations in an accelerated consumer boom of 1972 to 1974 by subsidizing production.

Poland was not unique in the Soviet Union. Low quality economic products were not necessary, nor were they desired by anyone. The primary necessities embedded in domestic demand were ignored. Poor economic performance had to be supplemented with imports from abroad.


\(^{367}\) Judt, 453.

\(^{368}\) Sanford, 9.
Despite the fact that the economic faults were not Gierek’s alone, he was the one to be blamed for the economic mismanagement. In the early 1970s, the following joke was widespread in Poland: “Question: What is the difference between Edward Gierek and Władysław Gomułka, Gierek’s predecessor? Answer: There is no difference, only Gierek does not yet realize it!”369

There had been several cases in the past when Poland’s workers had demanded reform, but they were always ignored. It is no surprise that on the back of Poland’s Solidarność (solidarity) flag stands five numbers: 1956, 1968, 1970, 1976 and 1980. These numbers were symbols of mounting, unresolved demands and oppression.

It was written in the worker’s newspaper “Po Prostu” in 1955, “We are people who cannot stop meddling with all that happen around us. We are a group of disconnected. We want more things, better things, wiser things.” At the beginning of the 1980s, Gierek was absolutely disgraced as the prime minister of Poland. Socio-economic conditions were the reasons for political disarray.

He no longer could disguise the deteriorating economic situation with subsidized imports from abroad. Nobody from abroad was ready to subsidize Poland. Price increases for basic consumer goods and shortages of primary commodities led promptly to social discontent.

The position of ordinary workers, as illuminated by the newspaper “Po Prostu,” well highlighted the mood of the ordinary citizens in Poland. Hitherto, economic performance and the resulting inability to satisfy workers’ demands led to the unraveling of mutinies and reshuffling of political elites.

There was a need for political change, which inevitably took place. The army as a political player was highly respected in Poland as a patriotic, national force. With the growing demoralization and near collapse of the civilian rule in 1981, the Polish civilian communist leadership found it necessary to tie the army down by co-opting Wojciech Jaruzelski, a Polish army officer, into key positions.

First, it was as a chairman of the Council of Ministers and then as the first secretary of the communist party, in February and October, respectively. He was then the only leader who could restore order. Notwithstanding the hopes of the civilian elites, Jeruzelski refused to save Gomułka in 1970 and Gierek in 1980. He was loyal to the communist system, not to

individuals. As a result, Jaruzelski rose as the Kremlin’s man in Poland because he had excellent contacts with Brezhnev’s military-political team.

The Kremlin welcomed loyal leaders in Poland. In the run-up to the military rule in Poland, Jaruzelski received undivided political support from Kremlin. One of the reasons for the support was the absence of alternative candidates. As the leader of the military, Jaruzelski played an even more profound role. Additional strains on the Red Army were imposed in 1979. The Polish army as a separate unit was the only military force to quell social riots in the country since Moscow had decided on war in Afghanistan.

Indeed, the Soviet invasion in Afghanistan in December 1979 imposed significant strains on the military. The Politburo member Yegor Ligachev acknowledged that after Afghanistan, there could no longer be any question of applying force in Eastern Europe. Nations were challenging Moscow not only in Eastern Europe. Muslim populations in Central Asia were rapidly growing. European Russia, as it seemed to its leaders, was under demographic threat from its internal minorities. This fact was acknowledged by ailing Brezhnev in February 1981.

The trouble that had been brewing in Poland for decades was not ethnic, nor nationalistic in character. The workers’ movement was defending socio-economic rights in Poland. The work of Solidarity is solely devoted to defending and extending the well-being of its members, their families and the community in which they live. Of a population of 36 million in Poland, something like 10 million belonged to Solidarity (if workers’ dependents are considered, then 80 percent of Poles were associated with Solidarity).

Solidarity was born as the social movement aimed at protecting workers’ rights by restructuring the Polish social and economic system. The roots of Solidarity were in another organization that was broadly loathed by Kremlin-an official protector of workers’ rights, Workers’ Defense Committee (Komitet Obrony Robotnikow (KOR)).

KOR summoned the most crucial demands from workers, organized them and presented them to the communist party officials. Among the flagship concerns were services and resources to workers who lost their jobs, necessary medical or legal assistance and support to family members of workers who were incarcerated.

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370 Sanford, 65.
371 Ibid, 165.
372 Judt, 593.
373 Macshane, 10.
374 Ibid, 42-43.
The movement extended pressure on the communist structures for reforms. Therefore, its leaders became objects for political oppression. It is no surprise that Jacek Kuroń, the initial leader of KOR, found himself often imprisoned for the inconvenience he caused. Frequent incarcerations of KOR’s leaders made the workers’ organization leaderless. With the memory of 1956 and 1968 firmly in mind, Kuroń insisted on the continued commitment to a socialist system and reiterated the need for Solidarity’s acceptance of the party’s leading role. No one wanted to give the authorities in Warsaw or Moscow an excuse to send in the tanks. \(^{375}\)

Despite the fact that KOR might have seemed a neat and institutionalized substitute for Solidarity, it lacked long-term vision, leadership and decisiveness. Solidarity in this case had more to offer. It carried a sense of history that was vividly remembered by most Poles.

For example, youngsters in Bydgoszcz plastered the city with small posters and slogans reminding people of Katyn, the forest in which Polish military officers were slaughtered by Stalin’s secret servicemen after the Soviet occupation of Eastern Poland in 1939. The right-wing political cohort carried an idea of the national sovereignty and freedom from Russian domination. Workers had been oppressed for a long time and their demands had been systematically denied. Their discontent was thus growing but KOR failed to absorb even the basic ideas and strategies that were essential for Poles-national independence and Catholicism.

Conversely, Solidarity could embody all that KOR failed to absorb in one person. Its surging leader Lech Wałęsa matched Solidarity’s profile well. He was a very tough, determined working class representative, afraid of no one, as he said, but of God himself. He was equipped with an uncanny sense of how far he could push communist elites. \(^{376}\)

He was an electrician working at Lenin Shipyard and a father of six. He was a determined catholic whose crucifix over his sweater and his children’s ballpoint pen were visible on TV screens during the most important signing and negotiation of accords with the Polish communist elite. Less as a sole administrator (Solidarity’s management was strongly rooted in unanimity), he was a symbol who was imprisoned multiple times and therefore represented a restless bout between the deprived Polish workers’ cohort and the communist elites.

Considering the circumstances of the time, there was a need for a spark. It came from the Catholic Church. On June 2, 1979, Pope Saint John Paul II visited his native Poland. He was a

\[^{375}\] Judt, 589.
\[^{376}\] Macshane, 17- 25.
Pole himself, Józef Wojtyła, born in Karol. His visit to Poland carried an unprecedented opportunity for public gatherings. Poles started believing in the prospect for change and a better future. Even though economic conditions were appalling, national optimism was blooming. Poland was baptized as the workers state so it is no coincidence that the most vigorous demands for more optimistic change came from the working class.

The first peaceful strike broke out in Gdansk in August 1980. It was a non-violent protest, accompanied by prayers that the communists would abstain from using military force. The negotiations between Polish communist leaders and workers were transmitted on loudspeakers. Wałęsa demanded concrete answers point by point when he interrupted sharply the communist negotiator’s Mieczysław Jagelski’s introduction, “Let me begin by making some general points.” Wałęsa’s popularity grew, as did the strength of the movement. Workers coherently, but adamantly, presented their demands to the communists and the party caved.

In the aftermath of the first workers’ victory, some prisoners were released. The concessions unleashed a wave of protests in major productions plants on Poland’s Baltic coast. The Kremlin’s contempt was played out in the nearest proximity of Poland as a military training in September 1981.

It was a warning before more stringent measures would be imposed. The 16-month-long confrontation period between the Communist State and Polish society, represented by Solidarity and the Roman Catholic Church, became an internal conflict in December 1981. The church acted as a mediator to avoid violence. The confrontation period leading to the imposition of martial law marked the departure of the discredited civilian rule and imposition of heavy-handed military rule. Arrests and pressure on the civilian movement ensued, but it did not deliver any results.

Beforehand, even the communist party had acknowledged the need for change. The rigid and dismal economic performance was not sustainable. The introduction of the military rule, authorized by Moscow and led by Jaruzelski, marked Poland’s enforced attachment to the communist structures and principles.

Conversely, the Polish society had pivoted toward another path. High birth rates had produced an extremely young society (about two-thirds were under 35 in 1981) that had not experienced wartime and Stalinist atrocities. Its dominant features were an incredible

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377 Sanford, 2, 14.
hodgepodge of political naivety, material envy, personal cynicism and unrealistic comparisons with the West.

The incompatibility of rigid old-school communist rule did not fit the aspirations of the young Polish society. Even political changes inside Kremlin represented the kind of change that had erupted in Western Europe before. The departure of Brezhnev, whose protégé was Jaruzelski, and forthwith Andropov’s and Chernenko’s quick rotation in Kremlin, multiplied the effects of the already announced thaw.

They all were old men who left power as a result of bad health or death. For Jaruzelski, the option to hold power in Poland became limited. His patron, Brezhnev, was out of office. And the social change in Poland was already on the way. Theoretically, Jaruzelski was in power. Practically he could only observe events in Poland.

In 1985, the soviet world would be run by younger men who had few options other than to address the problems of corruption, stagnation and inefficiency that plagued the Soviet system from top to bottom. The case of Poland proved that communism is a civilization that is incapable of solving the problems it creates and, thus, is a declining civilization.

Conclusion

The cleavages between the Soviet Union and its Western adversaries grew from the outset of the Cold War until the moment the Soviet Union collapsed. The profound difference between the United States and the Soviet Union was that Americans never went beyond their borders. They did uphold their economic, political and military interests in the Western Hemisphere, regarding it as their playground.

They supported preferred regimes and they considered economic interests, but they also managed to live with some limitations of their power while considering the interests of indigenous populations in Latin America. The overarching factor, however, that kept the Soviet Union together was blunt military force. The Warsaw Pact was a political defense organization aimed at the West, but its members, like Hungary, Czechoslovakia or Poland, could not stay secure from internal military internal coercion.

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378 Judt, 594.
379 Césaire, 31.
The task of holding the defense pact together was becoming harder with each rebellion. After the oppression in 1956, Kremlin had to grant disguised concessions in order to accommodate the population in Hungary. Consequently, Budapest introduced one more type of communism, Kádárism.

It was milder than Stalinism and Titoism. Hungarians were allowed to deviate from some of the rigid principles in economic and social realms since there was a blind eye to covert private initiatives. Budapest pretended to believe, and Moscow pretended to believe in Hungary. János Kádár had provided a discreet opportunity to distance his country from the rigid and ineffective economic planning without challenging the political edifice of the Soviet Union.

Owing to the leadership shifts in Moscow and Budapest, individuals played a significant role up to the revolution and the resulting changes in the country. Leaders in the eyes of the society were symbols of distinct values. Before the Hungarian surge, Stalinist and anti-Stalinist cohorts were pitted against each other after Khrushchev “secretly” denounced Stalin’s legacy.

The sharpest Stalinist contrast inside Hungary was Imre Nagy. He carried overt democracy, individuality and cultural and economic symbols that made him different from hardcore communists in Hungary. Since he did not impose anything, did not explicitly take sides and therefore could not guarantee strict order, he could not uphold strict conditions and guarantee solid political coalitions.

With too much political pluralism, the political and security situation in Hungary deteriorated. In Hungary, Khrushchev proved that the deviation from the Stalinist principles would be more difficult than initially thought. If accepted, Nagy’s policies would have inaugurated the demise of the Soviet Union in 1956.

Since Stalin’s death, the consequences of the thaw were felt in the arts and letters even in Latvia. Some formerly forbidden terms like “gulag archipelago” were allowed again, some industrialization projects were relaxed, diminishing an immigration of non-Latvians, and some hardline Stalinists were ousted from power.

Some Latvian nationalists like Eduards Berklavs (the protégé of Imre Nagy) argued for the reversion of Russification as he saw an opportunity for a political change. After the Budapest experience, Khrushchev did not take any risks. He deflected nationalists and installed Arvīds Pelše, a well-salted Marxist-Leninist, as head of the Latvian communist party (the protégé of the

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[380] Judt and Snyder, 222.
Hungarian compromise Stalinists, like Kádár).\footnote{Andrejs Plakans, \textit{The Latvians: A Short History} (Stanford: Hoover Institution Press, 1995), 157.} Kremlin tried to avoid all further risks of repeated mistakes.

The Prague Spring of 1968 was the product of the same universal errors that led Hungarians and Poles to challenge the communist system in 1956. Moreover, from 1956 until 1968 there was an unprecedented surge of youth and civilian rights movements internationally. Those same movements challenged the omnipotence of the United States and the Soviet Union, notwithstanding Europe. Owing to Nazi atrocities, Czechoslovakia was initially more welcoming toward communism. Nevertheless, there was a genuine will to refine Stalinism in a manner that could be acceptable for Moscow.

The Czech and Slovak reformers of 1968 turned out to be naïve. They tried to propose a model where Czechs could be a model of Marxism so that they would teach the West as well as Moscow a thing or two.\footnote{Judt and Snyder, 222.} They turned out to be too naïve, as they overestimated their capabilities to reform a system so broadly despised.

An external surge of youthful optimism, intellectual thought, demands for new rights and a push for unprecedented reforms were unacceptable reform drivers to Kremlin. Afraid of change, local Stalinists played an essential role in convincing Kremlin of these dangers to the “fraternal brotherhood.” As a result, Brezhnev completed what Khrushchev had started in Hungary-fraternal assistance in the form of military oppression to avert what had already happened in Budapest.

The Prague Spring carried severe consequences for the Soviet Union. Moscow turned out to be politically entrapped. First, there was no Kádár-like middleman in Czechoslovakia. Dubček and his political cohort had to be returned to further perform Kádárism or anything that would not challenge the system. Prague Spring marked a change in Czechoslovakia. All illusions about the common good and a communist legacy were further dissipated. The Warsaw Pact project was still intact, but Kremlin continued to lose allegiance and the last appeal, political, social, cultural, and universal.

Poland in 1956 and in 1968 was a focal point for everything that was happening inside the rest of the Warsaw Pact. The Poznan uprising in 1956 led to Budapest. Student mutinies in
Warsaw in 1968 were played out more comprehensively in Prague. Poland itself was very much different, as it was not a small state.

Indeed, Poland was a significant actor that could not be easily oppressed in the same Khrushchev-Brezhnev manner as Hungary or Czechoslovakia. Moreover, internal challenges made Soviet capabilities more strenuous since the Soviet intrusion in Afghanistan significantly impaired the Red Army’s military capabilities.

Moreover, economic pressure inside the Soviet Union was growing. Since Gomułka and Bierut, there were few adjustments made. As a result, deprived social movements had incrementally consolidated into larger comprehensive civilian organizations that inevitably became an overwhelming political challenge for the Soviet Union. Eastern Europe’s hard currency debt stood at $6.1 billion in 1971, grew to $66.1 billion in 1980 and reached $95.6 billion in 1988. The speed of the economic downfall was stellar. Economic deficiencies could no longer be hidden or disguised.

Poland, however, became a different story from Hungary or Czechoslovakia. The first profound difference was that it was not squashed militarily from without. It was always an internal clash after which intellectuals, students and workers did finally find common ground in 1980. A civilian movement—Solidarity—became a well-organized and nonviolent mass movement aimed at reforming Polish economy and polity.

The church, national idealists and realists, workers, intellectuals and youth were merging into a mounting opposition. At the time when martial law was imposed, a group of young economists at Warsaw School of Planning and Statistics, led by Laszek Balcerowicz, was already drawing plans for an autonomous private business sector freed from central planning. This, and other proposals, were intensely debated among “unofficial” Poles and abroad. The imposition of martial law only accelerated the surge of the opposition and of a dwindling Soviet influence.

The Visegrad and the Baltic States were different in two profound areas. The Baltic States were never a part of the Warsaw Pact. Instead, they were firmly incorporated into the Soviet Union. Overall, this fact does not diminish the possibility for military oppression. The second factor bears more significant consequences for the day.

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383 Judt, 583, 607.
During the five-decade occupation of the Baltic States, the Soviet Union placed titular nations under the Russification siege. When the Soviet Union collapsed, restoration of ethnic groups, bound by unique languages in all three Baltic States, became a superb challenge. In all other areas, there was much commonality.

One of the major reasons for the repulsion against the Russian Federation is its historically oppressive character. During the Soviet occupation, it was hard for Kremlin to adopt policies that would be respectful toward diverse ethnic groups residing in the single union. The Russian majority, as a result, pitted Hungarians, Latvians, Czechs, Slovaks, Poles, Estonians and Lithuanians against themselves.

Since ethnic Russians or genuine Soviet citizens were dominating other inherently different groups, the otherness became a strong base for the surging opposition against all Russians or Soviets. The objective of all the Soviet minority groups became to break away and become liberal, individual and unique. Private economic production within the union was no less an expression of individual culture than social traditions and ideational traits.

This search for independence was never disguised. Bill Clinton recalls meeting a protesting Latvian at the Lincoln memorial in 1968, one of many from the “captive Baltic nations” who was a member of the liberal national student movement and the students for a democratic society. She noted that one day the Baltic States will become free from Soviet totalities. At the time, Clinton thought of the woman as three bricks shy of a full load. He later learned that the vision for the Baltic States to gain freedom was not that surreal an idea after all. In Latvia, intellectual thought and social aspiration were not so different than they were in Czechoslovakia.

Cultural strongmen like Adam Michnik in Poland, Václav Havel in Czechoslovakia, or the Hungarian liberals of their generation shared lifelong experiences with communism. Russian literature and language were mandatory subjects for students. Thus, the local intelligentsia became a significant intellectual realm for the preservation of national uniqueness.

In the Baltic States, among the most popular and influential poets were Estonians Hando Runnel (born 1938) and Juhan Viidig (1948-1995), Latvians Ojārs Vācietis (1933-1983) and Imants Ziedonis (1933-2013), and Lithuanians Vytautas Bložė (born 1930) and Sigitas Geda

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385 Judt and Snyder, 232.
All the intellectual leaders represented generations that shared a familiarity with the Stalinist atrocities and Soviet crimes in the Baltic States. Their literary works carried disguised ideological and practical opposition to communism. The soviets remained a symbol of the old regime and the old ideologies helplessly tied to isolation from reality. The Soviet ideology and culture was a fertile soil for the surge of adverse culture inside most of the captive ethnic groups.

Strong cultural, ideational and intellectual opposition were also strongly contributing to the emergence of civilian movements. In Poland, Solidarity brought together workers, intellectuals and students based on common nationalistic and religious sentiments. As a result, Poland managed to weld together all groups in a unified front against the communist clout.

Despite the fact that religious matters were less embraced in the Baltic States, incremental unification of Latvian, Estonian, and Lithuanian civilian societies took place no differently than in Poland. The first was based on environmental degradation concerns. The Balts started to organize intellectually based on these concerns.

The second was based on the perception of Soviet crimes against Baltic ethnic groups. As a result, protests and mutinies started to emerge. The third was when societies stood up to attend national events that were forbidden by the Soviet authorities. As a result, large-scale protests took hold. Similar sentiments were shared by Czechs, Slovaks, Hungarians and Poles. For these reasons, their common understanding of security converged and the opposition against the new Russia emerged.

As a result, the Euro-Atlantic community by Eastern Europe was seen as an asylum. First, the Atlantic partnership was essential to avoid further military oppression. It was seen as a stronghold for security among its members. The United States-led NATO was seen as the essential security guarantee and the liberating force.

The European partnership was more benign, but culturally inclusive. The economic and political expressions clearly stated that the objective for Europe is to remain unified and diverse at the same time. The adherence to both communities required that something be present that was

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long desired by the Visegrad states. It was democracy for which some countries like the Russian
Federation and Central Asia were not ready then and are not ready even now.\(^{388}\)

Hungary, Czechoslovakia and Poland separately and together set in motion certain
processes that were bound to evolve into uprisings in the Baltic States, too. There were profound
aspects that Estonia, Latvia and Lithuania shared with Hungary, Czechoslovakia and Poland. In
Eastern Europe, respect for national differences became their unifying factor. The key unifying
factor for Eastern Europe became the opposition against Soviet military force. That was the only
factor that kept the Soviet empire together until it imminently collapsed.

Such union could not naturally last for long. On December of 1991, the presidents and
the prime ministers of Russia, Ukraine and Belarus-the core Slav states of the Soviet empire-took
it upon themselves to meet near Minsk and denounce the Union Treaty of 1922, in effect
abolishing the Soviet Union.\(^{389}\)

The so-called Belavezha accords de jure abrogated the empire that had been dying since
the death of Stalin in March 1953. Hungary was de facto lost in 1956, as was Czechoslovakia in
1968, but the accelerated disintegration took hold in the events of the 1980s in Poland. The
Baltic States took over the relay in 1985 when they explicitly started challenging the Kremlin’s
rule.

The de-Stalinization of the Soviet Union showed significant limits that small states must
consider. The newly independent states that came out of the Soviet Union indeed recalled their
memories of the events of 1956, 1968 and 1981. Those same memories even today unite the
Visegrad and Baltic States in the post-Soviet era against the heir of the Soviet Union that turned
out to be a sick, declining and dying civilization.

History plays different roles in different regions, but around the Baltic borders only
Russia can change the perception of its civilization to one that is different from the Soviet Union.
It has not been successful thus far. Conversely, since before and after the death of Stalin, the
Euro-Atlantic community has surged. Only those countries delineated themselves from the
cooperation with the community are latently excluded. For shared reasons with the Visegrad
states, Latvia was staunchly approaching the Euro-Atlantic community once it was possible.

\(^{388}\) Furman, 247.
\(^{389}\) Judt, 657.
CHAPTER V

AMERICAN FOREIGN POLICY

Introduction

The Euro-Atlantic community is twofold. On one side of the Atlantic is the United States. On the other, there is a union of willing major European powers and their followers. The community has existed since the American landings on June 6 in 1944, the so called D-Day.

It is clear that lacking any of the partners from both sides of the Atlantic, the community would not exist. That alone makes the United States presence in the community indispensable as is Europe’s. The American presence in Europe is a result of reciprocal interests on both sides of the Atlantic. Binding interests that the transatlantic partners shared before and after D-Day were varied. The range and scope of transatlantic cooperation were uneven. However, from the beginning even Latvia, together with the other Baltic States, has been a part of the evolving story.

There were some strategic interests Americans already had long before D-Day. America’s interests in free trade, based on neutrality and parity of all were recognized in 1810 in the Baltic Sea region. A sea power, America “defended the interests of nations trading in peace from the flames of war” by siding with the allied powers against Napoleonic France.390

With Latvia, however, relations were possible only when the country existed as an actor in international affairs. It declared independence in 1918, but was occupied in 1940. Latvia regained independence and rose out of the Soviet Union only in August of 1990. Then it started looking for new relations and friendships. Those are the two distinct periods within which it is worth assessing the intensity and change of American foreign policy toward Latvia.

Moreover, since Latvia is a small state in Europe, apart from normative aspects, parity with the United States is hardly imaginable. Thus, the story of Latvia and United States becomes part of the story of how the United States approached Europe. D-Day was a pivotal moment when the United States and Europe had drifted apart before, but based on shared interests came

390 James Madison, “Blockade of ports of the Baltic by France, and Exclusion of Neutral Vessels by Russia, Sweden, and Denmark,” American State Papers, Department of State (January 12, 1810): 327-328, 327.
together later. Since that day for Europe the United States was a necessity, but for the United States closer relations with Europe was a choice. Both periods had an impact on Latvia, too. But there is more than that.

The United States breached isolationism when it entered World War I. Later on, it went back home to become isolated again until World War II and the ensuing Cold War. During the Cold War, Latvia was firmly incorporated into the Soviet Union. The United States, however, since D-Day was actively engaged in European affairs but with Latvia relations were not possible. Then the Soviet Union collapsed and the possibility for a new world order emerged. Until then the United States and Europe had become sound partners. There was a reason to expect that at the moment the Soviet flag in Moscow was removed, new friendships and renewed partnerships for Latvia with the United States would be an option. The author will further outline those three periods as salient focal points in the United States and Latvia relations.

Malign: Between the Wars

Shortly before Latvia declared independence in 1918, the United States entered World War I on behalf of the Triple Entente – Great Britain, France and the Russian empire, joined later by Italy. The United States presence was crucial. It helped change the trajectory of the ongoing war in Europe. However, after the war, President Woodrow Wilson did not hold Washington to wartime and postwar obligations. Wilson questioned the motives and goals of allies that were not trusted.\(^{391}\) Therefore, the United States maintained a free hand to pursue treaties and postwar policies where and when necessary and convenient. The initial uncertainty in Europe, and especially around the Russian borders, also influenced the American stance regarding the Baltic issues.

The initial American-Baltic policy was indirect and ambiguous. Because of an ongoing internal struggle for power between Leninists and Bolsheviks inside the Russian empire, Wilson’s government hesitated between supporting Lenin or his opponents. Nevertheless, the allied powers recognized the reciprocal importance of peace in the East and in the West. On the part of Europe, Churchill was ready to issue an ultimatum to the Bolsheviks. The ultimatum

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would order fighting to stop. If ignored, Churchill was even ready to test what could have been done with arms to enforce peace in Russia.

On the part of the United States, Colonel Edward M. House, Wilson’s favorite aide, and Robert Lansing, his Secretary of State, attempted to guide Europe. On behalf of the allies, Colonel House had even suggested omitting Bolsheviks and talking directly to the Russian people. Yet, Wilson was just not ready to embrace his aides or to “commit to Winston Churchill’s steady attempt by degrees to lead allies into a position by which war with Russia would be inevitable.” The obvious policy discord led allies to nowhere, but Wilson politically apart from even his favorite aides. Nevertheless, some kind of position toward Russia was needed.

The fate of the Russian empire to which Latvia had belonged was not clear. Much clearer were the devastating postwar effects on Europe in general. After the Paris peace conference, therefore, Washington decided to distribute food aid to Europe, and the ‘Baltic States of Russia’ were ranked among the countries in urgent need of such aid. Such steps inched the United States closer to more explicit policies.

Named after Wilson’s last Secretary of State Bainbridge Colby, the Colby declaration honored and justified Russia’s territorial integrity. As a result, the Baltic States were recognized as a part of Russia in August, 1920. It illuminated Wilsonian diplomacy with respect to Soviet Russia. The note laid out the doctrine of non-recognition of Soviet Russia. Colby’s declaration highlighted Wilson’s choice to work with the unified Russian empire.

The Colby note echoed Washington’s shared concerns with France, Britain, Japan, and even Germany to potentially split up Russia. Wilson decided to opt for the safest option and side initially with Lenin’s opposition. As a result, Wilson and Colby laid foundations for political confrontation in the future with Soviet Russia. Even if there was no military confrontation, armed standoff and arms race, reciprocal suspicion, mutual misunderstanding, distrust, ideological hostility, and diplomatic isolation were already evident.

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393 Floto, 108-111.
396 Davis and Trani, 202.
By this time, the allies failed to anticipate the demise of the Bolsheviks and the rise of Lenin to power, contributing to adversarial relations with Soviet Russia. In terms of the Baltic States, if autonomy were to be granted, they had to be a cordon sanitaire between Soviet Russia and Europe. All in all, the American position at the time depended on the European stance.

The European position, however, changed. When Lenin rose to power, Soviet Russia and the Baltic States had to come to different terms. Lenin rose to power out of instability but he had to stabilize former Russian empire. To do so, Russia had to overcome its fear of the West coming closer to Russia’s backyard and threatening its “official nationality”, based on orthodoxy, autocracy, and nationality (Russian language). The Russian idea, based on the official nationality, is the mission that the empire has been inclined to bear. Thus, giving independence to the Baltic States meant giving up those same principles in the Baltic region.

There was a reason for Lenin to grant such a concession. At home, when the Bolsheviks were expunged from power and Soviet Russia could stabilize politically, Lenin could commit Soviet Russia to de jure recognition of the de facto autonomous Baltic States. There was a strong pre-condition for Lenin to recognize the Baltic States. The Latvian Riflemen were necessary to Lenin’s domestic political survival. As Lenin was facing his power limits, out of military constraint and domestic instability risks, he did not have any other option than signing an armistice with the Baltic States. As a result, on August 11, 1920, the Latvian-Russian peace treaty came into being, an official recognition of Latvia.

By that time the fracturing Russian empire was seen more as a problem by the United States. For example, the United States Congress on January 14, 1921, was considering the question of emigrants leaving the Baltic States. They acknowledged that it is important to remember the recent land laws in all of the Baltic States where the conditions that gave peasants a desire to cultivate the land, an opportunity which they had never before enjoyed.

Few of these people were, therefore, leaving the country, and this was seen as the class from which desirable emigrants could have been drawn. The class of Latvians and Lithuanians who were leaving were recognized as the people from the slums of the cities and towns and were seen as undesirable. From the United States’ perspective the interest was for conditions in the Baltic to remain stable and for the “undesired emigrants” to stay where they were.

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398 See The United States Congressional Record, Congressional Record Bound (April 20, 1921): 465-514, 498.
The Russian-Latvian armistice became instrumental for the European powers to change their mind. French Foreign Minister Aristide Briand recognized Latvia *de jure* as an independent state in the name of the allied powers on January 26, 1921. The long-awaited *de jure* recognition of Estonia, Latvia and Lithuania came also from the United States on July 25, 1922. As the tide from Soviet Russia was moving backwards, Europe and the United States henceforth chose to address each Baltic state separately.

The reciprocity of diplomatic relations and the time gap between the recognition of Latvia’s independence by Soviet Russia and the United States highlighted the absence of Washington’s overall interests, both, in Europe and in the Baltic States. It is no surprise that one of the United States’ diplomats, Adolf Berle, recalls a dinner with Latvian Minister Alfreds Bilmanis “which turned out to be a minor celebration of the recognition of Latvia which he had recommended at Paris nineteen years ago” only on April 9, 1938.

Back in 1919 in Paris, American pundits entertained ambitions to lead the peace conference with some defining principles for Europe’s future. Not all European leaders embraced this American stance. It caused Americans to accommodate David Lloyd George and Arthur Balfour on such issues as reparations, the future of the Rhineland, the Atlantic Charter, and the League of Nations, all of which sharply drove Wilson's intentions in one direction.

The American detachment from the position of the European allies and from some of his favorite aides made Wilson’s policy isolated from actual conditions in Europe. Wilson declared his intention to extend American power for the purpose of strengthening its ideals. American universities did not hide their discomfort with Wilson: Harvard described America as being isolated "in the saddle", Columbia saw "Americans retiring within their own shell", Yale judged that American policy had "degenerated" into isolationism, that was the foreign policy of "avoidance rather than action." All in all, the existing transatlantic cooperation since the Paris conference had made European allies anxious in front of rising challenges.

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399 See “The note by the President of the Inter-Allied Conference, Aristide Briand, to the head of the Latvian Delegation to Paris regarding the *de iure* recognition of Latvia in Paris on January 26, 1921,” Ministry of Foreign Affairs of Latvia: Collection 2570, Inventory 3, File 1148, 27.
403 Ibid, 2-3.
By 1938, American-British cooperation had grown especially strong, but the priorities they shared were quite different. Roosevelt listened with increasing respect, even if not always with sympathy, to Churchill’s warnings against the dangers of Adolf Hitler. That was especially true after the Munich agreement of September 1938, which gave Hitler the Sudeten districts of Czechoslovakia in return for a promise of good behavior in accordance with the Wilsonian ideals.\footnote{Francis L. Loewenheim and Harold D. Langley, Manfred Jonas ed., \textit{Roosevelt and Churchill: Their Secret Wartime Correspondence} (New York: E.P.Dutton&Co., Inc., 1975), 6-7.} The agreement was Britain’s Prime Minister Neville Chamberlain and France’s Premier Édouard Daladier attempt to appease Hitler.

After the folly of 1938, Churchill’s pleas for assistance surged; those were eloquent pleas based on reciprocal sympathies and admiration. They resulted in Roosevelt’s promise to send “great arsenals of democracy” to Europe. Between the transatlantic elites, there was much admiration, but little accord, coordinated or practical action.

Sensing security anxiety in Europe, Roosevelt alerted Daladier through the French Ambassador Maurice de Rothschild that Germany was stronger than anyone believed. Without the United States, the French and the British would be defeated, he noted. He also overtly admitted that the American people had gone back to isolationism and refused to get involved in the coming European conflict. That had been American policy since Paris.

The Americans, despite Roosevelt’s profound personal sympathies toward Britain and France, could do nothing.\footnote{Mario Rossi, \textit{Roosevelt and the French} (Westport, Connecticut, London: Praeger, 1993), 29-30.} Since the conference in 1919, Americans and Wilson had generated international principles, but there was no power in the offing to enforce them. Similarly, since the Munich agreement of 1938, there was no power in Europe to impose order according to the existing idealist principles.

When World War II broke out, Americans expected that France would heroically stand up against Hitler like she did in World War I. Before the war, some efforts were made by the Americans to close the military gap between France and Germany. However, German superiority, embedded in economic and military success, led to quick French capitulation.

Across the Chunnel, Churchill assured that if Americans would request all adversaries to comply, Britain would respect their wishes.\footnote{Loewenheim, Langley, Jonas ed., 90.} Britain alone could no longer maintain the balance of power in Europe. The Molotov-Ribbentrop agreement had tipped the balance in favor of
Germany and the Soviet Union. The result for the Baltic States was becoming one of Stalin’s dominions. American leadership, on the eve of World War II could witness what the absence of defense guarantees meant in Europe - “Russia had taken no commitments for the defense of Belgium just as France had taken none for the defense of Lithuania.”

At the time when World War II was changing Europe, the United States chose to extend the Wilsonian principles to the Baltic States. Acting Secretary of State, Sumner Welles, released the Department of State’s statement number “354” on July 23, 1940. It denounced the end of independence and territorial integrity of the Baltic States – Estonia, Latvia, and Lithuania. Known as the Wells Declaration, it heralded the United States position to continuously work with the Baltic exile governments. The United States recognized the incorporation of the Baltic States into the Soviet Union as illegal.

By officially denouncing the forceful annexation of the Baltic States, Washington left a bookmark for the future independence of the Baltic States. Yet, Welles still encouraged Roosevelt to establish closer ties with Stalin and the Soviet Union as the only two superpowers that could ensure peace in Europe.

After all, the Red Army was the only force capable of withstanding Nazi Germany in the East. But the United States was the only power to consolidate the West. Wells also concurrently made Stalin aware that the United States expected good-faith bargaining and adherence to treaties. In 1941 attempts to negotiate the humanitarian aid to Poles and Latvians, the most severely harmed groups in Eastern Europe, were easily rebuffed and ignored by Stalin. Small nations and states were minor issues when compared to the wartime objectives.

By then Americans were no less interested in peace in Europe than欧洲ans themselves. By 1942, Churchill was willing to respect Soviet frontiers as they were when Hitler and Stalin were allies. In his private letters to Roosevelt, Churchill foresaw abandoning the Baltic States to ensure Stalin’s acceptance of the Atlantic Charter and an international peace settlement.

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409 Berle, 375.
Stalin had earlier expressed his interest to Churchill in concluding the charter and liquidating hostile elements in the Baltic States. Moreover, the allies were forced to consider that the Red Army was the only force capable of standing in front of the Nazi regiments alone, which initially it did.

Even if few in Washington did not feel like throwing the Baltic States to the wolves, Roosevelt did not object, instead, he initially pleaded for the right of the population to resettle peacefully. Nevertheless, since the Tehran, Yalta and Potsdam conferences, the United States and Stalin were ominously drifting apart. There was little American and Soviet leaders shared and, therefore, there was even less they could agree on. Instead of closer partnerships, they were incrementally becoming belligerents.

In 1919, Wilson had overtly emphasized the need to “think of America before Europe.” When the day comes, the United States must be ready to help “when the struggle will be over and the warring nations will be utterly exhausted until they could not possibly threaten the United States, even economically - then they will desperately seek America’s heeling influence.”

Even before World War II, and even more so in its aftermath, Americans had experienced the follies of living in self-isolation. The evolving events before World War II proved that Americans were not as isolated as Wilson thought they were in 1919. America’s foreign policy had been malign for itself and for the allies in Europe.

Benign: the Cold War

Since World War II did not end when the fighting was over, Americans could not retreat to wait for a moment of healing influence. Instead of just ending all fighting in Europe, there was a need to avoid all conflicts from erupting in the future. No more could the transatlantic community be as delusional as it was in the interwar period.

From Latvia in February 11, 1940, U.S. Envoy Extraordinary John C. Wiley reported to the Secretary of State that the Latvian President had identified “the safest place for a year's

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411 Berle, 407.
supply of bread and other food was the farmer’s own barn and pantry and that every farmstead were asked to delegate one man in a uniform with the supply of two shirts or towels and one good pair of boots.”

The West-East conflict lasted longer than anybody expected. In fact, the communist half of Europe woke up five decades later with appalling economic conditions after the communist edifice crumbled. Conversely, the Western half of Europe enjoyed relative affluence. The Marshall Plan, an enduring American-European cooperation, contributed to the reciprocal transatlantic welfare. Since the beginning of the Cold War, American foreign policy became the containment of communism from expanding in the Western half of Europe or the “defense of freedom” according to Václav Havel.

The five decade American strategy of containment, as coined by George F. Kennan in July of 1947, was the defining loadstar of American international engagement. The concept gained a legal framework on April 4, 1949 when at the insistence of the United Kingdom, the North Atlantic Treaty (NAT) was signed. Until the war in Korea, American leaders did not call NATO as NATO. It might just be an American penchant to call something an organization when and only when it is believed to be effective. Strengthening the collective defense organization against communist expansion came a bit later.

The sounding of the tocsin for decision makers, and the Western Europeans alike, derived from the potential Soviet surge in three areas. One was the Soviet atomic test. The second was the collapse of the nationalist government in China. The third, the communist invasion of South Korea. The United States and the Western European allies were forced to react against the backdrop of expanding communist clout and belligerence in the East and around the Western borders.

As a result, the United States adapted the comprehensive containment of communism policies worldwide. It was Harry Truman who first incorporated the containment principles in the Truman’s foreign policy doctrine. The first practical task was to deter Soviets from expanding into Turkey and Greece. Not long thereafter, the Marshall Plan aimed at the

improvement of socio-economic conditions in Europe. The objective was to avoid communists coming to power in Europe. American foreign policy took several shapes, but it never deviated from the defining containment principle.

During Eisenhower’s term, the policy was called “the new look.” It based on overwhelming “retaliatory striking power” in case of Soviet attack. Despite altering Truman’s Doctrine, he never abandoned the overarching objective to contain communism. American makers of foreign policy were forging American and European defense capabilities. Kennedy and Johnson later adopted versions of flexible response and brinkmanship to contain communist powers. American foreign policy principles were tied to maintaining a “hard and bitter peace”, according to Kennedy.

Then the Baltic States were beyond the American reach. For example, notwithstanding more distant areas inside the Soviet Union, Kennedy’s response to West Germany’s Willy Brandt’s concerns about Western inaction and the crisis in Western confidence after the erection of the Berlin Wall was nothing but cautious. He responded by saying that “as grave as this matter is, there are no steps available which can force a significant change.”

Trying to take East Germany by force would have meant starting a war with the Soviet Union.

Kennedy’s successors were not different. They also could not abandon the prevailing arms race when it was in full swing. What Johnson could do, however, was to build contacts with the Warsaw Pact countries by sending in the first ambassador to Poland or turning legations into embassies in Hungary or Bulgaria. Moreover, as Johnson himself recalls, “there was a possibility for a slow bridge-building process of contact, commerce, and better understanding with millions of Europeans living under communist rule.”

At the moment when the Soviet Union seemed to reach parity in terms of nuclear arsenal with the United States, there came Nixon’s détente. It was still coupling “Kennedy’s tactical flexibility with Eisenhower’s structure and coherence.” There was little global leaders could do to abandon the arms race. When relations reached dead ends, telling “the best anecdotes and

colorful phrases which Soviets themselves had used through all meetings” was a way to uphold diplomacy.\footnote{Bruce Oudes ed., \textit{From President: Richard Nixon's Secret Files} (New York: Harper and Row Publishers, 1989), 442, 482.}

Later Jimmy Carter “did not want to abandon American values for the Soviet ones”, but, as Carter recalls himself, “he served as president during the latter years of the Cold War, when mutual assured destruction from a nuclear exchange was an overriding factor for American dealings with the Soviet Union.”\footnote{Jimmy Carter, Zbigniew Brzezinski, Walter Russell Mead, “President Carter's Rebuttal,” \textit{Foreign Policy}, No. 178 (March/April, 2010), 10.} He did not shy away to emphasizing that even if he saw a need for a change in American foreign policy, he noted that “he profoundly believed in a strong defense.”\footnote{Jimmy Carter, \textit{A Government as Good as Our People} (New York: Simon and Schuster, 1977), 81.}

Finally, Reagan launched a military surge and completed the containment by exhausting the Soviet Union in the arms race. Even if Reagan urged in his public speeches to halt the spiraling of the nuclear race, he was genuinely worried that the nuclear freeze could be directed only at the United States rather than all superpowers, especially the Soviet Union.\footnote{Ralph A. Weber and Ralph E. Weber ed., \textit{Dear Americans: Letters from the Desk of the President Ronald Reagan} (New York: Doubleday, 2003), 42.} As a result, his policy became a massive military surge.

The American foreign policy was a mix of values and force, but it never abandoned the containment loadstar to sustain those same values that Wilson had proposed for the interwar period. Even George H.W. Bush’s stance was cautious when the Soviet flag was removed from the Kremlin flagstaff.

His diary bears a note from September 2, 1991, where Bush senior explicitly used “the power and prestige of the United States, not to posture, not to be the first on board, but to encourage Gorbachev himself to move faster on freeing the Baltics.”\footnote{Jim MacGarth ed., \textit{Heartbeat: George Bush in His Own Words} (Scribner: A Lisa Drew Book, 2001), 158.} Despite the Wells declaration, Americans left the Baltics to resolve challenges themselves before America zealously came to defend new friendships.

Had the Soviet communism been appealing during the five decade occupation, there would not have been a need to contain it. George Kennan noted that “the Baltic countries should never again be forced against the innermost feelings of their peoples into any relationship whatsoever with a Russian state. America acknowledged the ideals that Wilson had proposed.
Latvians had a right for self-determination, but the right could not be enforced since there was a risk of all-out nuclear war.

It was recognized that any of the Baltic States would be foolish to reject close and cooperative arrangements with a tolerant, non-imperialistic Russia, which genuinely wished to overcome the unhappy memories of the past and to place her relations with the Baltic peoples on a basis of real respect and disinterestedness. If that was the case then the whole strategy for containing communism would have diminished, and there would be no secessionist movements inside the Soviet Union. Since communism was never cooperative, but oppressive, the deterrence principle was a necessity for the day.

Until Bill Clinton, the Welles declaration remained a bookmark for Baltic independence. The United States was waiting for the right moment. Reminiscent of what Wilson had said before, the possibility for the healing influence and resumed friendships could take place in the 1990s. The Soviet Union was gone, the world was changing, but for the Cold War period and in the immediate post-Cold War years, the policy toward the Baltic States and Latvia was nothing more than benign.

On January 20, 1989, George H.W. Bush noted that “a world refreshed by freedom seems reborn and a day of dictator and totalitarian era is passing. Great nations of the world are moving toward democracy and through the door of freedom, free markets, and prosperity.” Shortly thereafter Bush delivered a speech in Mainz, West Germany on May 31, 1989. He explicitly noted the task of build Europe whole and free. After declaring the direction, there was a need for action.

According to National Security Advisor Brent Scowcroft, the day when the world changed was the day when “Baker and Shevardnadze stood up together and denounced the Iraqi invasion in Kuwait.” For Latvians the new order arrived with the declaration of Latvian independence which Yeltsin recognized in August, 1991. Belarussian, Ukrainian and Russians leaders declared the Soviet Union dissolved by signing Belavezha Accords on December 31, 1991.

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In response to the extraordinary transformation in Eastern Europe, Bush proposed a $300 million economic aid package which Democrats raised to $500 while the assistance to El Salvador alone in 1980s had been $4.5 billion. During the first post-Cold War moments, NATO’s force reduction proposals raised questions about American international leadership.  

When the Berlin Wall moment was in full swing, Americans were trying to make a win-win and complete World War I and II. President Bush and Secretary of State Baker practiced skilled diplomacy with their counterparts. During the first two years in the administration, Bush and Gorbachev had held three summits while Baker and Shevardnadze had met even more often until the Soviet counterpart worrisomely resigned in 1990.

The goal of diplomacy was not about making policy deals. The goal of the meetings was “to create relaxed setting where the two leaders could get a sense or a feel for one another and what’s on their minds, and their way of doing business, so they could see where the other was coming from,” recalls Bush senior. The pinnacle of the policy was reached during the Malta meeting in December of 1989. Then the major focus was on nurturing personal contacts, less on seeking policy solutions, and most certainly avoiding temptation to state “we won, you lost.”

Major European leaders embraced the same stance. From the perspective of the United Kingdom, Thatcher’s argument was not to pursue the Baltic issue in Malta as a possibility to undermine Gorbachev. Before Malta, the French President Mitterand during his meeting with Gorbachev had learned that the Soviet leadership “was not ready to give up fundamentals” like Lithuania. Moreover, the incorporation of East Germany into NATO might have altered Soviet demilitarization.

The result was that during his first meeting with Gorbachev in Malta, Bush prepared the way for Conventional Forces Europe (CFE) talks, strategic and chemical arms reduction prospects, upheld the prospect for expanded trade relations, and brought up the situation in the

430 Ibid, 277.
Balkans, among other issues. In the most crucial areas for the Baltic States, however, little progress was made. Latvia, and the other Baltic States, were not included in the CFE accords. It was a crucial moment since the Soviet military was present in the Baltic States.

The initial CFE agreements were aimed at reducing land, air, and naval forces in Europe. The initial agreement included the Union of Soviet Socialist Republics. It meant that implicitly Latvia was a part of the agreement since it was still forcibly incorporated into the Soviet Union.

Nevertheless, the concluding act of negotiations on personnel strength of conventional armed forces in Europe, a supplement of the original treaty, did not include any of the Baltic States. There were no timetables and agreements on the Soviet military withdrawal from Latvia when the final agreement was made on July 10, 1992. Bush was hesitant to work with the Baltic States too hastily. Colin Powell recalls that Americans “gave unintended blessing to the Soviets to hold on to the Baltics, what is yours is yours and what is ours is ours, and lets stay off each other’s turf.”

President Bush observed that, with the Baltic States free at last, and the rash of other independence declarations, it was a complex situation. There was a problem with the future of many small republics inside the Russian Federation and other ethnic enclaves in Russia. Washington closely observed the power change in Russia. It focused on the containment of the military since there was an absence of centralized Soviet command. Kremlin insiders like Shevardnadze emphasized the importance of initial American assistance to resolve “nuclear command and control” issues because “defense minister in the collapsing Soviet empire and surging Russia did not know what to do and whom to follow.”

In Washington, there were some reservations about the American burden and Europe’s future. The United States was following the time-worn path, but George H. W. Bush, although

436 Bush and Scowcroft, 541.
437 Ibid, 557-559.
438 James A. Baker III, 568.
439 Liber, 330.
more experienced in world affairs than most American presidents, never had a vision for the role the United States could play in the years ahead. He and his secretary of state, James Baker, were superb problem solvers, not given to long-range planning. One of the reasons for such policies were the immediate challenges that American makers of foreign policy had to resolve in a rapid manner.

At the time, it was wishful thinking for the Baltic States to witness more attention from the United States. The Baltic States in the last days of the Soviet Union were the most sensitive issue. The United States had never recognized that they were a part of the Soviet Union. Americans were lobbying Russian leaders to recognize the Baltics themselves, as Russians sought to understand their place in a world without the unifying threat. American-Baltic relations were still based on those same benign principles that Wilson had proposed. There was no power to enforce them in the Baltic at the time.

There were some additional strains Washington had to overcome at home in order to be bolder internationally. The public believed that the United States was in a decline because of “overextended international commitments.” Furthermore, the Soviet Union and China were lagging economically, Europe’s political unity was at odds, and Japan was deficient militarily and in terms of global appeal. There was evident American willingness to overcome the “imperial overstretch” which seemed to tap too much of American power.

Just when George H.W. Bush’s presidency was coming to an end, Bill Clinton and Al Gore were promising to reduce American NATO military contingent in Europe by half. Such a policy might have been reciprocal. The reduction of NATO could have reduced the Warsaw Pact to nothing. But the unilateral withdrawal of Soviet troops and equipment according to set timetables began only in Czechoslovakia, Poland, and East Germany. There was an uncertainty about the usability of NATO in the new era, and the Baltic States were yet firmly excluded from all CFE agreements.

441 Brzezinski and Scowcroft, 11.
444 Liber, 319.
Obviously, there was anxiety in the Baltic States. On September 12, 1991, Secretary of State James Baker zipped through all three Baltic States. When Baker was stepping out from his aircraft, Lithuanian Foreign Minister Algirdas Sadauskas was watching his watch and compared the visit of the secretary with Neil Armstrong’s stepping on the moon. Latvian interim President Anatolijs Gorbunovs told him “we want to be a nuclear-free zone.” Gorbunovs was not sure what exactly Soviet/Russian military arsenal was on Latvia’s soil.

Estonian Prime Minister Edgar Savisaar emphasized the willingness to launch the soonest possible “accelerated divorce” and economic renewal. Baker recalls that he sensed ancient and national roots that were ready to flourish in the Baltics. It was something different that he had felt amid looming barracks and scattered sand sacks in St. Petersburg or Moscow just after the recent August coup in Russia.445

There were sound reasons for the Baltic States to be anxious. There was a post-Gorbachev silence in Russia.446 Only recently, in January of 1991, at the same time when the United States was sending half million troops to defend Kuwait, Soviets had used tanks in the Baltic States to stop them from seceding.447 The possibility for exercising military force remained undiminished.

The fear of Russian return was in the air because the Russian military regiments were still in their Baltic barracks. Estonians, Latvians and Lithuanians wanted all Russian military to be immediately removed while Russian commanders insisted that “when a family falls apart, it’s a private matter that cannot be solved in a day.”448 Since there was no Western –backed agreement on the Russian military in the Baltic States, ridding Latvia from post-Soviet/Russian military remnants became a subject for diplomatic struggles and political agreements.

There was a need for the Western assistance to moderate Baltic-Russian relations. The risk for the Baltic States was to become like contemporary Moldova. Since September 1990, Moscow was sending troops to protect a congress organized by pro-Soviet activists in Moldova's

447 Chance, 6.
Transnistria region (a strip of land along the east bank of the Dnestr River). The secessionist movement was enhanced by the post-Soviet military remnants under the auspices of the Soviet General Yakovlev. Russian military remnants in the Baltic States could create similar protracted conflict which in Moldovan is not resolved yet.

The Bush’s and initial Clinton’s policies were dovish. But the United States Congress already in 1985 called on the Secretary of State and the President to take all steps to ensure the withdrawal “of all Russian and other non-native troops, agents, colonists, and controls from the Republics of Lithuania, Latvia, and Estonia.”

In 1985, the Republican Congressman from Michigan William S. Broomfield noted that the United States should not hesitate to call on Mr. Gorbachev “to truly open up Soviet society and introduce democracy to that closed police state.” This was the reaction which the United States officials extended in response to demonstration in Riga organized by Latvian nationalists to denounce the Soviet deportation crimes. The demonstration in then Soviet Baltic republic was the largest known peaceful, anti-Communist political gathering in the history.

When the Soviet crackdown on the Baltic independence movements took place in January, 1991, the United States Congress did not hesitate to react. The Republican Douglas K. Bereuter came up with a speech before the Congress where he explicitly outlined that with the American eyes being tied to the Persian Gulf, the Baltic States were “about to feel the heel of Soviet aggression and oppression.”

On the same issue, the Democrat Congressman, Steny H. Hoyer, led a delegation and chaired Helsinki Commission to the Baltic States. He dubbed “the administration engaged in only half-hearted actions on behalf of Baltic independence, designed more to save President Gorbachev from embarrassment than to promote the Baltic cause.”

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451 William S. Broomfield, “Mr. Gorbachev, Glasnost Should Include Self-Determination for the Peoples of the Baltic States,” *Congress Session 100-1*, Volume 133, No. 97 (June 15, 1987).
453 Douglas K. Bereuter’s address to the House of Representatives, *Congressional Session 102-1*, Volume 137, No. 6 (January 10, 1991).
After successfully defending freedom in the gulf, Congress urged summoning Soviet diplomats to stop the aggression in the Baltic States. Just two months after the 1991 crackdown, the Congress delegation urged to transform words into deeds. The Congress came up with a resolution asking to establish American presence in each of the Baltic States “by raising high the flag of freedom” and channeling governmental and private sector assistance directly to them.\(^{455}\)

The Congress also proposed and sought support for Baltic States observer status in the Conference on Security and Cooperation in Europe, instrumental in tracking the Soviet troop withdrawal from the Warsaw Pact and Eastern Europe in accordance with the CFE agreements. The United States Senate went even further. It resolutely called “for the Soviet Government to immediately begin a withdrawal of Soviet armed forces from the Baltic States and undertake discussions with Lithuania, Latvia, and Estonia to facilitate that withdrawal.”\(^{456}\) The resolution overtly pointed at the continued stationing of roughly 135,000 post-Soviet/Russian/CIS troops in the Baltic States. It was a flagrant violation of territorial integrity and political sovereignty.

In the middle of 1992, when Congressmen did not see the necessary clarity and actions in the military withdrawal, it again emphasized to the President that “Latvia, Lithuania and Estonia cannot be fully free or independent with thousands of foreign troops stationed on their territory against the will of the people and governments.”\(^{457}\) The note came close to the election and inauguration of the next President of the United States, Bill Clinton. The statement was supported by 31 Congressmen. Among them was also the next Vice-President, Al Gore.

When Clinton assumed his duties at the beginning of 1993, Russian military forces were still in Latvia. Nevertheless, myriad efforts were made to assist the Baltic States. Since Latvia, and Riga, were the central management of the Russia’s Baltic military district, most military personnel and infrastructure was located exactly there (compared with Estonia or Lithuania).

On the military withdrawal, Russia had been more than reluctant. It delayed talks about the withdrawal until February, 1992. Only then Russia belatedly acknowledged that there were “foreign military forces to be withdrawn from the territory of another state.”\(^{458}\) As an impediment to the full scale withdrawal the shortage of housing for the Russian military was

\(^{455}\) Ibid.
cited in Russia. Furthermore, Russia demanded an extended access to Liepāja, Ventspils, and Skrunda strategic military bases in Latvia.\textsuperscript{459}

However, due to Russia’s need for Western aid, Russia’s position regarding troop withdrawal softened in the middle of 1992. Nevertheless, it laid out conditions under which withdraw of all military remnants would take place. Among them were guarantees to respect the rights of the Russian speaking population and pensions to the Russian retired officers.

The result was that Russia tied the removal of troops to laws regarding citizenship and language. That was a disconcerting condition for Latvians. When the relationships reached some high points in the fall of 1992, Yeltsin even suspended the troop withdrawal using “profound infringements of rights for Russian-speaking population” as an argument.\textsuperscript{460}

A similar announcement about the suspension of the troop withdrawal followed in spring, 1993. Russian Defense Minister Pavel Grachev mentioned the inability to reach accords on “sequence, conditions, schedule, and social security for the servicemen” as obstacles. On both accounts, the Russian troop withdrawal was tacitly continued. Russia desperately needed financial assistance which had to be approved by the United States congress.\textsuperscript{461} Washington played a key role in this instance.

Since the United States had tied aid to the troop withdrawal, it carried out a $166 million program to provide housing for retired Russian officers withdrawn from the Baltic States. Moreover, American makers of foreign policies performed a mediating and facilitating role between the Baltic States and Russia on this issue until the withdrawal was completed in 1994.\textsuperscript{462} It helped to soften sensitive diplomatic issues for Latvians and Russians alike.

Diplomacy was no less important than financial assistance to Russia. Clinton, with assistance from Britain’s Prime Minister John Major, was instrumental in involving soon to be EU member Sweden to chair and run an EU working group on the Baltic States. This added a diplomatic pressure weight to that of Washington’s.\textsuperscript{463} According to Bill Clinton, removing Russian troops from the Baltic lands was a way to close the Cold War doors.

\textsuperscript{460} Rasma Karklins, \textit{The Collapse of the USSR and Latvia} (Baltimore and London: Johns Hopkins University, 1994), 122.
\textsuperscript{461} Woehrel, “Russians in the Baltic States,” 7-8.
According to former Swedish Foreign Minister Carl Bildt, it was a litmus test for Russia. It could become either a European power or a threat to Western values. Russian conduct toward the Baltic States showed the true nature of Russia's commitment to international norms and principles. Moreover, Washington’s and Stockholm’s efforts played a role in convincing adamant and well-salted nationalists in Latvia to concede in order to complete the Russian military withdrawal.

At the end of 1994 Bill Clinton stopped in Riga to celebrate the withdrawal of the Russian troops from Lithuania and Latvia. It was a move which Americans had helped to speed up by providing large numbers of housing vouchers for Russian officers who wanted to go home. In a moving ceremony in front of Riga’s Monument of Freedom Clinton was greeted by around forty thousand large crowd waving American flags.

Latvians cheered for Clinton’s persistent efforts to secure the withdrawal of the still occupying Russian soldiers. In the meantime, Clinton’s daughter Chelsea was buying flowers in the colors of the American flag in Riga’s central market. It was a symbolic appearance for most Latvians, and not just culturally, at least in Latvia. The United States assisted to uphold Latvia’s sovereignty, and it became independent from Russia’s military.

The inability to remove Russian troops would indicate the restoration of Russian rule in the Baltic States. It would signal a return to the imperialism with which Russia threatened Europe for centuries and an unacceptable shift in both the European and global equilibrium. Bill Clinton heralded the possibility for new friendships and partnerships. Congress urged for early cooperation with the Baltic States, the administration in charge of the White House was benign before. Events in Europe, however, required closer American involvement to uphold the Wilsonian values.

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In the aftermath of the Russian troop removal from Latvia, there were still challenges that had to be resolved. The communist past had “provided alliances, hierarchy, leadership and identity.” Since the Soviet Union was gone, nothing similar existed. Moreover, one of the most crucial arguments for NATO enlargement, and subsequent American involvement, was closing a geographic gap between unified Germany and Russia. The objective was to deny a possibility for either to expand.

There was a need “to eliminate once and for all the strategic vacuum in Central Europe that in the twentieth century had tempted both German and Russian expansion.” Thus, it was argued, NATO expansion must not be delayed and it should not be driven by whipping up Russian hysteria that could eventually become a self-fulfilling prophecy.

By American pundits, the immediate and imminent enlargement was not driven against any state, but was rather a historic process of constructing a stable, secure, and more truly European Europe. However, in the end, NATO enlargement meant something profound for any country that joined the alliance. For the United States it is the most solemn of all treaties: a bilateral defense treaty that extends the United States’ security umbrella to a new nation. The vaulting question was if NATO was still necessary and applicable in the new era.

The coming events in Europe hinted that NATO in Europe was probably more necessary than ever. Bush senior, during his departure from the office and meeting with Bill Clinton, depicted the Balkans as “the prime spot for trouble” as the farewell and the foreign policy legacy for the incoming administration. Since Clinton had promised to focus on domestic affairs, at the outset of his term he was reluctant to use military force to resolve already ongoing Balkan conflicts.

In 1991, Secretary of State James Baker said of the Balkans that "we don't have a dog in this fight." That was the mood in Washington. Bush had decided that Yugoslavia had become

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469 Kissing, 42.
less vital to the United States because the Cold War was waning or it was over. \textsuperscript{474} Thus, Bush and especially General Colin Powell were initially reluctant to get involved militarily in Bosnia when reports of ethnic cleansing appeared.\textsuperscript{475} Americans were not yet willing to engage in any military conflict where they could not complete it fast, then return home.

Clinton was reluctant to get involved in the coming conflict as were the Europeans. As a result, there was no leader to muster an alliance for the Balkans. According to Chirac “the position of leader of the free world was still vacant.”\textsuperscript{476} American makers of foreign policy expected the EU to take more decisive steps. They initially did so in Bosnia, but Europeans alone almost came “to the greatest collective failure of the West since 1930s.”\textsuperscript{477}

The EU, after signing of the Maastricht Treaty in 1992, had not yet reached the necessary political unity.\textsuperscript{478} But more coherent post-Cold War NATO cooperation was also not achieved. In retrospect, American Ambassador to Yugoslavia Warren Zimmermann explicitly noted that more decisive and sooner American or NATO action could have prevented three years of outright bloodshed.\textsuperscript{479}

Bush and Baker had decided that Yugoslavia was a problem best left to the Europeans. Americans were delighted when the European Community attempted to mediate, with the support of the UN Security Council, what they turned out to be ill prepared for.\textsuperscript{480} What the half decade long European efforts proved was the diminution of NATO and the EU.

The new Clinton policy gave the new impetus to NATO. The new NATO was implicitly created through common transatlantic action. Therefore, the necessity of the alliance was doubly confirmed for Americans and Europeans. Madeleine Albright recalls that the resolution of the Balkan crisis was a possibility to prevent another Munich moment.

In 1938, Neville Chamberlain had described the Munich agreement as “how horrible, fantastic, incredible it was that Britain should be digging trenches and trying on gas masks here

\begin{footnotes}
\item[A475] Ibid, 19.
\item[A479] Brune, 93.
\end{footnotes}
because of a quarrel in faraway country between people of whom we know nothing.\textsuperscript{481} Well, just a year from the Munich moment Chamberlain learned that because of the mistake allies made, the British had to dig trances and wear gas masks. So did Americans as the European conflict affected their security too.

Then came a substantial change. From 1994 until 1995 Clinton took necessary steps to ensure peace accords: decisive NATO action upheld by diplomatic activities where even Russians became a decisive part of the Bosnian crisis solution. Therefore, NATO in the post-Cold War proved to be necessary and the United States leadership indispensable.

By 1995, Richard Holbrooke noted that “the United States had become a European power in a sense that goes beyond traditional assertions of American commitment to Europe.”\textsuperscript{482} American foreign policy was robustly changing. As NATO enlargement seemed probable, the Baltic States made membership their sole foreign policy goal.

Since the completion of Bosnia and reaching of Daytona Accords in 1995, Clinton’s administration departed on a crucial foreign policy pivot. As NATO became a crucial platform for cooperation in terms of resolving the Bosnian crisis, the argument was that “Warsaw, Prague, and Budapest had every right to the same level of prosperity and security enjoyed by Bonn, Paris, and London.”\textsuperscript{483} The same pundits who argued for the enlargement of NATO by accepting Central Europe, also addressed the Baltic perspective when it was clear that NATO would enlarge. The only question was where and when.

The Baltic States remained among the most controversial geopolitical conundrums. By 1997, the pro-enlargement pundits proposed that NATO enlargement would enhance the strategic interests by accepting the Baltic States. Russian sensitivities should be respected. Thus, the enlargement had to be pursued in compliance with minority issues and border disputes with Russia.

There were some arguments that focused on general defensibility or indefensibility of the Baltic States. In the meantime, if the enlargement were to take place, Kaliningrad would become

\textsuperscript{481} Albright, 192.
\textsuperscript{482} Holbrooke, 38.
a geographic island inside NATO’s territory.\textsuperscript{484} All in all, the Baltic States had to adopt a stance where their presence in NATO would be beneficial. But, again, it was not up to the Baltic States to decide their fate. If that was the case, they were NATO members already in 1991.

NATO enlargement and partnerships depended on security environment and institutional arrangements. The Bosnian crisis proved that new partnerships were necessary. Thus, in 1994 Partnership for Peace (PfP) allowed for Latvia to participate in the peace-keeping operation in Bosnia. Russians saw PfP as a substitute for NATO membership. So did some American pundits. Nevertheless, such policy makers as Madeleine Albright recall Kissinger inaccurately describing PfP as a substitute for NATO expansion. He had suggested wrongly that Americans granted Russia a veto over NATO enlargement.

The American administration forged a consensus within NATO, and neither Russia nor any other non-member had a veto over the enlargement process. Americans noted, however, that they were insisting that candidates be ready to undertake the obligations of membership, just as we and our allies must be ready to extend our solemn commitments to them.\textsuperscript{485}

Subsequently, since signing of the PfP and re-establishing Latvian National Armed Forces, Latvia was participating in the Bosnian peace-keeping missions.\textsuperscript{486} Moreover, uniform and common Baltic peacekeeping platoons were tested in Bosnia-Herzegovina since 1998. The United States and NATO gave a possible reason for enhanced regional cooperation among the Baltic States.\textsuperscript{487} In that way they could prove themselves capable multi-national defense participants.

Apart from Baltic cooperation alone, strong emphasis was placed on broader regional cooperation efforts. Deputy Secretary of States Strobe Talbott announced the Northern Europe Initiative (NEI) in January, 1998. The goal was to work through existing institutions to encourage integration among the nations of the Nordic and Baltic region. It was the United States


\textsuperscript{485} Madeleine K. Albright, “Misplaced Misgivings: We are Leading the United Nations, Not the Other Way Around,” The Washington Post (March 17, 1995).


government effort to bring together Estonia, Latvia, Lithuania, Denmark, Finland, Iceland, Norway, and Sweden as well as German, Polish and Russian areas that border the Baltic Sea or the Baltic republics.

The NEI specifically sought to promote US-Russian cooperation in regional bodies, particularly Nordic ones, whose decisions affect Northwest Russia. There was a hope that Russia would increasingly participate in cooperative regional endeavors politically, economically, and also promote security.

“If Russia can come to see the Baltic States not as a pathway inward for invading armies or as a buffer against imaginary enemies, but as a gateway outward to the new Europe of which it seeks to be an active part, then everyone will benefit - your countries, mine, Russia itself, and the Euro-Atlantic community as a whole,” recalled Talbott.\footnote{\textsuperscript{488}}

American leaders started addressing the Baltic States more explicitly and frequently, not as separate states but as parts of broader regional security. Thus, Baltic involvement in NATO’s peace-keeping operations, if not significantly contributed to the peace in the Balkans, then at least promoted Baltic visibility within the alliance. Since political contacts between Baltic-American leaders intensified. On her visit to Lithuania in July, 1997, former Secretary of State Madeleine Albright's expressed support to the Baltic States by saying that "Europe cannot be whole and secure without you."

During the visit, she also voiced some of the more salient Baltic challenges such as the need to improve Baltic military capabilities. For the first enlargement round exactly the military capabilities were used as the major hurdle to the membership by the United States Defense Secretary William Perry.

Albright also warned against nationalist tendencies in the Baltic States, underlining the importance to respect minorities.\footnote{\textsuperscript{489}} Despite pointing at the Baltic weaknesses, since the restoration of the independence the Baltic States have received financial aid from the United States for military buildup, educational training, and improvement of military export controls.\footnote{\textsuperscript{490}}

When it comes to governance and minorities issues, apart from American funds for the NGO activities, the United States explicitly contributed to improvements of the democratic

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governance. Not all democracies have been allies of the United States, but all autocracies have been enemies.\footnote{Francis Fukuyama and Michael McFaul, “Should Democracy be Promoted or Demoted,” ed. Derek Chollet, Tod Lindberg, David Shorr, Bridging the Foreign Policy Divide: Liberals and Conservatives Find Common Ground on 10 Key Global Challenges (New York and London: Routledge, 2008), 148-149.} Here, too, the United States assisted Latvia. From 1990 until 1999, the United States obligated $54.3 million in aid to support the democratic transition in Latvia.\footnote{Woehrel, “Baltic States: U.S. Policy Concerns,” 14.}

By the time the first enlargement took place, the United States had significantly contributed to the Baltic integration in the Euro-Atlantic community. In fact, leaders like Albright emphasized that “together we will do everything we can to ensure that no new lines are drawn across Europe and not between NATO’s first new members and the Baltic States, not between the Baltic States and your neighbors to the east. That includes Russia.”\footnote{Gfoeller, 98.}

The Congress this time had taken a different stance. In April, 1998, some Senators, like Warner, Moynihan, and Wellstone, expressed concerns that NATO enlargement to include the Baltic States would sharpen relations with Russia.\footnote{Steven Woehrel, “NATO Enlargement and the Baltic States,” CRS Report for the Congress (June 16, 1998): 1-6, 6.} It was not that the United States leadership ever neglected the Russian NATO enlargement opposition. Madeleine Albright recalls Yevgeny Primakov’s warning how the world would end if the Baltics ever entered NATO” and how Yeltsin was downplaying her role as he specifically mentioned that NATO enlargement was the subject for the two presidents to decide.\footnote{Albright, 254-260.}

When the Russian president kept urging and nudging Bill Clinton to abstain from admitting the Baltic States, the answer from the American counterpart was that it was also for the American Congress to decide. The congress, however, was a staunch supporter of NATO enlargement. It was made clear to Russians that NATO enlargement was not for them to decide. It would take place with or without their consent.

1998 was turbulent domestically and internationally in the United States. With all the domestic scandals around the president, Clinton recalls that the only bright spot on the world horizon in January of 1998 was the White House’s signing of the partnership with the Baltic nations. Even if it was the bilateral American-Baltic Charter, Bill Clinton dubbed it as the NATO-Baltic partnership.
Speaking at the signing of the charter on January 16, 1998, Clinton emphasized that the charter “furthers America's commitment to help Estonia, Lithuania, and Latvia to deepen their integration and prepare for membership in the EU and NATO.” At the same time he noted the salient importance of an accord between all NATO members. The American position alone “of course, can be no guarantee of admission to the alliance,” said Clinton.496

As recalls Clinton, the charter was designed to formalize security relationships and reassure the ultimate goal of all the Baltic nations, the full integration into NATO and other multilateral organizations.497 The charter thus far has been amongst the most important bilateral agreements between the United States and the Baltic States. The United States’ active political support in NATO at the time of the signing of the charter was joined by Denmark. They both became the twofold Baltic-NATO membership lobby.498 Apart from them, there were very few allies that were ardent supporters of the Baltic admission before the first NATO enlargement in 1999 took place.

After the 1999 enlargement, NATO turned out to be necessary in Europe once more. Since 1992, Americans had stood firmly behind the Kosovar self-determination rights in the volatile Serb-Kosovar dispute. Despite the unclear involvement of Albanians and Serbs in the escalation of the conflict since 1998, the United States, in conjunction with its NATO allies, undertook a military intervention on behalf of the people of Kosovo, a region of Serbia 90 percent of whose population was Albanian Muslim.499

In terms of Kosovo, the United States again wanted to avoid another Munich and Slobodan Milosevic ominously reminded Madeleine Albright of the Munich mindset. The NATO mission of 1999 was profound for several reasons. By siding against Serbs and Milosevic, the United States severed relations with the Russian Federation.

When Yevgeny Primakov, the former Russia’s Prime Minister, learned about NATO’s air campaign on behalf of Kosovars while he was en route to Washington, he ordered his plane to...

496 See “Remarks by the President Bill Clinton at the Charter of Partnership with Baltic States Signing Ceremony,” The White House: Office of the Secretary (January 16, 1998).
497 Clinton, 772.
Furthermore, bad coordination almost brought Russian and NATO forces dangerously close to direct military conflict over control of an airport in Kosovo.

The Kosovo crisis and the NATO enlargement by accepting the Czech Republic, Poland, and Hungary made the already uneasy partnership with Russia more complicated. Furthermore, while the summit room was full of smoke because of the Balkan wars, the membership action plan was announced at the Washington NATO Summit in 1999. Without explicitly mentioning Latvia or any of the Baltic States specifically, membership criteria were laid out. This stance implicitly signaled that additional members would be accepted.

The aspiring members in the Baltic Sea region were, of course, Estonia, Latvia and Lithuania, since all others either have not stated any wish to join NATO (Russia, Sweden, and Finland). Implicitly the United States President made it clear with the words expressed by the French Foreign Minister Robert Schuman five decades ago that “NATO’s fundamental aim was not to win, but to avoid wars by becoming strong together to safeguard peace.” Broader alliances had proved themselves beneficial in Europe, and many aspired to join.

The summit for Latvia was significant from many aspects. One was the possibility for political participation. The former President of Latvia Guntis Ulmanis echoed decisions and statements of Washington’s Summit by explicitly welcoming “commitment to NATO’s active open door policy including the newly announced Membership Action Plan.” The former president emphasized Latvia’s ongoing commitment to NATO’s peace-keeping efforts in the Balkans as well as Latvia’s adamant willingness to continue “setting an example for other regions of the new Europe.”

Before the Prague Summit of 2002, Secretary of State Collin Powell assured the already next President of Latvia Vaira Vīķe-Freiberga that “Russia will never be given a veto over who is or is not part of NATO, and we will examine each country in accordance with the conditions

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500 Ibid, 123.
The important aspect was that membership for Latvia was already formalized and more NATO members from Central Europe since 1999 supported it politically.

In terms of American-Russian relations, the events around NATO policies and Balkans had severed Clinton-Yeltsin relationships. At the end of 1999, Yeltsin had changed. He attacked the West for sermonizing on Russia’s aggression in Chechnya. Russia stated that the American-led aggression against Yugoslavia “deprived Clinton to lecture Russia on how it should deal with territories within its borders.” When the confrontation with Russia seemed to reach its pinnacle at the outset of the Kosovo-NATO operations, only some kind of de-escalation of tensions could remedy or avert Russia’s anti-NATO and anti-American policies. There was a need for a change.

It was a time for the new leader - Vladimir Putin – to direct new relations with the United States. Shortly after Bill Clinton was replaced by George W. Bush, the United States came under attack on September 11, 2001. Vladimir Putin was the first leader to call his counterpart in the White House to offer assistance. It was an unprecedented move in the same way as the new enemy was intangible and required for coordinated action. There seemed to be a possibility to overcome growing disagreements.

American attention ever since the terrorist attack started shifting, the new policies were reminiscent of what had happened more than a decade ago when the American military led a coalition to deter Iraqi expansion in Kuwait in the 1990s. American military was relocated from Europe to the Middle East then. This time, it was the United States led NATO that shifted battlefields and diplomatic purposes to the desert sands of Middle East. Afghanistan, the Taliban base-country of the 9/11 attacks, became the new target.

Russia initially supported American endeavors in Afghanistan. It also did not object to the next round of NATO enlargement so vociferously, at least in relations with Washington. The Baltic States could be admitted to NATO and there was no power to hinder the enlargement.

America was bold and decisive. Post-September 11 was the era when the unipolar moment came to its pinnacle. Ever since an exhausted Soviet Union called off the Cold War, the

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center of world power had been the unchallenged superpower, the United States, attended by its Western allies.\textsuperscript{506} There were nations that ardently supported the United States and NATO. There were some that were drifting apart even from the Western alliance. Thus, there emerged a split.

Americans could be bold for there was no power to stand in their way. Thus, the next NATO Summit in Prague gave an explicit formal invitation to start accession talks with Latvia. NATO’s Secretary General mentioned in 2002 that “in 1989, a NATO Secretary General could not receive diplomats from Central and Eastern European countries in his office,” but in 2002 new members were invited to join from the region to address new "out-of-area" challenges that lay ahead.\textsuperscript{507}

NATO allies were in Afghanistan under the United Nations mandate. The United States adapted the new foreign policy after the terrorist attacks of 2001. Under the Bush doctrine, the United States became a liberal leviathan that “could not remain idle while dangers gather - the only option was to act preemptively and strike an enemy as it prepares to strike.”\textsuperscript{508} Americans launched a comprehensive assault on terrorism in the broader Middle East region. Latvia was willing to be a part of the alliance like it was in the Balkan operations.

In the run up to the Prague NATO Summit in 2002, the United States and Europe had developed the “transatlantic power gap, hard and soft.” It threatened to tear NATO in parts; Americans were involved in a dialogue with power while Europe was preoccupied with order in times when the “big bang” enlargement threatened to be an end to NATO rather than its renewal.\textsuperscript{509} There were significant strains placed on individual countries and alliances.

Since 9/11, the United States was tacitly or not preparing an alliance for a mission in Iraq. The ousting of Sadam Hussein and the crafting of the coalition of the willing for the invasion in Iraq in 2003 created cleavages among the transatlantic partners within Europe and internationally.

\textsuperscript{509} Serfaty, \textit{Vital Partnership: Power and Order, American and Europe Beyond Iraq}, 82-83.
The United States foreign policy loadstar had become to promote democracy as “America’s vital interest and deepest beliefs to support the growth of democratic movements and institutions in every nation and culture with the ultimate goal of ending tyranny in our world.”\(^{510}\)

Russia, on its part, became a part of the alliance of unwilling that consisted of some major European powers. The transatlantic alliance seemed to be splitting apart. Putin might have thought that the alliance was in dismay. Sequentially, Russians did not oppose NATO enlargement that was scheduled in 2004.

There was an opportunity for those who wanted to closer align with the United States by joining NATO. Already formalized relation between the United States and the Baltic States could be concluded after the summit of 2002. The accession of Latvia to NATO during the second NATO enlargement was jubilantly completed in 2004.

Two years after the 2004 enlargement, the United States President addressed participants of the Riga NATO Summit in 2006 by stating that “as NATO allies, you will never again stand alone in defense of your freedom and you’ll never be occupied by a foreign power.”\(^{511}\) The speech and the new policy when American prestige was suffering crisis internationally was warmly welcomed in the Baltic States. The 2006 was the time when the alliance was transforming with its doors yet open. The period could be seen as the effort where the United States redeemed Latvia from the Russia’s dominance.

Conclusion

In Latvia, the historic lessons and experiences are remembered well. According to Zbigniew Brzezinski, the NATO expansion Eastward even in retrospect, today looks like an option for the countries that did not want to be a part of the Soviet bloc, to maintain better relations with Russia.\(^{512}\)

One must ask if Estonia would not be in Georgia’s position when it removed the Soviet occupation monuments from the center of its capital. Furthermore, would not Latvia become like Ukraine when it signed its membership agreements with the EU? Both organizations for some


\(^{512}\) Brzezinski and Scowcroft, 174.
time have not been pragmatic partners for Russia. NATO and the EU are rather blunt adversaries today. NATO membership for Latvia means a possibility to escape the predicament it faced decades ago in 1940.

In a broader regional context, any alternative to a stronger and more active NATO would have meant something different for Europe. A United States led NATO is the only guarantee for a peaceful Europe as we know it today. Conversely, the creation of a separate European military union would separate European states from NATO and would become nonsense. That is the outcome Russia much desired, to see a fragmented Europe that is detached from its major security guarantee across the Atlantic Ocean. As a result, there is every reason for Europe to be interested in closer cooperation with the United States.

On the other hand, America’s interest is to be the guardian of the EU. One of the reasons the United States supports the enlargement was that the EU’s growth makes Europe even for the United States. It is also the union that significantly contributes to the welfare of the United States.

In terms of Baltic membership in the EU, since the Atlantic interest required such a decision, the EU had to respect it.\textsuperscript{513} As a result, the United States implicitly promoted the enlargement of the EU. Latvia experienced substantial American efforts to bolster its democratic institutions. American foreign policy was aimed at promoting Latvia’s adherence to the EU’s standards.

Considering past lessons, there has been a significant shift in American foreign policy towards Europe since D-Day. Until that moment the United States chose to approach Europe normatively. It made America a remote partner for Europe and Europe a threat to itself. The result of the Paris Peace conference in 1919 did not contribute to transatlantic cohesion. It rather created American and European policies that turned out to be rather malign. Since there was an absence of cooperation, there could only be relative cooperation before World War II in such a necessary security area. The transatlantic partners had to bear the resulting implications.

The eventual policy change came when there was a change in the security environment. Security matters were altered by two revisionist powers in Europe. First, it was Nazi Germany, then the Soviet Union. The keepers of the status quo in Europe, France and the United Kingdom were not able to withstand the revisionists without assistance from the United States. American

\textsuperscript{513} Kissinger, 63.
foreign policy saved the Western half of Europe. To the Eastern half the United States could offer only benign sympathies. To do otherwise would require an all-out confrontation with the Soviet Union.

The Soviet Union had denied membership in the Euro-Atlantic community to Latvia, like it did to Hungary in 1956, Czechoslovakia in 1968 or Poland since 1956. Only the demise of the Soviet Union itself marked change in the international environment. It offered a possibility for the United States and the Russian Federation to forge closer ties. Until 1995, closer cooperation between Washington and Moscow in the framework of the Bosnian crisis resolution offered such tendency to be realistic.

Nevertheless, since 1995 both countries have been incrementally drifting apart. It happened mostly so for diverging views on how the European post-Cold War order should look like. The NATO mission in Kosovo and the subsequent first enlargement of NATO drove the United States and the Russian Federation even more apart. This moment allowed the Baltic States to join the transatlantic security structures since they were far more willing to align with the United States than with the Russian Federation.

In retrospect, it would be wrong to think that the twofold enlargement was simply a Western European philanthropic investment. It brought two essential benefits to the Euro-Atlantic community as well. The first was the security and the United States solemn commitment to new members in Europe. The two enlargements brought new members that became contributors to the collective defense structure. Furthermore, the new members of the EU also became an extension of the European market. It was an investment in more affluent European future.

Ever since the Napoleonic wars, the United States has implicitly or explicitly acknowledged the importance of stability and absence of domineering powers in the Baltic Sea region. By enlarging NATO, it was possible to pursue the twofold Euro-Atlantic community’s enlargement process and extend the reciprocal benefits to new nations. As a result, the heeling influence became increasingly felt on the both sides of the Atlantic.

For Latvia, the historic narrative suggests that the irreversible independence is possible only when it is underwritten by a strong military alliance. America’s diplomatic declarations were benign support for Latvia’s independence, but they never made the independence
irreversible. Only by admitting the Baltic States into NATO, did the American foreign policy makers redeem Latvia from the historic predicament and Russia’s influence.
CHAPTER VI
LATVIA’S PREDICAMENT: RUSSIA’S SHADOWS

Introduction

The relations between Latvia and the Russian Federation are not easy. One reason is the huge asymmetry in size. Russian territory stretches across eleven time zones while the line that can be drawn between the two most distant points in Latvia is less than 450km (280mi) long. In terms of population, the Russian Federation is approximately seventy times larger than Latvia, too. Then it is necessary to consider the aggregate resource endowments and overall capabilities of each. In the end, there are more disproportions between the two countries than balance.

Furthermore, Latvia’s extremely complicated history with Russia makes bilateral relations even harder. Latvia has struggled twice to rid itself from the shackles of the Russian imperial and the Soviet Union yokes. From 1918 until 1920 Latvian freedom fighters were expelling the Russian/German combined forces from the Latvian territory. Since the situation became more complicated after the collapse of the Soviet Union, Latvia needed international assistance to rid its territory from Russian military units from 1991 until 1995. Whenever the country has been in the Russian/Soviet clinch, Russification at the expense of all Latvian traditions has been one of the loadstars of the Russian/Soviet policies.

The Russian empire and the Soviet Union never disguised their objective to assimilate Latvians. Before the Soviet Union occupied Latvia for the first time in 1940, the operation called “Latvian Nation” was already launched on November 30, 1937. An order was signed by the deputy head of the state security structures (NKVD) Mikhail Petrovich Frinovsky that aimed at the deliberate execution of the anti-Soviet elements in Latvia by destroying nationalistic organizations and cultural elements, Latvian intelligentsia and institutions. Before, but especially so during the Soviet period, it was considered a crime to be a Latvian.

The most recent Soviet program was far from just cultural invasion. According to the best Stalinist traditions, it aimed at executing people who ostensibly could be considered as bearers of

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the Latvian identity. Such facts have been revealed by partially opening archives of the Soviet security structures. Even after Stalin, the ethnic problem was not gone from the political mindset in Moscow.

The legacy of especially the Soviet occupation period is very much felt in Latvia even today. Since Latvia is small and the heir of the Soviet Union is the largest country in the world, it is very hard for Latvia to alternate from the political suspicion and the historically bread animosity to something called good neighboring relations. Latvia would have liked the Russian Federation to be like the unified Germany has been toward Poland. In this relationship, Latvia has very few options to make the Russian Federation treat it like Germany does Poland. Russia is different and it treats Latvia differently.

To outline what the Russian – Latvian relations have been thus far, this part of the research will focus on answering the question of how exactly Russia treats Latvia individually and regionally. The research focuses on how Russia has developed its foreign policy toward Latvia. Since Russia went through vast changes when Latvia regained its independence in the 1990s, the author will focus on the salient aspects in Russia’s foreign policy. Part of the chapter will touch upon the ideological foundations of Russia’s foreign policy. Then the author will focus on practical elements in Boris Yeltsin’s and Vladimir Putin’s policies. The final part of the chapter will outline some distinct features in Russian – Latvia bilateral relations.

The Origins of Russia’s Foreign Policy Ideology

In Russian history during the 20th century, there have been various periods -monarchism, totalitarianism, perestroika, and democratic paths of development. Russian legacy has determined its future prospects. The former Russian President Boris Yeltsin a couple of years after the collapse of the Soviet Union noted that each stage had its own ideology. He continued by saying that during his term “we have none.”

Well, that might not have been absolutely true. For a country with a long history and deep traditions, there can be no absence of any ideology. Even Latvians, and they will not be alone, will not deny that Russia’s history and traditions are rich and deep, especially before Stalin’s

surge to power. After Stalin, the future of Russian intellectual thought at some point became its past. In this section the author will outline some of the salient Russian foreign policy origins that have shaped Baltic destiny.

When the Soviet Union was gone, Yeltsin faced the necessity of formulating what his country was and how it would relate to others. Considering the vast historical geopolitical luggage Yeltsin received at the outset of the post-Cold War era, it was not an easy task. The Soviet Union was gone. In its stead there were multiple newly independent states around Russia’s borders that were formerly incorporated into the communist empire, including Latvia. Yeltsin had the option to reconcile some important past foreign policy ideas, reinvent new, and enhance some emerging aspects. The task seemed to be clear cut, but it was never easy.

The Soviet historian and foreign policy expert Boris Shtein wrote that “not everything about Russian diplomacy from the end of the nineteenth to the beginning of the twentieth centuries should be crossed out.” George Kennan, one of the most famous American Sovietologists wrote that “the history of Russian statesmanship and diplomacy, including that of the Soviet period, has been marked by striking elements of continuity.” The last foreign affairs minister of the Russian Empire, Sergei Sazanov, wrote that “no reform called forth by contemporary demands should be permitted to create a sudden break between the past and the present.”

Russian foreign policy traditions have been intimately bound with its past ideas. Traditions play a significant role in the formation of the external view in Russia. However, Russian self-perception or Russian ideas have often been a conundrum to the outside world. The United States Ambassador to Moscow Averell Harriman noted in 1945 that the Soviet program was “an establishment of totalitarianism ending all personal liberties as we know and respect them.” Russian self-perception and policy ideas always bear a sense of mystery for the others.

Misunderstood by the West, the Russian polity seemed to be doomed to fail long ago. Even in the distant past, when Russia emerged from World War I as the first Marxist state, many of the ablest political observers in Europe and America were convinced that it could not survive. Conversely, most Russian pundits thought the same about the West. Today we see that the forecast of both groups was wrong.

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In the end, the West must ask if the Russian foreign policy is going to be belligerent or benevolent. It was not until the communist coup d'état in Czechoslovakia and the Berlin blockade in 1948 that the illusion of peaceful existence with the Soviet Union was finally dispelled.\textsuperscript{518} In the more distant past, imperial Russia had tried to restlessly preserve itself by force from within and without. Those past self-preservation traditions have strongly influenced foreign policy traditions. Only when the Russian/Soviet empires were weak, could new states emerge. Whenever the Russian/Soviet empires were strong, smaller states around their borders have faced existential challenges.

The most recent independence for the Baltic States was possible in 1990s. They were quick to start renewing what was lost to the Soviet Union in 1940. Inside Russia, however, joy over the farewell to communism was not uniformly shared. Such Russian communists as Gennady Zyuganov saw his country deceived and betrayed. First, by Mikhail Gorbachev and his immediate cohorts, who, while promising needed reforms, destroyed the Soviet Union. Then by Boris Yeltsin, who finished the job under the cover of idle talk about “democracy” and “market economy.”\textsuperscript{519}

Profound questions about Russian future remained. There were multiple domestic groups, such as communists, who viewed the future Russia differently from Yeltsin. The overarching question was if the Russian leaders still considered their first objective to be the start for world revolutions or make their primary task to turn Russia into a bastion from which to launch an assault on the capitalist world?

On the other hand, did Russian leaders begin to modify their global ambitions and bend their energies to build a Russia where citizens could enjoy the high standards of living which Russian skills or resources entitle them to? Another option was for Russia to begin to reconstruct its lost imperial glory.

After communism, Russia was like the Russian traveler Ilya Muromets who was standing at the intersection of three roads. One road, if followed, could transform the entire country into vast Chechnya. Since Russia was a composition of multiple ethnicities, such a possibility must be seen as always present. Only by force could Russia maintain the unity of multiple ethnicities

\textsuperscript{518} Harriman, 5.
within the coercive polity. This road would mean the return to the Russian neo-imperial traditions.

The second road could lead to the transformation of Russia into a magnified Colombia where the politics and the mafia converge. Considering the narrow loop of elites and historically experienced and assumed vicious fights for power, such a possibility could not be eliminated. Then Russia must be ready to engage in oppression of internal opposition at home and demonstrate willingness to use military blackmail outside. This road would lead to the return to the Soviet neo-communist traditions.

The third road calls for democratic development on the basis of Russia’s national state philosophy, high spiritual values, and a tradition that could accommodate the past and the present. Even if democratic development seems to be the most appealing and sane idea for the future Russia, it must be tested in front of imperial and communist traditions. The third road requires Russia to be tolerant. For the political elites and society to be united in shared an institutional framework. The democratic path would allow for Russia to stay different, but at least partially understood by the West. Such traditions in Russian history are absent yet.

According to the philosopher Ivan Ilyin, Russia has been “an organism of nature and spirit.” In the words of another philosopher, Konstantin Leontiev, Russia is “doomed by history to grow, even despite itself hence its territory was considered as the terrestrial habitat of national spirit and historically given and accepted pasture of the people as a sacred space.” If more democratic polity becomes the objective, then Russia must face the challenge to not be a prisoner of the past. It must define what the Russian people and territory mean in a way that does not eliminate democratic principles in front of the nature and spirit applied to territory and population.

In terms of population, one of the most incontrovertible theses is that Russia retains a deep sense of Slavic identity. It is a possible to maintain so-called Slavic values by defending the rights of the Russian diaspora in the former Soviet Union and recreating in some form or other a “Slavic Union” with Ukraine and Belarus. There is another possibility of promoting pan-Slavist solidarity with “kin” people in Southern and Eastern Europe.

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520 Zyuganov, 93.
If Russia’s identity is centered on notions of exclusiveness and the Slavic spetsifika, then the issue of pan-European-ness in contrast emphasizes the principles of commonality and inclusiveness, based on democratic principles. As a result, Russia can delineate itself from the West on the basis of spetsifika. The essential question for the West is how Russia will build its polity. It can became a defining aspect in relations with the West. On the basis of exclusiveness, Russia can stay culturally different. On the basis of regime, it can develop something in common with the West.

If Russia decides to emphasize its kin people, however, then it automatically proclaims specific rights to intervene in domestic affairs of foreign countries. In such circumstances foreign policy signals the return of neo-imperialism or neo-communism compounded with the Russian curse to grow and expand. The Russian identity must not seek influence beyond Russian its borders if reciprocally benevolent relations with neighbors are sought by Moscow.

Here is one salient obstacle that derives from Russian self-awareness. There has been overwhelming historic evidence about the popular and elite views being tied to the preservation of the Russian greatness. While Russians would acknowledge that every country is unique, they tend to believe that their country is more special than the others. Russians as a nation tend to place themselves in upper echelon that henceforth becomes doomed to experience a clash with the others. Other nations will oppose such a position, at least on their own territory since nobody can deny such ideology for Russians in Russia.

During the Soviet period, Russians never disguised such beliefs. In Latvia, the declaration of the “Helsinki 86” revealed some gruesome realities for Latvians in terms of their language status, for example. Russians were laughing at Latvians when they were asked to learn Latvian. They responded by calling Latvians nationalists fascists and insisting that they should not learn the language of dogs because their language is principal and international.

Despite the fact that hardly any Russian schools taught Latvian, unlike the thousand or so Latvian schools which taught Russian, when Latvia became independent, the condescending

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Russian position continued. Rooted in Russian culture, neo-imperialism and neo-communism have become an ideological-political guard of the cultural traditions for the Russians at the expense of titular nations living in Tallinn or Riga.

Russia’s history, diverse traditions, and ideologies have rooted their identity. Becoming like a vast assimilator-mixer, the Soviet Union looted Russia’s name and engaged in a vampirical relationship with Russian traditions and sentiments – exploiting them cynically while at the same altering them substantially. While some pride still persists, the search for Russian identity in relations with other nations is a hard cultural, social, or political task.

The definition of Russian identity and state becomes easier for others. In the past, Russia has admitted that it is better defined from outside. For example, Fyodor Dostoyevsky noted that “In Europe we are Asiatics, whereas in Asia we, too, are Europeans.”

Many historians believe that Russia reaches its territorial unity by geographically achieving national unity that consists of the union of Great Russians, Ukrainians (Little Russians), and White Russians (Belarussians). In this Slavic union Russia can still pretend to be an empire. According to Zbigniew Brzezinski, without Ukraine, Russia is no longer the empire it once was, especially if one looks at Russia from the West.

The West, however, hints at some significant traits that causes additional ambivalence. According to Henry Kissinger, the “imperialism has been Russia’s basic foreign policy as Russia has expanded from the region around Moscow to the shores of the Pacific, the gates of the Middle East and the center of Europe, relentlessly subjugating weaker neighbors, and seeking to overcome those not under control.” Only stronger opposition has stopped Russia from expanding.

Russians have reacted ambiguously and were bewildered and heartened at the same time when Charles De Gaulle came up with the axiom about “Europe from the Atlantic to Urals.” They indulged the idea that Russia was included in Europe, but they never doubted that Central

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529 Trenin, 29-34.
Asia and the Caucasus lay outside the sphere of European culture, and they could not see why Siberia and the Far East were to be separated from European Russia.

From another perspective, without the Baltic States and Ukraine, Russia could no longer be predominantly Slavic-European, but would have increasingly an Asian face. Thus, Russia does not want to see those countries escaping Moscow’s political dominance. This bridge or window to Europe has strongly enhanced Russia in the past.

For most Europeans, Russia’s geography and culture make it more Eurasian and to Europeans it means “not one of us,” as Václav Havel has admitted in the past. The Russian empire has included Asian and European borderlands, but her possessions in the West, such as Poland, Finland, and the Baltic States, have been more politically, economically, and culturally advanced than the core Russian lands. It is no surprise that the Soviet military invasion and armed annexations exposed the Baltic people to what they took as an overwhelming Eastern force - backward, alien, and culturally inferior.

For example, if Soviet troops brought electricity and irrigation to Central Asia, then for the Baltic natives Soviet Russia brought troops who had never before seen wristwatches or flush toilets. If Russia was appealing in Central Asia then some former Soviet territories were held together only by a large army, pervasive governmental bureaucracy, rather than reciprocal interests.

Russia is a cultural and historic mixer that does not allows to cross out the possibility that the Soviet Union, the Russian Empire, and the Russian Federation traditions can converge. Leo Tolstoy once noted to Averell Harriman, that if one wants to understand Kremlin, he must first understand Kremlin of Ivan the Terrible and Peter the Great. In Stalin’s days, everything Russians did was for the future – budyet (it will be). That was the theme of the Stalinist propaganda and of the hundreds of anti-Stalinist jokes that circulated around. The Kremlin has served as a strong bearer of the past ideology.

For example, one of the first tasks that Putin did was the reinvention of the Soviet anthem for the Russian Federation in 2001. Apart from that, he also placed the Russian imperial eagle on

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532 Trenin, 80.
533 Harriman, 10, 22.
the Russian Federation’s tricolor flag. The imperial and soviet tradition were quietly enhanced notwithstanding Yeltsin’s protests. Fifteen years since, Putin has built the first monument for Ivan the Terrible, while there are others devoted to Stalin. By most westerners, those figures from Russia’s past are seen as criminals against humanity.\(^ {534}\) It is a signal that Russia finds neo-imperialism and neo-communism strongly appealing. It can be underlined by the fact that Yeltsin’s democratic experiment did not succeed.

Boris Yeltsin’s critics had compared him unfavorably with Boris Godunov, the first non-Rurik tsar from 1598 until 1605 and the notorious de facto Russian regent during the time of troubles.\(^ {535}\) In this instance, the death of the last tsar of the Rurik dynasty was followed by uprisings, invasions, and widespread famine before the establishment and consolidation of the new Romanov dynasty. The rule of Boris Godunov was a period of weakness. Yeltsin’s democratic experiments are viewed similarly.

The question for the future is if Vladimir Putin will become like Ivan the Terrible or Peter the Great. If so, will Putin subsequently introduce a period of greatness? And if so, is Russia going to assume a mix of neo-imperialism and neo-communism? For the Baltic States, Putin signals the return of the historical predicament where Russia knows only the austere and adamantine realism perfected in an intellectual space in which the voices of liberal thinkers are muffled or heard more audibly outside Russia than within.\(^ {536}\)

It seems that Putin today is standing at the same intersection Ilya Muromets was yesterday. Today, however, bridges for the democratic development are inflamed by the neo-imperialism and neo-communism traditions. Russia is becoming like Colombia and Chechnya. The possibility to detour to something understandable for the West seems less likely with the man at power in the Kremlin. It is also harder for Putin himself to abandon the traditions that are historically familiar to most Russians. Since those traditions have been endorsed by the Kremlin, there is a need for elite and regime changes. Only then can Russia opt for another ideology and a different, less autocratic regime.


The Foreign Policy of Domestic Affairs: Yeltsin

Gorbachev’s *glasnost* and *perestroika* introduced profound changes in the Soviet Union, but few expected so sudden an end to the Soviet empire. On August 23, 1991, Yeltsin signed a decree that dissolved the Communist Party. The next day, he recognized the independence of the Baltic States. In light of those events, Ukraine’s Supreme Soviet immediately declared the country independent. That was a fast, but decisive final blow to that signaled end of the Soviet Union and Gorbachev’s final attempt to refurbish the union with *perestroika* and *glasnost*.

The Baltic States became instrumental in the further elevation of Yeltsin’s political status in Moscow. Conversely, for Yeltsin’s opponents the Baltic States became scapegoats blamed for the collapse of the Soviet Union. The Kremlin’s security structures had often taken the xenophobic stance that domestic discontent was foreign-inspired and that nationalist groups were especially vulnerable to subversive anti-Soviet organizations abroad. Thus, there had been multiple attacks on Lithuanian and Latvian groups for ostensible religious or ethnic rebellion.

The Baltic States were different not only in terms of their ethnic or religious affiliation. Their cultural and social traditions have been different. The imported Russian-speakers were lagging behind the Baltic titular nations also practically. For example, even if the working equipment in Estonia and Latvia was similar, the results of habituation of personnel of the region, due to number of concrete historical circumstances, contributed to significantly higher accuracy and care in their work.

Such traits made the Baltic States more productive and affluent. When the Soviet Union was on the verge of disintegration, the significantly better Baltic economic performance was seen as something menacing. The Baltic States were becoming increasingly different from the Soviet core, yet they differed from Europe too.

When the Baltic divorce seemed imminent, the Soviets argued that the Baltic States would never supersede Europe in terms of development. Moscow emphasized that the Balts would always be poor. There was an envious fear that since Latvia, Estonia, and Lithuania would grow richer, the success of the Baltic States would undermine the unity of the Soviet empire.

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537 Shevtsova, *Yeltsin’s Russia: Myths and Reality*, 11-12.
539 Connor, 288.
This goes back to the ancient slavery paradigm where one slave cannot stand to see another slave become free.

When the Soviet Union naturally collapsed, owing to better conditions, the Russian-speaking immigrants found themselves better off in the Baltic States than in renewed Russia. Even if at the outset some political rights were denied, the Baltic Russians were materially better off than their fellows in other former Soviet republics.

They also preferred the relative calm in Latvia over the uncertainty in Russia. Those Russian speakers who had lived in Latvia for many years felt themselves socially different from the Russians living in the Russian Federation. They were different from the Baltic titular nations, too. The political liberties, however, gave a possibility for the Russian speakers in Latvia to organize into political movements along the lines of the Swedish People’s Party in Finland. They could launch their individual ventures or nourish their cultural traditions.

Notwithstanding myriad external challenges, at the outset Yeltsin had profound problems at home. The Russian political establishment was overwhelmed with the elbowing between diverse lobby and political groups. There were groups that represented financial capital interests, raw materials and natural resources, agrarian groups, the military-industrial complex, manufacturing lobbyists, and regional elites.

All were fiercely fighting for their interests to be respected in the new political environment. Some favored closer ties with the West. Some, like the military industrial complex, were among the most zealous market liberalization opponents. Closer rapprochement with the West for the hardcore militarists meant that they would no longer be necessary since there would be less conflict. For some industries in Russia, it also meant a natural end to their existence. Some areas could not compete with the West on the basis of equality.

Such internal fighting created the political chaos and low approval ratings until the Parliamentary elections of 1993. Before and after the election, the salient objective in Moscow and internationally was to keep communists away from power in Russia. Thus, Yeltsin’s foreign and domestic activities were tailored to the preservation of his power. Based on shared interests, the United States became the most important partner for Yeltsin.

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540 Saleniece and Kuznetsovs, 255-257.
541 Shevtsova, Yeltsin’s Russia: Myths and Reality, 52.
After the 1993 election, despite the Duma consisting of belligerent groups, Yeltsin managed to play rivaling interests against each other elegantly. Gennady Zyuganov’s communist bloc had scored 12.4 percent of the popular vote while liberal nationalists led by Vladimir Zhirinovsky had managed to obtain 22.8 percent.\textsuperscript{542} Out of the political chaos and vivid political oppositions, Yeltsin crafted his own power in Russia based on shared interests of diverse economic groups. Since Russia stabilized, the result in 1994 was a delusional calm in Moscow.

Since the democratic transition was an objective, it required reform to take place. Communism had destroyed much of civilian society leaving something that was as close to a social and moral vacuum as is conceivable in a complex, relatively advanced industrial society.\textsuperscript{543} Since democratic traditions were alien to Russians, nationalism was the most plausible and easily available candidate for filling the emptiness.

A part of Russia still believed that the collapse of the Soviet Union took from them superiority and status in relations with other nations. They saw the Soviet victory over fascism as the most profound reason for national pride. Russian views about the success of the past communism decades, however, were diverging.

There were three types of nationalism in Russia. One was civic nationalism, a trait of western liberal values. The next one was imperial nationalism, a patriotic, liberal version or aggressive nationalistic form. The third, a share of society wavering between civic and imperial nationalists, both willing to pursue a reform path.\textsuperscript{544} The leadership and institutions could seize an opportunity and direct society in most favorable direction.

Russia’s choice was a possibility to shape external relations in two ways. One could intensify the cooperation with the West. The democratization at home would be an indicator. The other was rooted in “the true national interests” where the political class leans toward the reliance on military power.\textsuperscript{545} Inside Russia there were groups that favored both options. However, Russia had started using foreign policy as a tool to disguise domestic problems by diverting attention to external issues.

\textsuperscript{542} Shevtsova, \textit{Yeltsin’s Russia: Myths and Reality}, 101.
\textsuperscript{544} Sandle, 71-77.
\textsuperscript{545} Richard Pipes, “Is Russia Still an Enemy,” \textit{Foreign Affairs}, Volume 76, No. 5 (September/October, 1997), 76-77.
When Russians constructed an external challenge, they located it outside, in the neighborhood.\textsuperscript{546} Thus, very few took an alarmist view and failed to see an extreme nationalism in Muslim and Caucasian communities as a coming challenge at home. Conversely, Estonians and Latvians initially attracted far more Russian hostility, as indeed they did from elites in Moscow. In terms of Russia’s relations with the West, Russians saw domestic economic reforms as potentially dangerous in the long term. The majority thought that democratic and market reforms would make Russia dependent on the West.\textsuperscript{547}

None in the West wanted the bygone communist-capitalist confrontation to return, but Yeltsin’s political survival required Western assistance. However, no \textit{à la} Marshall Plan was offered to Russia. Instead, Bill Clinton and American makers of the foreign policy tacitly supported the rising cohort of newly made billionaires. Russia was developing a form of “Wild East” capitalism that was opaque, involved levels of corruption and patronage unanticipated by Washington.\textsuperscript{548}

The democratic transition took a toll inside Russia. In return for political campaign contributions, Yeltsin promised rising numbers of oligarchs’ shares-for-loans deals. It was made possible to cheaply buy Russian assets. The newly made oligarchs, such as Boris Berezovsky, head of Logovaz (one of Russia’s largest holding companies which had controlling shares or interests in media outlets, including the Russian television station ORT, the newspaper Nezavisimaya Gazeta, and the weekly magazine Ogonyok), Vladimir Potanin, the president of Uneximbank (Russia’s third largest bank in terms of assets), Mikhail Khodorkovsky, head of the Menatep-Rosprom financial industrial group, Pyotr Aven, a former Russian minister turned banker, Mikhail Fridman, the president of Alfa Bank and Alexander Smolensky, the head of Stolichny Savings Bank, became Yeltsin’s allies.\textsuperscript{549}

The fragmentation of formerly a monolithic political establishment into multiple domestic interest groups made diverse ministries willing to focus on a myriad of interests, especially in the Russia’s near abroad. The result of such group diversity was often apparent. The lack of unanimity among senior officials was echoed at the middle level. When implemented,

\textsuperscript{546} Lo, 78.
\textsuperscript{549} Hill and Gaddy, 28.
policies failed to match top-level declarations.\textsuperscript{550} The system attempted to maintain the centralized character of the Soviet system, but it had obviously lost the organizational capacity.

In relation to the Baltic Stats, one such institutional failure became public in April, 1994. Yeltsin’s office, without consulting the Foreign Ministry, announced that Moscow intended to maintain one military base in Latvia even if Russian military withdrawal from Latvia was almost completed. Such announcements, even if dismissed as mere technical errors, caused one embarrassment after another in international affairs and eroded Moscow’s relations with the Baltic States.

Out of domestic interests, some kind of foreign policy consistency started to emerge in Russia. In the aftermath of the post-Cold War, Russian unintentionally went through three phases of transformation. Owing to the domestic political reformist surge around Yeltsin, the first phase was one of more or less unqualified Westernization. It favored closer ties with the West and the democratic transformation of Russia.

The second phase was initiated and supported by myriad industrial groups in Russia. Some wanted to uphold cautious market liberalization and preservation of the post-Soviet economic space through protective tariffs and more interventionist economic policies since the Russian economy was far from competitive. Since 1992, neo-communists, nationalists, and statists (pragmatic nationalists) had been strongly embracing such policy. They supported the political reintegration of the former Soviet space, centered on Moscow. The group caused domestic political fracturing between liberal Westernizers and pragmatic nationalists.

The beginning of 1993 signaled the victory of pragmatic nationalists. They were determined to defend Russia’s interests in the Russia’s near abroad vigorously in relations with the West.\textsuperscript{551} The foreign policy results were played out as delays with troop withdrawals from Latvia and Estonia. The decision to withhold, abrogate, or reverse the removal of Russia’s military remnants from the Baltic States were upheld by the pragmatic nationalist groups.

Russian commanders knew about the economic conditions and the practical absence of housing in Russia. They also enjoyed less than a tacit support from the Russian military command in Moscow. When Yeltsin heralded Russia’s commitment to withdraw military

\textsuperscript{551} Malcolm, 20-22.
remnants from the Baltic States, Commander Colonel-General Mironov announced that they would boycott any decision to pull out.\footnote{Roy Allison, “Military Factors in Foreign Policy,” ed. Neil Malcolm, Alex Pravda, Roy Allison, Margot Light, \textit{Internal Factors in Russian Foreign Policy} (Oxford University Press, 1996), 265.}

When Boris Yeltsin signed military withdrawal agreements with Estonia and Latvia, he did not stipulate from where tens of millions rubles would come for the reception of migrants arriving in Russia.\footnote{Zyuganov, 37.} As a result, the Russian officers assembled in the Baltic States and petitioned the Russian parliament.\footnote{Steven Woehrel, “Russians in the Baltic States,” \textit{Congressional Research Service} (August 3, 1993): 1-20, 9-10.}

The result was the announcement of troop withdrawal suspension from Latvia and Estonia in 1993 by the former Defense Minister Pavel Grachev. The withdrawal was nevertheless tacitly continued. Yeltsin was in an urgent need for the Western financial assistance which was made a condition by the West for Russia’s good behavior in the Baltic States.

On the other hand, Russia presented requirements to the Baltic States as a condition for the troops to be withdrawn. The Foreign Minister Andrei Kozyrev spelled out needs to grant the legal status to the Russian military in the Baltic States during the withdrawal period, accept temporary presence on the Baltic soil of some of Russia’s military-strategic installations, drop compensation claims for the occupation, help construct housing for the Russian officers in Russia, guarantee transit rights to Kaliningrad, provide compensation for the ex-soviet military installations to Russia turned over to the Baltic States, guarantee pensions and human rights to the retired Russian military officers, alter laws that infringed upon the political and economic rights of Russian-speakers, and drop demands for the return of territory annexed to Russia after the Soviet invasion after 1940.\footnote{Dzintra Bungs, “Progress on Withdrawal from the Baltic States,” \textit{Radio Free Europe/Radio Liberty Research Report} (June 18, 1993), 53.}

No matter how disconcerting the demands were, in order to secure the troop withdrawal, Latvians paid pensions to former colonists (the Russian officers). The foreign military on Baltic soil was still seen as an occupying force. The Baltic governments also conceded to some other demands to guarantee border agreements in the future. In Latvia concessions and the fastest withdrawal of the Russian military was seen as the most profound task.

The intimidation, disrespect and blunt violation of the Baltic sovereignty that the Russian military presence inflicted was quite spectacular. While withdrawing, the Russian troops were
modernized and made better suitable for combat operations. Such mechanized units were stationed close to Riga and Tallinn. From the perspective of Latvia and Estonia, they were a threat to sovereignty. Furthermore, the Baltic on-site inspectors were never let close to Russian military installations. Conversely, Russian military units crossed Baltic borders as they pleased to service Russian military bases. Quite frequently there were conflict situations between Russian military units and Baltic border guards.

Moreover, Russia argued that it needed to deploy additional military personnel to the Baltic States in order to complete the military dismantling process. Even if the Baltic States conceded to such requirements, in many instances the actual numbers Russia sent to the Baltic States were multiple times higher than officially requested. Furthermore, Russian military personnel never shied from publicly inappropriate behavior which Russian army spokespersons denied as “deliberate disinformation” about the Russian military.

Apart from bilateral, territorial, military, economic, social, cultural, and ethnic unresolved disputes, Moscow launched international confrontation with the Baltic States. Russia urged the United Nation to grant special rights for future peacekeeping missions into former Soviet republics to defend the rights of the Russian-speaking immigrants.\textsuperscript{556} The right was denied but the Russian rhetoric contributed to further belligerence.

By the time when Russia had almost completed the troop withdrawal from the Baltic States, it stood in front of some profound choices. Conflicts in South Ossetia, Abkhazia, and Transdniestr could be initially written off as rogue, spontaneous acts plotted by disobedient Russian military commanders. However, since 1993 such behavior by the Russian Federation had to be formalized.

In the short period of time, Yeltsin’s administration was never able to decide whether it saw the world as benign or hostile. As a result, it gave out signals that were confused and confusing. Yeltsin admitted two years after the Soviet collapse that the Russian state was yet trying to assume a worthy place in the world community.\textsuperscript{557}

Russia had to choose between being an empire or a democracy. Zbigniew Brzezinski in 1994 pointed at the growing assertiveness of the Russian military in the effort to retain or regain

\textsuperscript{556} Lo, 77.
\textsuperscript{557} Lo, 12-13.
control over the old Soviet empire. Since Russia had agreed to remove its conventional forces from former Soviet territories, it included also enclaves around Moldova and Georgia. As the future events showed, it failed to do so before submerging into military confrontation with the neighbors.

The international community did not remain static while Russia was soul-searching. The United States re-invigorated NATO when American makers of foreign policy directed European allies to resolutely complete ethnic conflicts in Bosnia and Herzegovina. Russia was a part of the international affair. However, after the resolution of conflict, it was made clear that NATO would not be dissolved. Since Russia was opposing broader and bolder NATO, it changed its foreign policy track toward West.

Around its borders and especially in terms of the former Soviet Union territories, Russia was rather quick to define its role. Russian political elites acknowledged and emphasized Russian interests and political rights in the near abroad (which others had to respect). The economic dependence on Russia of its former Soviet parts (including the Baltic States) was perceived as a justification for Russia to push for the re-integration of the post-Soviet space.

Some states embraced Moscow’s proposal. The Baltic States, however, were united in considering Russia’s economic and political influence as the biggest threat to their national security and sovereignty. Thus, Estonia, Latvia, and Lithuania already at the outset opted for closer ties with the West.

With its neighbors to the West, Ukraine explored the possibility of setting up Baltic-Black Sea defense cooperation. With the exception of the Baltic States, however, no other country has succeeded with abandoning Russia’s political and economic dominance thus far. The argumentation dwells in the fact that countries to the West from Ukraine have been hesitant to forge closer ties with Ukraine in order to offset Russia’s dominance.

Also Moscow’s efforts to reassert itself in its near abroad were less successful than initially thought. Russia exaggerated its success with the Commonwealth of Independent States

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(CIS). There was a profound inability to implement basic agreements and commitments since Moscow could not fully decide on its role. There was the usual dichotomy between the urge to reassert Moscow’s domination while on the other side the presence of the CIS format was exactly designed to offset such assertion necessity.\footnote{Lo, 76-77.}

The Baltic States set their sights on memberships in the EU and NATO early. Georgia initially refused to join the CIS, and Moldova and Azerbaijan initially agreed on becoming associate members of the CIS only. Ukraine, the most important of the other former Soviet republics, joined the CIS but clashed with Russia over dividing the former Soviet Black Sea Fleet in Sevastopol. More symbolic, less practical, was the initiative to create the GUUAM (Georgia, Ukraine, Uzbekistan, Azerbaijan, and Moldova) group. It was a regional effort to bring those CIS member countries out from under Moscow’s privileged dominance.

The CIS region was turbulent and, it pulled Moscow into the political fray. Armed clashes flared between Azerbaijan and Armenia over Nagorno Karabakh. Across the border from Azerbaijan, Georgia fought with two of its autonomous regions, South Ossetia and Abkhazia. In Moldova, violence erupted between forces loyal to the new government and the secessionist pro-Moscow Transnistria region. General Alexander Lebed, commander of the 14\textsuperscript{th} Army, burst into the national spotlight with his efforts to separate the sides and secure Russian military installations and weapons stockpiles in Moldova. In places and regions where democratic traditions were unknown and adherence to Russian dominion was seen as beneficial, like in Central Asia, even Tajikistan fell into a civil war.

Rather than becoming a coalition based on reciprocal appeal and equality, Russia did its best to retain whatever leverage it could in the turbulent CIS. In the Caucasus, Russian operatives and weaponry were used in conflicts and coups against perceived anti-Russian leaders. Economic pressure was deployed against Ukraine and the Central Asian states in a variety of disputes. A Moscow encouraged Crimean independence movement impinged on Ukraine’s claims to the Black Sea Fleet. By September 1995, the CIS had become the priority area for Russian foreign policy.\footnote{Hill and Gaddy, 34-35.} Since the introduction of the NATO enlargement, Moscow made the former Soviet territories a foreign policy priority.
The Russian foreign affair persistence was soon transformed into the coercive domestic unity insistence. It was not long before Russia’s domestic weakness profoundly challenged its unity. Russia was soon forced to direct its scarce resources to new burning problems. The most vivid challenge came from the South of Russia. On October 11, 1994, so called “Black Tuesday” unexpectedly brought economic-financial and consequentially political crises to Russia. As a result, Yeltsin faced another domestic issue.

Regions such as Chechnya and leaders such as Dzhokhar Dudayev since 1991 had not hidden their intention to secede from Russia. Even if Moscow had given tacit political approval to Dudayev, hoping to receive his political allegiance in exchange, from the beginning he had been pushing for independence.

Dudayev reminded Russia what it was even after the collapse of the Soviet Union. If Chechnya could separate, Moscow would be forced to consider additional secession efforts. Chechnya was not the only one willing to gain more autonomy from Moscow.

Reminiscent to Gorbachev’s actions against Lithuania’s aspirations for independence in the early 1990s, Yeltsin forged a political opposition against Dudayev to overthrow the unwanted incumbent and replace him with a leader loyal to Moscow. When a puppet government with the involvement of the former KGB was created, pro-Moscow ill-equipped forces were marching to Grozny on November 26, 1994. The subversion failed since the pro-Russian forces were promptly routed by the Chechen troops that were loyal to Dudayev. The military campaign meant to be a *blitzkrieg* turned into a nefarious confrontation for Moscow that had underestimated the Chechen mentality and warfighting skills.

The crisis of unity quickly turned into an all-Russian political crisis. Yeltsin soon thereafter issued a decree which ordered all Chechens to disarm and disband their military formations. Of course, Chechens had no such plans in mind. And, of course, Yeltsin did not plan to resolve the Chechen embarrassment democratically through reconciliation.

Instead, Yeltsin ordered his military generals to plan and execute a military campaign. On December 2, air-strikes hinted that a broader Russian military campaign could happen. On December 11, three military columns moved into Chechnya four days before Yeltsin’s ultimatum to Chechnya expired.\(^\text{564}\)

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\(^{564}\) Shevtsova, *Yeltsin's Russia: Myths and Reality*, 111-115.
The result of the campaign was the surge of anti-Russian hostility in the Caucasus and the sharp drop of Yeltsin’s popularity in Russia. All this complicated Russia’s ostensible democratic transition and Yeltsin’s odds to stay in power. Yeltsin’s actions ominously resembled the Soviet crackdown on Hungary in 1956. Chechnya became as alienated and belligerent as Hungary, Poland, Czechoslovakia or Latvia since and before 1956.

Just as there would not have been political divisions over Hungarian oppression in Moscow in 1956, none of Dudayev’s political machinations would have been possible without strong Chechen political support in the Kremlin. Political groups in Chechnya had their protectors and connections in Moscow. The illicit Russian-Chechen circles shared common interests. Dudayev was selling oil without any kind of regulation or restrictions from Moscow. The so called “black gold,” even with oil prices low, created remarkable profits.\(^{565}\)

The war in Chechnya was not only a sign of badly executed military operations. It increasingly fragmented political elites. The Russian federal parts were becoming politically stronger. The political crisis threatened to challenge Yeltsin countrywide. Russia was still weak economically and could not provide for all its federal parts and interest groups equally.

The re-election of Yeltsin depended on the resolution of the war in Chechnya. Yeltsin’s infamous public appearances where he appeared intoxicated, for example his visit to Germany on August 30, 1994, where he conducted an orchestra deepened the vast domestic political crisis. Communists seemed to inch closer to regaining the political control in Moscow. In the 1995 Duma elections, communists had doubled their support by gathering 22% of the vote.\(^{566}\) It was an indicator that Yeltsin could potentially lose the upcoming presidential election.

It seemed that Chechnya and the political situation in Moscow were the end of the Yeltsin era. Activities in Chechnya led to broader regional repercussions, too. Georgia’s Eduard Shevardnadze expressed his support to Yeltsin, but he perceived the war in Chechnya as a green light for his own campaign in Abkhazia. He hoped that Chechens would stop supporting their fellow Muslims in Abkhazia.

Kiev, on the other hand, could stop territorial secession and abolish the nascent presidential institution in Crimea. Moscow’s actions played into the hands of other multiethnic


\(^{566}\) Stent, 22.
states, such as Azerbaijan and Moldova.\textsuperscript{567} The consequences in Central and Eastern Europe were more profound. If up until the war in Chechnya the security or demilitarization arguments might have suggested otherwise, the NATO and the EU enlargements were justified even more than before.

The novel repercussions of the war in Chechnya were also played out inside Russia. On June 15, 1995, in Russia’s Budennovsk town, Samil Basayev’s terrorists seized a local hospital and took hostages, many of them sick patients. The anti-terrorist operation was led by Russia’s Prime minister since Yeltsin was in Canada for a state visit. The antiterrorist campaign was unsuccessful and caused significant civilian atrocities. Terrorists used hostages, especially women, as a human shield to ward off Russian anti-terrorist efforts.

As a result, Russians were forced to negotiate. It was seen as the Chechen success that brought Russia to its knee. After the campaign, popular support for the counteractions surged. The political credibility of then Prime Minister Chernomyrdin decreased, but Yeltsin’s political approval surged. The incumbent seized the opportunity to curb the parliament’s power by saving Chernomyrdin. Yeltsin again brought all political groups together to negotiate potential solutions. By doing so, he eliminated his political opposition.

The resolution of the Chechen conflict was important for Yeltsin’s reelection in 1996. However, political agreements were inconceivable since interests were so diverse. One side wanted a complete separation while the other adamantly insisted on keeping the Russian Federation whole. The terrorist attack on Russia and Moscow’s military activities in Chechnya did not bolster confidence between the two sides either.

Nevertheless, an agreement was necessary and made. Two generals, one Russian Aleksandr Lebed and the other Chechen Aslan Maskadov, reached an agreement on August 31, 1996. It was perceived as a victory by both sides and therefore was criticized at the outset by such political figures in the Kremlin as the liberal Chubais, the federalist Luzhkov, and the communist Zyuganov.\textsuperscript{568} It was a short-term solution, but, nevertheless, it helped Yeltsin preserve his power and win the 1996 election.

Yeltsin’s Russia was testing the tenuous limits of Russia’s unity. The country was economically and politically weakened and depended on Western aid. Russia needed a new

\textsuperscript{567} Shevtsova, \textit{Yeltsin’s Russia: Myths and Reality}, 122.
\textsuperscript{568} Ibid, 199.
ideology, democracy alone was not enough. Since 1996, Yeltsin had attempted to create the “Russian idea” (Russkaya ideya), but came up empty-handed. Around the same time, various other groups also took up the task, including a collection of conservative Russian politicians and thinkers who called themselves “Accord in the Name of Russia” (Soglasiye vo imya Rossiya). They turned out to be more successful than the incumbent.

Their critical thoughts gained more traction. After all, Yeltsin had showed no success in foreign or domestic affairs and Russia was weak. NATO enlargement was not excluded or postponed. The CIS cooperation was pale and the latest Kosovo affair in 1999 only contributed to domestic anxiety. It seemed that the country was becoming more dependent on the West.

The domestic problems and soul-searching did not allow Russia to be assertive in the near abroad or with the West. Moreover, from the perspective of Russia the expanding West was coming ominously close. For most Russians, Yeltsin’s time was a time of weakness, poverty, and uncertainty, of disorder (bezporiadok), a time to which Russians were determined not to return. There was a need for a political change even if Yeltsin was politically well established. At the end of the new millennium came the political rotation when Vladimir Putin was introduced as a new man in the Kremlin.

Putin in Near and Far Neighborhoods

Putin came into the Kremlin with the foreign and domestic policy legacy baggage left by Yeltsin. Few things were in good standing. Most had to be changed although Russia was exhausted by past reforms, different orders and regimes, and the necessity for additional reforms. Most Russians just wanted stability, order, and their salaries to be paid on time.

What shackled Russia again on the doorstep of the new millennium were apartment building bombings in Russian cities in September, 1999. At the time, Russians believed that only Chechens could plot something so atrocious. The facts about who was responsible are quite opaque. Nevertheless, since the country was strongly united, Putin could launch the second Chechen War. He had tremendous political support in Russia.

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569 Stent, 7.
Within a short time, it appeared that Putin had an agenda of “saving Russia”, from itself, terrorism, and separatism. Saving Russia at the time meant strengthening the state apparatus, challenging oligarchs for control, combatting organized crime, and getting the economy in order. Saving Russia also meant winning the Chechen war at all costs. Putin wanted to finally come to terms with international organizations, such as the EU and NATO, without becoming subservient to the West.

Against the backdrop of the sad situation in Chechnya, the president and Kremlin agreed on and passed the budget. That was the first peaceful procedure in the history of relations between the president and the legislature in the post-communist Russia. The budget was passed without bribing Duma deputies and tortuous discussions. It was realistic and appropriated 60 percent to the center and 40 to the regions. The money going to donor regions was slashed by a third, so there was some discontent in the richest parts of Russia.

Since demands were mounting but the budget was thin, everything possible and impossible was squeezed out of the budget leaving it with an 8 percent deficit. On top of domestic commitments, Moscow owed the Paris Club of international creditor countries $14.5 billion, but it had allocated only $5.3 to service the debt. The government hoped to borrow $5.3 billion from the International Monetary Fund.

The future financial forecasts for Russia looked very dismal. It was estimated that Russia’s external debt would be $48 billion in 2002, but the payments to service the debt would be $17.5 billion, one half or Russia’s budget. Russia depended on the Western financial support immensely so improvements in relations with the West were a necessity for Putin.

Furthermore, the Second Chechen War required military reform to take place. In May 2000, on Putin’s initiative, seven new “federal districts” were established, all but identical with the country’s military districts. Putin launched regional and military reforms simultaneously. There was more to that. To ensure the compliance of the military, he started paying salaries to army officers and troops and managed to keep the military obedient.

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571 Lilia Shevtsova, Putin’s Russia (Washington: Carnegie Endowment for Democracy, 2005), 139-140.
No military reform had taken place since Yeltsin took power. There was an urgent need for reorganization. No more could Russia afford communist-type military service with the disproportionate role that the military-industrial complex used to play in the Soviet Union. The term “reasonable sufficiency” was introduced.\footnote{Yevgeny Primakov, \textit{Russian Crossroads: Toward the New Millennium} (New Heaven and London: Yale University Press, 2004), 25.}

To consolidate his power in Moscow, Putin decided to take control over hitherto free media. One of the most respected Russian TV channels, NTV, owned by Vladimir Gusinsky before the takeover was 46 percent owned by the state monopoly, Gazprom. In April, 2001, not without Putin’s consent, the last independent television channel, NTV, passed into the hands of Gazprom. Apart from the well-respected TV channel, the magazine \textit{Itogi}, the newspaper \textit{Segodnya}, and the radio station \textit{Ekho Moskvy} all passed under Gazprom’s control.\footnote{Shevtsova, \textit{Putin’s Russia}, 176-177.}

The same pattern continued and the Russian television station \textit{ORT}, the newspaper \textit{Nezavisimaya Gazeta}, and the weekly magazine \textit{Ogonyok}, belonging to Boris Berezovsky, ceased to exist as independent media outlets.\footnote{Hill and Gaddy, 28.} Disloyal journalists from Russian media outlets were purged. Individuals loyal to the regime were installed as members of editorial boards. Strict broadcasting guidelines were introduced. It was farewell to the free media in Russia.

At the beginning of the new millennium the mysterious man in the Kremlin brought some stability and order. It was now possible to depart from Yeltsin’s foreign policy and domestic affairs. Thus, Vladimir Vladimirovich Putin came up with a refined foreign policy doctrine.

Since Russia was weakened, he had to strengthen relations with foreign countries and institutions. Russia’s foreign policy concept in the new millennium still emphasized rewarding competition between Russia and Lithuania, Latvia, and Estonia where the indispensable condition remained the respect of the Russian interests, including the key question, the respect for the rights of the Russian-speaking population.

In relations with the Baltic States, Moscow tried to directly resolve some issues with major international actors. The Kremlin emphasized that international organizations should not engage in “entirely subjective evaluations of Russia’s actions in Chechnya while they, according
to Russia, stood idly while human rights and the rights of ethnic minorities were violated in Latvia and Estonia.”

Since Russia found the West to be a complacent defender of the Russian-speaking population in the Baltic States, Russia took it as its own mission. The former Foreign Minister Igor Ivanov noted that Russia could not sit calmly “by as many countries (Latvia, for example) forbid groups of people to speak their native languages, or deny them citizenship or employment based on ethnicity.” Whenever Russia went on the offensive against Latvia, it was the United States and European countries that called on Latvia and Russia for a compromise.

From the perspective of Russia, the world continued to suffer from the fascist threat causing xenophobia, militant nationalism, and ethnic and religious intolerance. Russia was still living in its historical fantasies, victories, and missions. Consequently, Russia assigned itself the right to correct all wrongs, like it did when the Red Army marched toward Berlin. It was not a new rhetoric. Putin had not changed Yeltsin’s fundamentals yet. With the West, however, Russia’s relations approached a fundamentally new turn.

Just after the terrorist attacks on the United States on September 11, 2001, Putin was the first foreign leader to call George W. Bush. He expressed his sympathies and offered a partnership. Putin did not hide his allegiance where he explicitly placed Russia on the level of a junior partner in the same category with Germany, Japan, the United Kingdom, or France.

Furthermore, Bush’s idea of the “axis of evil” impressed the Russian president who had spoken about the “arc of instability” first. Putin’s own surge to power was efficiently enhanced after the September 22 bombings in Russia in 1999. There was something Putin could share with Bush and offer to the United States. From the perspective of Russia’s foreign relations, Putin had made wise and humane steps.

However, Putin did not like two things about the axis of evil policies. One was that the “axis of evil” included some of the former Soviet allies. The second was the United States omnipotent and unilateral action. Nevertheless, Putin did not disguise his readiness to cooperate with the United States, even in the event of military invasion in Iraq, and especially so if Russian economic interests would be taken care of, Putin expressed his vocal political support. By making it explicit, Putin signified that he did not want to repeat the Yugoslav syndrome where

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577 Ivanov, 70.
Russians found themselves pitted against the United States in 1999. On the domestic front, however, his anti-American, anti-NATO opposition went loud.

Not all supportive measures were easy for Putin. Russia quietly conceded to the United States’ military presence in Central Asia and Georgia, Putin’s acquiescence to NATO enlargement, and his reluctant agreement to the Anti-Ballistic Missile Treaty abrogation. Those were essential cornerstones of Russian security and political interests.

It seemed that Russia had given much in exchange for nothing. As a result, Putin was soon overtly criticized in Moscow even by pro-Western groups. The Bush policy toward Russia was benign neglect. American attitudes toward Russia were nothing like during Clinton’s reign when Russia was the priority of the American foreign policy. There were also few salient conditions that contributed to the detachment between Russia and the United States. Russia was descending while the United States was ascending. One needed the other more.

Bush, however, managed to soften some of Russia’s anxieties by approving the Strategic Offensive Reduction Treaty on May 24, 2002. The United States and the Russian Federation celebrated the treaty for different reasons. In Washington it was seen as a possibility to reduce a nuclear arsenal while in Moscow it was seen as a possibility to maintain nuclear parity with the United States.

Bush did not meet all of Putin’s expectations. However, international experts had started discussing the Bush-Putin axis. American foreign policy aimed at integrating Russia into the international community without transforming it. It was a continuation of Clinton’s strategy. Furthermore, even the European Union started playing a more significant role as well. Thus, Putin was slowly inching closer to the West.

Since Bush had failed to recognize Russia as a market economy by granting the most favorable nation status, Romano Prodi’s arrival to Moscow on May 29, 2002, did just that. The EU recognized Russia’s market economy status and Washington quickly followed. Putin even started discussing single economic area, but the EU pushed back and presented demands like Russian legal adherence to the EU norms, approximation of tariffs on energy in accordance with global prices, and opening of its markets. Not all was acceptable to Putin due to lack of competitiveness.

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579 Shevtsova, Putin’s Russia, 239-240.
Some of the EU demands threatened domestic industries that were unable to compete on equal terms with the West. On the other hand, the EU could not accommodate some of Russia’s inquiries since those were the subjects of the EU membership only. What the West solitarily could do for Russia in exchange for compliance in some areas was grant membership in the G-8 and provide substantial financial guarantees linked to Russia’s further disarmament. Western euphoria was in the air in Moscow.

The honeymoon was in full swing. Even if in May of 2002 Putin saw multiple threats on his doorstep, such as the Baltic accession to the EU and NATO, he may have disapproved them privately, but ignored in his discourse with Washington.\(^580\) The year when the EU and NATO enlarged was an election year in Russia, too. Some attention was devoted to domestic affairs.

Kremlin saw its foreign policy tasks differently at the time. Since Putin had altered his foreign policy in favor of closer ties with the West, he had to assure Beijing, the CIS, and some individual countries like Belarus and Ukraine, that Russia’s Western orientation did not mean abandonment of the previous ties.\(^581\)

\(^{580}\) J.L. Black, 348

\(^{581}\) Shevtsova, Putin’s Russia, 242.
Moreover, before the “big bang” EU and NATO enlargement in 2004, Putin could sigh in relief. The price for fossil fuels such as oil and other raw materials was starting to surge (see Figure 4.1). It gave Russia an unprecedented and unexpected possibility, apart from incrementally building up the military from 2007-2014, to also increase payments to domestic constituents. For Putin, there were novel international possibilities, too.

In the summer of 2006, Moscow finally paid off the last of its debts to the Paris Club. Putin had already paid off his debt to the IMF in January, 2005. The result was that Russia had effectively unchained itself from financial shackles to foreign countries and international organizations. No longer could finances be used as a way of leveraging Russia’s policies as in the case with the Russian troop withdrawal from the Baltic States.

More resources and more international leeway allowed Russia to further refurbish international strategies. The liberal, Anatoly Chubais, who headed the Putin’s team in 2003, espoused an idea of a “liberal empire” where Russian energy pipelines, electricity transmission lines, and Russian companies purchases of major foreign economic assets like refineries would replace the Red Army as Russia’s means of moving back into Europe, consolidating its ties with its old neighborhood, and new political support.

Since Putin had eliminated the last remnants of the Yeltsin’s team by seizing economic assets of major strategic companies in Russia, such as Mikhail Khodorkovsky’s Yukos, he could adapt new foreign policy tools to uphold Russia’s geopolitical interests more effectively that they had been since 2004.

If one hypothetically questions if Ukraine were to surrender its gas transit systems to Gazprom or Serbia were to abandon its European course, the geopolitical challenges might shift in an unpredictable direction. Russian elites were not non-strategic, risk averse, or naïve. They were ready to pay handsomely in the short term for the outcomes they would score in a long run. Of course, Russia’s soft coercion rooted in economic means and hard diplomacy had to be tested against Western to expand their geopolitical clout.

From the very first day of the existence of the CIS, economic partnerships were embedded in historic partnerships to create a common space socioeconomically, militarily,

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582 Hill and Gaddy, 317.
583 Ibid, 355.
584 Sherr, 122-126.
strategically and in transportation.\textsuperscript{585} For those who wanted to escape Russia’s dominance, like Latvia, the economization of Russia’s foreign policy placed significant strains on the already strenuously inherent political establishment. Russia’s influence was based on soft coercion: influence that is indirectly coercive, resting on covert methods (penetration, bribery, blackmail, and greed).\textsuperscript{586}

Even the West seemed less disciplined than anticipated, especially when the 2008/2009 financial and economic crisis visited Europe. The crisis multiplied economic opportunities for Russia. When large shipyards in France were at a standstill, or Western oil companies were increasingly looking for new fields, Russia could offer support. Of course, in exchange for some important concessions. Russia attempted to acquire not only much of the former Soviet Union’s assets, it even started buying companies in the United States.

Since the crisis shook Europe’s economic confidence and solidarity, Russia could resort to economic coercion through companies like Gazprom. The Kremlin used threats of gas cutoffs and embargoes, potential inspections, court cases, fines or other measures hanging over foreign governments and companies. Putin could adapt the divide-and-rule principle when institutions of even the EU were increasingly challenged.

The United States and Russia were slowly inching toward confusion and ambiguity. Bush’s omnipotence, especially after the United States invasion of Iraq in 2003, was instrumental for Russia to underscore its own universal rights to participate as an equal in the pan-European matters of significance. Since the war in Kosovo in 1999 and Clinton’s policy of NATO expansion, and even more so after 2003, American relations with Russia suffered.\textsuperscript{587} Putin was ready to ignore the past when relations seemed to improve, but he was not ready to repeat the past for protracted periods.

Russia understood that there could be no security in Europe without Russia. According to Moscow, relations with the EU and NATO must develop on the basis of equality.\textsuperscript{588} The move by the United States and NATO to expand the alliance right up to Russia’s borders, in blatant disregard for Russia’s national interests was a clear wake-up call for the Kremlin.

\textsuperscript{585} Ivanov, 81-82.
\textsuperscript{586} Sherr, 2.
\textsuperscript{587} Michael Mandelbaum, \textit{Mission Failure: America and the Post-Cold War Era} (Oxford University Press, 2016), 123-124.
\textsuperscript{588} Sherr, 6.
The period of an overt, idealistic, pro-Western orientation in Russian foreign policy was relatively short-lived. It went to a natural end. Russia quickly learned the appropriate lessons. Even if the EU was not yet seen as a menace, Russia was perplexed that it had to reconsider all relations with the newly accepted states due to the 2004 big bang enlargement.

On the top of double NATO and the EU enlargements and revolutions in Georgia and Ukraine, it was not clear to Moscow what the United States intended to accomplish in those small, viewed as failed, states in Russia’s backyard. They could not comprehend America’s “Freedom Agenda” and Washington’s fixation on Georgia as the major element in United States foreign policy in the period up to 2008.

Putin was looking at George W. Bush with a jaundiced eye since he perceived America’s actions in no other way than directed against Russia. In 2006, Vice-President Cheney had denounced Russia’s anti-democratic position and condemned Moscow’s gas supply cut off to the Ukraine in 2006 over a gas pricing dispute. Putin responded proportionally since he viewed the Western intrusion in the Russia’s near abroad as significantly disconcerting. Ominous and reciprocal rhetoric started to escalate.

Since the Orange Revolution approached the Ukraine, which for Russia was geopolitically more significant than Georgia, Moscow had to become more active. To get Moscow’s favorite candidates elected, the Kremlin pursued a two-track policy. It dispatched the best public relations officers to the Ukraine to campaign for the politician Victor Yanukovich. Furthermore, Moscow offered a series of political and economic concessions to convince the Ukrainian public of the importance of cooperation with Russia.

Putin made his candidate known in Washington, but Yanukovich lost (after the poisoning scandal of his opponent was revealed and another election round took place, owing to revelations of the Western NGOs). “Managed democracy” did not always work. Western influence was blamed on losing Russia’s candidate in Ukraine. Ever since Putin was ridding Russia from the Western influence by expelling American and European NGOs, journalists, business ventures or organizations that Kremlin found potentially unfriendly.

By 2005, Vladimir Putin heralded the collapse of the Soviet Union as the greatest error. According to him, millions of Russians now found themselves residing outside of the Russian

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589 Ivanov, 12.
590 Hill and Gaddy, 306-308.
591 Stent, 112.
Federation beyond the protective reach of the motherland.\textsuperscript{592} With the remark of the Soviet collapse, Putin explicitly emphasized the importance that Russia attached to the economic and political coherence of post-Soviet space. Putin did not disguise his willingness to elevate Russia’s status to the historic Cold War level.

Putin previously had enjoyed warm relations with Britain’s Tony Blair, France’s Jacques Chirac, and especially Germany’s Gerhard Schröder. Ever since 2003, those same countries, with the exception of the United Kingdom, had been partners in the anti-American “coalition of unwilling”, countries that opposed the war in Iraq. A new election cycle in Europe had brought new leaders and Putin was trying on new partnerships.

He was not as successful with major partners as before. During the 2007 EU-Russia Summit, Putin invited Angela Merkel to get down to business and sort things out between Russia and Europe. He believed that individual countries could reshape the EU. Merkel made it clear that bilateral deals with Russia would not be possible by saying “she is not the queen of Europe.”\textsuperscript{593} This was a setback for Putin. He started viewing Germany as diminished power.

Putin posed relations with Germany more. When he replaced Medvedev as a president in 2011, he did not hide that such an agreement had been made before. It made Merkel particularly displeased. Moreover, German intelligence units revealed that Russia’s “sleeper agents” had become active again. In 2012, German intelligence services presented a report which illuminated Russia’s organized crime circles in Germany and Europe.

Downward spiraling of Russia’s relations with the West were also expressed vocally. In 2007, Putin made his position clear at the Munich Security Conference. For Putin, the NATO enlargement, that had reached Russia’s borders, reduced mutual trust since it was not clear against whom the enlargement was intended. For Moscow the important aspect was not intent, but NATO’s capability to threaten Russia. While Russia had withdrawn its troops from Europe, NATO bases in Romania, Bulgaria, Poland, and the Czech Republic had filled the void.

Russian forces were still outside of its borders in places like Georgia and Moldova and created protracted conflicts. Those particular countries hoped to ride the euphoria and join NATO as soon as possible. When President Bush visited Tbilisi in May, 2005, he proclaimed that “I am proud to stand beside a President who has shown such spirit, determination and


\textsuperscript{593} Hill and Gaddy, 318, 324-325.
leadership in the cause of freedom. Georgia today is both sovereign and free, “a beacon of liberty for this region and the world.” Americans might have implicitly over-encouraged Georgian leadership.

Georgia invested efforts to transform and reform itself to better suit the democratic standard up until the Bucharest NATO Summit in April, 2008. What Bush had not made public and explicit was the warning to Mikhail Saakashvili not to let Russians provoke him and not to use force to take back the regions, Abkhazia or South Ossetia. It was made clear that the United States would not rescue Georgia if it made any mistakes.594

Inspired by the 2007 Bucharest Summit messages, Saakashvili did just that. A membership action plan was not granted to Georgia. The hot-headed leader might have perceived that the decision was based on Georgia’s unresolved territorial disputes with South Ossetia and Abkhazia. Consequentially, Saakashvili ostensibly perceived the military solution to be the most appropriate way to resolve the protracted conflicts and qualify for NATO membership. Well, that was not the case and Georgia was exposed to a brief Russian military attack after it provoked Moscow to defend the warring territories.

The NATO enlargement euphoria was gone as soon as the short war was over. The world was shocked about the conflict that broke out in the post-Cold War era between two sovereign countries. One of the pundits who had argued for NATO to enlarge by accepting the Visegrad and the Baltic States, referred to the war as the little war that shook the world.

Even if the military conflict lasted only five days with relatively few casualties, “it broke the cardinal rule of the post-Cold War that borders should never be changed by force of arms.”595 Even if not all agree with Georgia’s position in the August war of 2008, many would agree that the tragedy revealed to the United States and European leaders' their myopic and reckless inattention to the gathering clouds of war.596

The question about exact and appropriate Western actions remains hinging in the air. The demonstration of force might have led to all-out war with Russia that the West would not risk. For Putin, the five-day conflict was a war against the further NATO enlargement in which

594 Stent, 168.
596 Robert Legvold, “A Little War That Shook the World: Georgia, Russia, and the Future of the West (Book Review),” Foreign Affairs, Volume 89, No. 2 (March 2010), 166.
Georgia was effectively made an example to demonstrate Russia's “privileged interests” in the near abroad.\textsuperscript{597}

The Russian military did not acquit itself particularly well in Georgia. The year 2008 was not the year Russia’s military was put to the test. However, the war changed Russia’s military policies. The former Russian President Dmitry Medvedev in his inaugural address spoke of “blunders” in the operation that needed to serve as “highly serious lessons” for the military leadership.\textsuperscript{598} Notwithstanding the military outcome, geopolitically any feasible arguments for NATO enlargement were postponed indefinitely. Russia continued pivoting on another foreign policy track.

On April 27, 2007, Estonia was the first NATO country that experienced a Russian cyber-attack. While a hack of an information system is very hard to prove and there was a Russian denial, the facts speak against the Kremlin. A closer examination of the cyber environment in Russia contradicts the Russian government’s denial of its involvement.\textsuperscript{599}

In July, 2007, Russian announced the suspension of the Conventional Forces Europe (CFE) treaty. Again, it signaled to Russia’s neighbors a return of the historical predicament. As a consequence of the abrogation of the treaty, the removal of Russian military forces from Abkhazia, South Ossetia and Moldova could be postponed or neglected.

The CFE treaty provides the cooperation through which Russia can ensure predictability in the levels and locations of NATO forces, as well as means for inspecting these forces against the information that NATO provides.\textsuperscript{600} So can NATO. The possibility of the abrogation of the treaty could have profound consequences on the security of Europe since it would be no longer possible to ensure on-site military inspections and exchange of military intelligence.

Since 2007, Russia has been more militarily active around NATO borders. In June, 2009, Russia launched a large scale military exercise that was aimed at deterring a NATO attack on Belarus. The drill ended with a simulated nuclear attack on Warsaw, Poland. The military excise

\textsuperscript{597} John Berryman, “Review: A little war that shook the world: Georgia, Russia, and the future of the West,” \textit{International Affairs}, Volume 86, No. 4 (July, 2010), 1023.
\textsuperscript{598} Hill and Gaddy, 333.

Four years later in 2013, Russia organized another military exercise “Zapad II” in Kaliningrad to enhance anti-terrorist operations capabilities. The exercise was paralleled by the mobilization of around 100,000 men inside the Russian Federation, close to the Baltic Sea region borders.

Even if the drill was labeled as a counter-terrorist exercise, the military activities were aimed at fighting the conventional armies of the Baltic States. The comprehensiveness and scale of the military exercises pulled the Russian military activities close to Finland’s borders. Since Finns had plotted a national military exercise of their own in the past, strategic bomber flights took place along the Finnish eastern border close to their firing ranges in the Barents Sea.\footnote{Pauli Järvenpää, “Zapad-2013: A View from Helsinki,” \textit{Jamestown Foundation} (August, 2014), 10-11.} Russian military generals had chastised Finland before for carrying out military activities near Russian borders. It was the moment for payback.

Similar exercises and activities continued (see Figure 4.2.). The Russian military display and disposition of military objects even to the person who knows little about the strategic-military planning makes it clear that Russia is not developing a defensive strategy. In fact, Russia has been overly aggressive ever since 1938 when it started preparing for the offensive military campaign in Europe in partnership with Germany.\footnote{Viktor Suvorov, \textit{Icebreaker: Who Started the Second World War?} (London: Hamish Hamilton, 1990), 11.} Then Russia removed all defensive obstacles that could impede the offense in Europe.
Figure 4.2: Russian military activities, 2008-2016

Russian military bases: □ Until 2008 ▢ Until 2015
Number of violations of sovereignty 2008-2016 ▣

Russia became more assertive and aggressive, especially around the stable EU and NATO borders in the Baltic Sea Region. Since 2004, growing oil prices had given economic means to Russia to be more assertive. However, especially after the Georgian war in 2008 and Crimean annexation in 2014, Russia improved its military arsenal and was regularly testing NATO’s reaction time, strategy, and constraint.

Russia had also pulled its military bases closer to the Baltic and Nordic borders. In case of a military attack on Russia, those military bases located close to the Baltic and Finnish borders could be promptly lost. Since Russia never believed such an attack could take place, locating military bases close to NATO borders had not been an impediment.

The character and frequency of the military activities poses questions about Russia’s intentions. Such activities as long-range strategic bomber flights, airspace violations, a “friendly” bombing exercise on Swedish, Danish, Latvian, or Estonian civilian targets, regular appearance of reconnaissance planes, rhetorically offensive doctrines where military, intelligence, and information operation are coordinated closely, bullying of civilian aircraft in international airspace, abduction of security officers, projection of politically unacceptable demands, spying scandals, and rogue financing information campaigns do not contribute to sound neighboring relations. What is especially interesting is the fact that most such activities have been aimed at Sweden and Finland.

For some time, Russia has launched a “guerrilla geopolitics” - in the light of international order, the Kremlin finds increasingly irksome powers and alliances with greater raw military or political and economic power. As a result, the new tactics focus on the enemy’s weaknesses and avoid direct and overt confrontations. 604 Such activities were applied against Ukraine.

There were local mutinies in Ukraine against the pro-Moscow’s government that severed ties with the EU. Local protests quickly turned into a profound political crisis in Ukraine. Then President Victor Yanukovich turned away from the EU and toward Russia. Enticed by a $15 billion loan and cheap energy supplies, he caused sharp public reactions and protests that led to the occupation of Maidan Nezalezhnosti (Independence Square) by protesters.

Despite an attempt by the EU and Russia to broker an agreement between the government and the protesting opposition, President Yanukovich fled to Russia on February 24, 2014. A

transitional government was installed, which Russia condemned as illegal and extremist. On February 27, Russian Special Forces, supplemented with local activists, took over government institutions in Crimea, as well as Sevastopol, the home of Russia’s Black Sea Fleet, and other parts of Eastern Ukraine. To legitimize the military effort, a secession referendum was staged in Crimea.

In his speech, Putin called it a historic and democratic moment. At the presence of the Russian military in Crimea, the local population had executed a referendum where 94 percent of the Crimean population voted for the secession from Ukraine in favor of the Russian Federation. The activity was quite tantamount of the Soviet-day voting conformity where political choices were underwritten by the military presence.

The Russian Federation’s military adventures did not stop in Crimea. In fact, the Russian military activities in the Eastern parts of Ukraine surged. The former Swedish Foreign and Prime Minister Carl Bildt noted that Russia changed from a “strategic partner” to a “strategic problem.” In 2008, the war with Georgia had demonstrated Russia’s willingness to defend its zone of special interests against NATO. In 2014, the annexation of Crimea and the resulting cyber-warfare in Ukraine was already the countermove against the EU.

2014 marked one more significant change. Putin began altering Russia’s extreme nationalism. Chechens, who fought Moscow in the 1990s and 2000s, were now fighting on behalf of Russia in Crimea, against anti-Kremlin Ukrainians. They were proof that Crimea was a matter of Russia’s statehood, not just a narrow ethnic dispute for Russia and Russians (Ukrainians were traitors of the cause). Using opaque tactics, bribing, and unconventional methods, Putin had managed to convince Chechens to side with Moscow.

Furthermore, Russia’s new military bullying and geopolitical guerilla tactics were not the only novel traits of the refurbished foreign policy. When Putin started seizing Russia’s free media in 2001, he strongly enhanced the Potemkinization of his foreign policy. It was the administration’s use of major policy statements to convey an impression of unity and sincerity that were fundamentally at odds with the real nature of the foreign policy. During the Soviet


\[607\] Hill and Gaddy, 370.

\[608\] Lo, 67, 71.
era, the five year plans had been the most obvious cases for such policy, aimed at controlling society, not reaching any economic goals.

In foreign affairs, Americans had accumulated some public diplomacy experience from the Cold War years. The Soviet propaganda organs were dumping the worst kinds of vilifications on the United States despite all the nice things Russians were saying in Washington. Russia’s deception was nothing novel since the Stalinist-type propaganda was already in vogue in the Soviet Union. The best response to the deceiving media campaigns, recalls Richard Nixon, was to tell Russians that if they did not stop telling lies, then Americans might start telling the truth about Russians.609

It became a game in which Putin was in charge of events: he controlled the facts and the “stories.” Others, inside and outside Russia, were forced to deal with someone who was a master at manipulating, suppressing and creating pseudo-information.610 Russia’s media empire started highlighting only those facts that it found important, it hushed all critics domestically and overwhelmingly repeated messages that made external threats more salient.

Such Russia does not respect a commitment to objective reality. It rather integrates distorted facts into historic narratives according to political necessities. Russia asserts moral superiority and status as a role model at home since others want to paint it as a victim.611 In 2015, Russian has become “the firehouse of falsehood” because of massive messaging and shameless willingness to disseminate partial truths or outright fictions.612

One of the most salient tools for its information campaigns has been Russian-speakers abroad. The Kremlin could always muster ways to accuse local populations for failing to respect human rights, dignifying living conditions for ethnic minorities, minority language and cultural norms, or a simply ostensibly anti-fascist stance.

The profound interest to defend Russian compatriots abroad is nothing else than a foreign policy instrument. While Yeltsin’s team was in charge of the Kremlin, not a single official visit was organized to inspect living conditions or simply meet Russia’s compatriots abroad. It was

610 Hill and Gaddy, 7.
Putin who personally in late 1999 was said to be the first one to visit the Russian diaspora in Uzbekistan.\textsuperscript{613}

In fact, Russia has failed for many years to provide any, even the most rudimentary assistance to compatriots living abroad.\textsuperscript{614} The way the Russian Federation dropped the question of Crimean local autonomy in 1997 to facilitate the conclusion of the 1997 bilateral treaty with Ukraine shows how unimportant the Russian diaspora actually was.

Russia has rhetoricly threatened to use the most severe sanctions, meaning economic embargo against Latvia if the rights of the Russian speakers will be violated. However, the Russian ambassador to Latvia, Alexander Udaltsov, declared in February, 1997, that only Russia’s Foreign Affairs Ministry cares about these people. In reality, no one does.\textsuperscript{615}

Furthermore, the member of Russia’s Presidential Commission on Citizenship Issues, Victor A. Pechenev, has noted that “Russia has never had any true policy on the Russian-speakers.” The ostensible human rights violations were merely used to discredit the Baltic States internationally.

Russia’s ties with the West were worsening for diverse reasons. Since Putin’s return to his presidential seat in 2011, relations with the West were eroding more rapidly. Thus, Russia began three new foreign policy pivots. The first was to itself (by means of the “sovereignization,” internal and external strengthening); to Eurasia (by means of integration of the Customs Union and the Eurasian Economic Union); and to Asia (by means of development projects in Siberia and Far East and an outreach to leading economies in the region, starting with China).\textsuperscript{616}

Already at the outset the Kremlin faced constrains. As much as Russia would like to forge closer ties with China, only its military kept the relationship in balance. China was growing in all areas, Russia only militarily. In 2004 Russia spent 3.4 percent of GDP on its military. In 2015, the figure climbed to 5.4 percent. In the same time span, Russia’s actual military spending

\begin{itemize}
\item \textsuperscript{613} Natalya Airapetova, “The FSU Countries Should Expect Surprises from Russia,” \textit{Nezavisimaya Gazeta} (January 25, 2000), 5.
\item \textsuperscript{616} Dmitri Trenin, “Foreign Policy as Exercise in Nation Building,” ed. David Cadier and Margot Light, \textit{Russia’s Foreign Policy: Ideas, Domestic Politics, and External Relations} (Palgrave MacMillan, 2015), 33.
\end{itemize}
has gone from $37.8 to $91 billion. In 2016, however, due to economic decline, Russia is estimated to spend on its military around 25 percent less (in real terms $66 billion).

Since the prices for fossil fuels are decreasing, Russia appears to be too complacent about China’s rise with whom it’s the lengthy shared border was demarcated only recently, in 2005. This fact indicates that those relations have been far from perfect. However, Kremlin chooses to ignore the obvious threats and the relationship imbalance. Instead, it rather pretends that the relationship is on a solid strategic foundation while only the military actually maintains parity.

Since Putin in 2016 overtly proclaimed that Russia’s borders are boundless and the Russian hacking experts have proved to be involved in the United States presidential campaign, Moscow and the West are on totally different tracks. Since there are clear indicators about neo-imperialistic or neo-communist resurgence of Russia, even the West faces some limited, but well known policy options.

While Kennan called for counterforce as a deterrent, he warned against applying Western power to try to change the Russian government itself. Such an approach would not only overreach in terms of the West’s actual capacity to influence events within Russia, but would certainly galvanize support among proud Russians for continued confrontation with the West. It is necessary to let Russia sort things out while the West remains vigilant and resilient in relation to what is happening around Russia’s borders.

It is clear. Russia is back: a bully to former Soviet holdings in Europe, a challenge to the United States and its European allies, and one of the self-proclaimed leaders of an alleged post-

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While living in neo-imperial and neo-communist fantasies, Russia has not marked one important fact. It is entering a stage where Russia’s faith will be challenged. It is clear that Ukraine has entered a period of growing belligerence with Russia since the surge of military activities that only Russia denies are not instigated by the Kremlin. In parallel to Russia’s more assertive military activities, it is also rebuilding monuments devoted to Stalin and Ivan the Terrible. Those actions are at serious odds with significant numbers of domestic constituents. In that way Putin is investing efforts to weld imperial and soviet glories together.

Putin believes that even Belarus must participate in Russia’s military response to NATO’s activities on the Eastern flank. Conversely, in this regard even Belarus is becoming more anxious. Apart from political-security concerns, Russia and Belarus can no longer agree on previously simple permanent trade issues, restrictions of Belarusian goods in the Russian market, gas prices and the incomplete delivery of oil to Belarus from Russia, as well as the sudden introduction of controls on the Belarusian-Russian border.

Belarussian pundits share some alarming hypothesis that the large scale military drill “Zapad/West 2017” can turn into overt occupation in case Belarus disappoints Russian geopolitical interests. Russian military units have been on the Belarussian territory for some time. However, the Belarussian analysts explicitly outline the fact that Russia’s confrontation with NATO on Belarussian territory “generates sovereignty, independence and national security risks.”

There are reasons to believe that the Kremlin is preparing Belarus as a flashpoint for future confrontation with the West. Moreover, the Kremlin has started applying the same propaganda tools against Belarus that Moscow has already been using to discredit the West for a long time. Both, Russian and Belarussian media with strong Russian ownership are used in information campaigns against Lukashenka’s government. In response, Belarus has recently opened its borders to eighty countries, among them thirty-nine European, to uphold tourism and

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This luxury has been previously denied to Belarussians and foreign travelers. It seems that Russia is incrementally losing even its last Slavic partner on the Western front.

Russia in Latvia

Normal relations between Russia and Latvia are hardly possible for one profound reason. The interpretations in Riga and Moscow of what normal relations mean are in stark juxtaposition. The Russian-Latvian relations are based on vast historical biases. Russia seems to perceive Latvia as its privileged zone of interest, or as post-Soviet territory. There is a prevailing assumption in Moscow that the Russian Federation is entitled to something of a special right in relations with Latvia.

On the other side, Latvia has never disguised its repulsion and willingness to escape Russian political dominance. As a result, the bilateral relations have been quite ambiguous and confrontational with little consistency. The interaction has been based more on issues than on coherent process or firm paradigms.

Latvia has not been a trend setter in relations with Russia since it is a tiny power. On the other hand, Russia has hardly ever had any consistent foreign policy toward Latvia, or the other two Baltic States. Dmitri Trenin had noted that Russia has no Baltic policy couple of year ago. Moscow wants to settle the fate of the post-Soviet space in direct relations with the major players. Moreover, as recalls Madeleine Albright, not any foreign counterpart was significant enough for a common business to Russians. Boris Yeltsin always insisted that his only partner in the United States was Bill Clinton. Putin is not different. The most recent election in the United States served well to underline this paradigm in 2016.

Nevertheless, the major powers not always have embraced Russian interests in the Baltic States. In relationship with other powers, Russia has always believed that the status of the Baltic States is completely different from the status of Poland, to say nothing of Finland. Other powers have attached other meanings to the Baltic States.

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627 Albright, 178.
The first thing that the others have denied to Russia is the prevailing assumption of its exceptional status and privileges. In relations with the West, Russia has more or less consistently followed its own official foreign policy declarations and documents. With the near abroad in general and Latvia in particular this has seldom been the case. The Baltic States have always been treated differently.

Notwithstanding the absence of foreign policy coherence and tangible substance, there are several important aspects on which the Russian-Baltic relations have evolved. Moscow has tried to use several factors as the means for reintegrating the Baltic States into Russia’s political space. It has invested resources to establish financial-trading groups, joint banks, and the “Russian-speaking business” in the Baltic States.

Russia’s economic presence has led to political repercussions. No country will neglect the existing reciprocity between economic and political interests. As a result, Moscow has searched for the Baltic political elites that would be “politically realistic” in Moscow’s eyes (those elites that are in favor of pro-Moscow and less or anti pro-EU or pro-NATO). Notwithstanding changes in international order, Russia’s relations with the Baltic States have been strongly embedded into its geo-strategic and geo-economic thinking.

While the Baltic States would be foolish to neglect the attractiveness of Russia’s huge consumer market as compared to the three Baltic States, the dilemma for the Baltic States is how to accommodate security and economic interests in their relations with Russia. Russia has always used economic cooperation, political influence, and ethnic issues as the power triangle in the Baltic States.

Russia has attached significant importance to compatriots living abroad. Despite profound doubts about the genuine care Russia attached to people, in the middle of 1996 Yeltsin spoke of support for ethnic Russians and approved a new policy using a phrase “Russian speakers.” Most ethnic minorities from the post-Soviet space use Russian as their primary means for communication with the exception of the Baltic nations. One of the inroads into Latvian political and economic affairs for Russia has been the so-called “Russian-speakers”, mostly ethnic Russians, but there is a share of people from the other Slavic countries like Ukraine or Belarus (see Table 4.3).

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The majority of the Russian-speakers are ethnic Russians and most were non-citizens of Latvia in 1995, almost a half were still non-citizens of Latvia in 2005 (one year after the EU and NATO enlargement in 2004). The salient precondition for Latvia’s integration into the EU/NATO community was the citizenship issue.

In 1998 all obstacles for naturalization were removed, making Latvian citizenship one of the most liberal objectives in all of Europe. Even though the requirements for citizenship include rudimentary language and history skills as well as the pledge to be loyal to Latvia, the number of non-citizens in Latvia has decreased by only one third in a decade from 1995 until 2005.

One of the reasons is that the non-citizen’s passport makes it possible to travel to Russia and the EU without a visa. The number of non-citizens is the indicator that signifies how many residents in Latvia still mentally live in the space that no longer exists – the Soviet Union, the source of privileges to the Russian-speakers in the past.

Using those power leverages, Moscow has tried to impose its policies on Latvia. Russia has adamantly pushed for more rights in political, economic, or social affairs for the Russian-speakers. It has requested more liberal conditions for obtaining the citizenship. That would eventually remove any obstacles for Russian-speakers to obtain Latvian passports.

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In another area, Russia has overtly blamed Latvia for denying crucial rights in education. This issue has become a bilateral bargaining matter between Latvia and Russia. On the way to the EU and NATO, the citizenship issue was the most important impediment for Latvia to become member of the Euro-Atlantic community. The citizenship issue was resolved in 1998, but during the citizenship referendum Latvians committed to reform the educational system, too. It was decided to make Latvian language as the primary means for instruction in education by 2004.

When the moment came, there were protests where Russians chanted “Hands off Russian Schools” (Ruki Proch ot Ruskih Shkol). Latvians have never tried to influence Russia’s educational system, but when it comes to financing education in the Russian language with Latvian taxpayers’ money, it is not clear why Latvia should commit to upholding the post-Soviet legacy in Latvia. Reforms in education have contributed to the short-term domestic rifts, but the reform itself should contribute to long-term coherence.

Along the ethnic lines, there is little social discord between Latvians and non-Latvians. By 2006, 56 percent of Latvians and 61 percent of non-Latvians fully agreed with the idea that they have no problems in making contacts with people from the other group (34 percent of Latvians and 33 percent of non-Latvians gave the answer “mostly agree”). Only 8 percent of Latvians and 6 percent of non-Latvians disagreed entirely.

Most ethnic Latvians and non-Latvians consider ethnic relations to be satisfactory. However, only 9 percent of respondents agreed with the statement that “all in all, the society in Latvia is consolidated and integrated” while 65 percent gave the negative answer to the statement. A comparatively high percentage of respondents (27 percent) said that it is difficult to tell.

Most discord between Russian-speakers and Latvians derives exactly from the realm of education. A significant majority of Latvians (77 percent) support the education reforms in minority schools, while a majority of non-Latvians oppose them (only 26 percent of Russians and 35 percent of people of other nationalities support the reforms).

Furthermore, only 19 percent of Latvians support the idea that Russian should be made Latvia’s second official language, 87 percent of Russians and 75 percent of people of other

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nationalities support this idea. Making Russian as the second official language would also mean allowing for Russian-speakers to qualify for government jobs, use Russian in public and official communication. It would make the Russian language as mandatory for Latvians.

Russia has overwhelmingly abused the rights of Russian speakers in citizenship, education, and the status of the Russian language in Latvia. It has restlessly chastised Estonia and Latvia for violating human rights, but the United Nations and the Council of Europe have always refuted such allegations as false.

However, Moscow still perceives ethnic Russians abroad as a policy tool and the issue of the Russian-speakers has haunted Latvian-Russian relations for long. It seems like both countries have reached a dead end. The issue is often talked about, but there is little any side will achieve in the future. Nevertheless, in its relations with Latvia, Russia will always emphasize the Russian-speakers. It has been a trend since 1996 when the Russian Duma approved a resolution calling for economic sanctions against the hostile regimes in Estonia and Latvia. The resolution was never implemented.

In September 1996, the quite nationalistic-patriotic Russian Political Research Institute anticipated to decrease Russia’s transit through the Baltic ports in order to achieve more rights for Russian-speakers. In November, the institute concluded that such an approach had strong limits. In 1997, the deputy chairman of the Russian government commented on Foreign Minister’s Primakov’s statements about sanctions and human rights in the Baltic States that these ethnic and economic issues should be viewed in parallel, not in direct correlation with each other.

Even if Russia kept rattling the Russian-speaker sword to remind to the Baltic States that economic embargo, pressure, or niche economic warfare was always possible, no serious sanctions were implemented. The inability to wield an economic weapon indicates that there are significant interests for Russia in the Baltic States. One of the most salient economic sectors has been the transit. Here Latvia, and the other Baltic States, can use their ports and railways in order to engage in international business ventures. The Baltic States have become competitors with each other.

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In this sector Russia could politically divide the Baltic States. The most friendly and obedient Baltic countries have always been rewarded. They became the priority transit hubs for Russia and Moscow has always been able to take advantage of the competition for Russia’s business. The Baltic States have always allowed Russia to do so. Since 2000 one more port in Lithuania was opened for operation.\textsuperscript{635} The competition for Russia’s attention was increasing as Finland and Sweden were becoming important parts in the struggle for the transit business.

The Latvian-Russian transit cooperation has grown rapidly. By 1996 the transit sector was growing 1.4 times faster than the aggregate economy. 55 percent of foreign direct investment was in transportation and communication sectors the same year. Furthermore, it would be only a slight exaggeration to say that Latvian Railways (the state-owned Latvian rail company) has made its living from servicing the transit of goods among the Baltic States and to the West only. Latvia has never shied away from establishing itself as a hub between East and West.

Only about 5 percent of the physical volume of all cargo transported in 2005 was local transportation and the bulk (84 percent) was transit through Russia. About half (49 percent in 2005) of all cargo handled by the Latvian railroad was transited from, imported from, or exported to Russia.\textsuperscript{636} The rest of the cargo went to other places, but through the Russian Federation since the rail system is strongly integrated with the Russian rail system. Thus, Russia always had a total control over Latvian transit. It could always use border issues, technical caveats related to infrastructure repairs, or decreases in transit volumes to impede transit from Latvia.

On the other hand, as Russian exports to the West increase, the volume of cargo transited via the Latvian transit system has grown. The same pattern applies to the Latvian ports and railways. Between 1995 and 2005 the total volume of commercial cargo almost doubled. Moreover, when Russia suffers economically, the tendency is for transit through Latvia to surge.

In times of crises, Russia tries to extract and sell all it can to bolster the budget revenue. Even though there have been economic sanctions imposed on Russia since 2014, Latvian


government has ceased to report the reciprocity of economic sanctions on transit. Experts have noted that apart from the political decisions, supply and demand saliently dictates rises and drops of cargo flow through Latvia. None of the sides were interested in dropping the economic benefits.

Apart from just doing business with Latvia, Russia has never hidden its objective to control Latvian business. In terms of selling natural gas to Latvia, Russia controls gas transportation infrastructure through its subsidiaries Gazprom and Itera Latvia (a subsidiary to Gazprom). Both subsidiaries control JSC Latvijas Gaze (a gas distribution monopoly in Latvia). As a result, no other company can enter the gas market without Russia’s consent.

It makes Latvia economically vulnerable. There are options to cut off gas supplies to Latvia and the other Baltic States since the focal point of the gas transportation infrastructure goes straight through Latvia. Russian officials have denied Baltic allegations regarding the political nature of the gas business. However, there are instances that hint at the opposite.

The Nord-Stream project – a gas pipeline that links Russia and Germany - has pointed to Russia’s diversification strategy and determination to reduce its dependence on Baltic transit and consumption. In terms of the Nord-Stream pipeline, according to Gazprom, “it would be a mistake to say that Russia chose a more expensive kind of gas pipeline.” The construction of the offshore pipeline only increases building, operational and maintenance costs. However, it allows avoiding payments for transit and trans-shipment costs to the Baltic States.

Even if Latvia’s extensive underground storage capacity allows assuring steady gas deliveries to consumers in Latvia, neighboring Baltic countries and northwest Russia in the winter period, the construction of the Nord-Stream pipeline gave a possibility to deny gas exports to Latvia at any moment. In times of crises, even potential liquefied natural gas imports are complicated since the transportation infrastructure is controlled by Gazprom and its affiliates.

Latvia never had alternative gas supply sources. That is one of the reasons why Russia easily acquired gas distribution assets in Latvia. In other transit areas such Russian companies as Gazprom, Lukoil, and Yukos were interested in acquiring Latvian business ventures at the moment when the Soviet Union dissolved.

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Most Russian companies quickly became the largest clients for Latvian transit companies and ports. Instead of being just clients, Russian business was eager to buy out strategic transit assets early. In 1997, the Russian government made a decision to buy the shares of the company which controls Liepaja port.\textsuperscript{639} Russia’s Lukoil expressed the will to privatize the \textit{Ventspils Nafta Company} that controls Ventspils port. Both ports are operational through the year notwithstanding severe maritime conditions in winters.

The privatization of the \textit{Ventspils Nafta Company} was denied. The company played a key role in Latvia politically (major coalition political parties were sponsored by the company). However, during the economic crisis in Russia from 1998-1999, oil transit was decreasing through the Ventspils port. Then the decision was made to offer 25\% participation share to Lukoil in 1999, but Lukoil showed no interest.\textsuperscript{640} Rather than becoming a minor partner, anything short of a controlling package was of no interest to Lukoil. Russia slowly started reorienting its transit routes elsewhere while Latvia accused Sweden and Finland with looting the transit business from Latvia.

Economic relations with Russia are not limited to purely trade aspects. Increased Russian investments and economic activity also contributed to broader political influence. What would have happened if instead of building the offshore Nord-Stream from Russia to Germany, Moscow had decided to build the Amber pipeline to the same destination through the Baltic States? Would not that be the end of political sovereignty of Latvia if such Russian business interests would be present?

Russian business has been closely tied to politics. In the past, Russia developed sound strategies to yield significant political pressure in order to uphold its economic interests. The political groups and business ventures linked to the Kremlin were dubbed as \textit{Mrachkovski} enterprises: the network of commercial undertakings organized by the Russia’s secret services (for example GRU, KGB, NKVD, Tcheka, NKGB, among others) to acquire assets and money for the maintenance of influence abroad.\textsuperscript{641} Marriage between politics and economics have been possible and served well to increase the opportunities for Russian oligarchs and mafia structures in Latvia.\textsuperscript{642}

\textsuperscript{639} See “Skonto and Trans-Liepaja Privatization,” \textit{Biznes i Baltija} (March 29, 1997).
\textsuperscript{642} Stranga, “Baltic-Russian Relations, 1998-1999,” 139.
The presence of such interests in Latvia have made transparent cooperation impossible. For example, regarding the salient transit issues, Latvian official structures failed at the outset of their independence to organize any substantial inter-state visit. Even though the Latvian transportation ministry tried to get involved in high-ranking political affairs, only private sector companies in Latvia could accomplish such goals.\(^{643}\)

All in all, there have been high and low points in the Latvian-Russian relations. The most salient moment when the factors of Russia’s influence in Latvia were welded together was a crisis. The first and the most profound political-economic crisis between Russia and Latvia started in 1998. Then the Latvian foreign ministry denied the Russian ambassador in Latvia permission to lay flowers in front of the Monument of Communist Victory over Nazism while under construction. The Russian side took it as an insult.

Conversely, the permission was given to commemorate the Latvian soldiers who died fighting in the Nazi German uniform against the Red Army in front of the Monument of Freedom in Latvia. The commemoration of the Latvian Second World War Veterans, who fought on the German side, caused a serious interstate crisis in March, 1998.\(^{644}\) Latvia was portrayed as a neo-nazi state. The making of Latvia as a scapegoat was also motivated by the political and economic crisis inside Russia. Thus, Latvia could be used as a way to distract attention from domestic problems.

Latvia experienced an overwhelming Russian media, political, and economic offensive. Russia’s transit through Latvia was significantly decreased. Such Russian oligarchs from team Yeltsin as Boris Berezovsky and Vladimir Gusinsky launched a comprehensive information campaign in Russia against Latvia. Radical political forces, such as the former Moscow Mayor Yuriy Luzhkov and the radical nationalistic political figure Vladimir Zhirinovsky, unleashed the most furious political rhetoric.

Owing to already ongoing economic decline in Russia, sanctions against Latvia for ostensible human rights violations were applied. Latvian banks that had significantly invested in the Russian short-term securities suffered significantly. Some enterprises in Latvia went bankrupt and some suffered economic repercussions. One day before the referendum on the


citizenship law the former foreign minister Igor Ivanov announced that the objective was to achieve “international intolerance” against Latvia. Goaded by the United States and European partners, Latvia quickly adapted a new citizenship law which anticipated liberal amendments on October 3, 1998. In this response, Latvia showed the willingness to build relations that would be free from historic biases.”

In conclusion, even if Latvian-Russian relations are not limited to the aspects outlined above, these are all serious milestones that determine relations between Latvia and Russia even today. Russia still is a significant transit partner and the only natural gas supplier to Latvia. Furthermore, Russian business groups are a strong influence in Latvian politics. Strongly entangled with the economic realm, political influence will echo the economic cooperation.

On the bright side, there is little social conflict between diverse ethnic groups in Latvia unless politically motivated. The Latvian and non-Latvian communities live harmoniously until Russia starts abusing ethnic relations for political gains.

March and May every year have become two focal points for social rifts. March is the month when Latvians who died fighting in the German legion are commemorated every year. That is the month when Russia unleashes its anti-fascist information campaigns against Latvia. Those events are attended by lesser numbers of participants since the number of veterans is dwindling. On the other hand, the commemoration of the communist victory attracts masses of young people on May 9 every year. Kremlin propaganda still lures many young people in Latvia to support communism for reasons beyond understanding by ethnic Latvians. For ethnic Latvians the victory of communism meant the introduction of five decade occupation.

Conclusion

Foreign relations with Russia have been the primary point of frustration in Latvia. It is endowed with good neighbors to the North, South, and West. The Eastern front has turned out to be the most complicated.

Russia has been misunderstood by itself and by others. Like Ilya Murometns, who stood at the intersection, Russia has never made a choice for the future. Thus, the future has slowly but

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incrementally become the hostage of the past. Thus, the ideology that Moscow nourishes is rather disturbing.

The introduction of imperial and communist symbols by Putin at the outset of his reign in the early 2000s was a disconcerting fact to Yeltsin. Putin continues to display such symbols after the invasion of Georgia and Ukraine. The Kremlin is rebuilding monuments to criminals against humanity like Ivan the Terrible and Stalin. The Russian public seems to approve it since Putin’s domestic ratings are high.

Under Putin, Russia is drifting away from some kind of a democratic model where the Russian idea and the country would serve its people. Conversely, Russia continues to nourish its past traditions. With the economic conditions worsening and political controls becoming more oppressive, Russia becomes like Chechnya and Colombia. Here the overarching question is how long will domestic society tolerate domestic oppression or when will come moment of Russia’s next external military campaign come?

If until 2004 Russia was not overtly menacing, then ever since 2007, the Kremlin has demonstrated profound assertiveness in the Baltic Sea region. Russia’s political rhetoric is ominous, and domestic transformation and resurrection of communist and tsarist symbols are worrisome. Even Zhirinovsky praises Putin by calling him a tsar. It sounds rather menacing and uncomfortable probably no less to the outside world than to his political opponents. Even the Slavic core like Ukraine and Belarus are looking at Russia with more than suspicion.

Thankfully, Latvia is the member of the EU and NATO. Notwithstanding a sound defense shield and European institutional umbrella, Latvia is still domestically vulnerable and sensitive. Differences between Latvians and non-Latvians regarding the accession to the European Union and NATO have been related to consumption of mass media and support for political parties. It would be possible to mitigate domestic risks by mitigating social and political divisions. Nevertheless, like Latvian and Russian relations, ethnic relations in Latvia are rooted in historic biases that probably only time can cure.

Among those issues are the diverse perspective on the occupation of Latvia, the outcome of World War II, the annexation of the Abrene district that Latvia gave back to Russia in order to

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646 Zepa and Šūpule, 39.
secure the ratification of the border treaty in 2007\textsuperscript{647}, the status of the compatriots living beyond Russian borders, and the procedures for obtaining citizenship and minority education issues. Economic relations in this cocktail seem to be the most pragmatic. Nevertheless, all areas are intertwined.

Until 2004, Russia failed to use these factors to impede Latvia’s path to the EU and NATO. After membership, the bilateral relations gained a new pace. It could be characterized as a cold stalemate where Russia is more involved in discrediting Latvia as a neo-fascist country than developing long-term beneficial relations.\textsuperscript{648}

After Latvia entered the Euro-Atlantic community, Russia tends to build political and economic interest groups in Latvia. Those groups can serve as a political leverage over Latvia. The reviving Russian economy, driven by high energy prices, gives Russian politicians tools for influencing neighboring areas. While the opposite should relieve Russia’s political pressures, it has historically used external adversities to disguise domestic problems. As a result, no matter what Russia’s international or domestic trajectory is, it has never ceased to be menacing for the Baltic States even though they are parts of broader defense and regional cooperation alliances now.

CHAPTER VII
THE BALTIC STATES IN EUROPE

Introduction

The European part of the Euro-Atlantic community would not be possible without the European Union (EU). It has grown strong from the initial institutional cooperation framework that the United States offered to Europe in the post-World War II era. The American-offered Marshall Plan was instrumental not only for relieving postwar socio-economic pressure. It also created conditions for major European powers to set up institutions for closer cooperation as a way to avoid future conflicts and enhance prosperity. Nascent at the outset of the Cold War and adolescent at the time when the Rome treaty was signed, those same institutions form the contemporary political composition, the political union once the Maastricht Treaty came into being.

The Maastricht consensus occurred at a time when the European political union was still nascent. It became adolescent when the common foreign and security policies were agreed upon and set in motion. The first task was the completion of Ostpolitik by unifying Germany. It was a process that was strongly supported by Americans. There was nothing to which the Brits or the French could object. Nobody, except Germans themselves, could deny their unity and social coherence.

The German unification cannot be viewed in isolation from the European integration process. It was already clear to such European integrationists as Jean Monnet that for the “German Question” to be resolved, a peaceful solution must be found within the community whose aim was not to make coalitions of states but, instead, unite the people.\(^{649}\) In that sense, the European community’s immediate recognition after the Soviet collapse of the three Baltic States was that which was extended to the kin people. The effort to institutionally take the Baltic States back into Europe only confirmed this, as was the case with Germany.

The acceptance of the Baltic States was nevertheless different. The German and European unifications were milestones during which the common foreign and security policies

rose from nascent to adolescent. However, any further enlargement, as well as the consolidation of Europe, depended on major powers that were acting in a new environment. The major European powers-Germany, France and the United Kingdom-did not demonstrate an immediate and zealous willingness to accept the Baltic States into the European community. Their initial focus was on their own regions and challenges.

Even more, public opinion regarding Latvia’s membership in the EU in France and Germany was rather negative. In France, only 20 percent supported, and 60 percent opposed, Latvia’s membership in the EU by 1996. After all, the French public was ostensibly not even aware of where Latvia was on Europe’s map. Even if the German public was less opposing than the French, the split was still 37 percent for and 44 percent against Latvia’s entry into the EU. From the three major European powers only the United Kingdom was evenly divided. Thirty-five percent of Brits supported and 36 percent opposed Latvia’s membership in the EU.

The explanation for such dissent and neglect towards the Baltic States lies in the fact that they were unknown before. Their interaction, cooperation and integration were forced toward Moscow and the East, not Brussels and the West. Even after their independence the Baltic countries-Estonia, Latvia and Lithuania-were much more dependent on exports to the old Soviet trading club, Comecon, (representing 30-40 percent of the GDP) than were the Central and Eastern European communist countries (representing 4-15 percent of the GDP).

The historic economic cooperation contributed to the social and political cleavages and consequently affected the policies of major European powers and the European community at large. There was a latent social fault line in Europe that could be erased only through closer cooperation and integration. To answer the question of how Latvia returned to the European community, considering all the impediments it faced at the outset of its independence, it is worth assessing the position of major powers as well as distinct European regions and actors-all of which were more or less responsible for shaping the policies of and the conditions for the Baltic State return to Europe.

In the aftermath of the Cold War, the EU was influenced by economic integration, France’s fear of falling behind, a general concern about Germany’s dominance, the potential for a Franco-German leadership, British skepticism and the small states syndrome embedded in a

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fear of rising hegemony. Thus, at no time was there a clear understanding of what European integration really meant.

Notwithstanding the interpretations of roles and definitions of the integration, the debate about the potential enlargement eastwards had already begun when communism fell. The enlargement process was prompted by the association process and the introduction of the common foreign and security policies when the Maastricht Agreement was reached. However, it was up to major powers such as Germany, France and the United Kingdom to set the enlargement trends and define limits. Only those actors who were endorsed to act as agents of enlargement could play any significant role.

**Germany: Reluctance**

German unification reminded the Baltic States of their historic predicament surrounding the geopolitical presence on Europe’s outskirts. At the outset of this new era, the United States and Europe set the unification of Germany as their primary objective. Any action on behalf of the Baltic States was put aside. “If the German unity does not come, it will endanger the stability of Europe,” the counselor to the United States Secretary of State Robert Zoellick said when German unity was considered.

The priority segregation was practically played out with Lithuania at the very beginning of the 1990s. Since Lithuania was the first to denounce its ties with the Soviet Union, Gorbachev sent in the Soviet military and imposed sanctions to keep the empire together. In response, encouraged by President George H.W. Bush, Chancellor Kohl and President Mitterrand, there was an effort to defuse the crisis by sending a joint letter on April 26th to the Lithuanian leaders asking them to suspend their declaration of independence.

In Washington, Gates, Blackwill and Rice opposed the effort to dissuade the Baltic States from seeking independence. Scowcroft, Baker and Ross, however, believed that Americans

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could send an “indirect” message to Lithuanians. A delicately worded Kohl-Mitterrand message was delivered by a third party emissary and was accepted by the Lithuanians. On the other side, the Americans convinced Gorbachev to call the Vilnius surge encouraging, but also encouraged him to abstain from the further application of force. Europeans and Americans mitigated the crisis, since German unification had to be fully completed before other challenges were addressed.

Regarding the further enlargement prospects, the so-called “European core”- France and Germany strongly supported a coordinated policy. Germany preferred not to act alone in Eastern Europe for primarily political and historical reasons. France advocated an active common Ostpolitik to balance a potentially dominating German role in Eastern Europe. For France, it was a possibility to construct Europe from the Atlantic until the Urals. The question was how Germany foresaw the enlargement. For geographic and historical reasons alone, it was a pivotal time for the enlargement to include the Baltic States.

Germany bears a long history of cooperation in the Baltic Sea region. During the Roman Imperial era, Rhineland commercial links with the Baltic Sea area and central Asia helped to finance the imperial holdings. The Christianization of Scandinavia intensified trade exchanges in the eleventh and twelfth centuries until the inauguration of the Hansa trading league that brought the cooperation to new heights. Based on shared Scandinavian, Prussian and British interests in the common trading area across the Baltic Sea, cooperation surged.

It was the German initiative that created Riga as a trading outpost and regional order in 1201 in the Baltic. As the region surged in terms of commerce, even Bismarck needed to defend itself from Russia’s growing influence on the Baltic littoral, as well as the increasing British expansionism in Central Asia, to guarantee stability around the Polish and German borders on the Baltic Sea.

When Latvia became independent for the first time in 1918, the British and German commercial rivalry helped to pull the Baltic States out of Russia’s enhanced dominance. When the Cold War ended, Germany had an opportunity to explore the Rhineland commercial links

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656 Philip Zelikow and Condoleezza Rice, 257.
657 Smith, 49.
around the Baltic Sea area again. The Baltic States saw Germany as the major force that would bring them back into Europe.

In the EU integration context, there was a notion that trade can foster parallel political cooperation and economic liberalization. The notion was especially strong at the time of the East-West split in Western Germany. As a result, Germany firmly believed that closer cooperation with Eastern Europe could strongly support stability and security in the East.

In 1993 the share of total imports from Eastern Europe (excluding the Baltic States) to Germany were 58 percent, while exports to Eastern Europe accounted for 53 percent. In comparison, the two-way import and export share for France was only eight percent, but for Britain it alternated between six and seven percent. The overarching question was whether the Baltic States were becoming a part of the German Rhineland commercial area.

Germany saw its future as inextricably historically bound together with some adjacent nations in Europe. The overwhelming majority of its political elite agreed that German-Polish relations must never again be subordinated to German-Russian relations. Germany's endorsement of the eastward enlargement of NATO indicated that politicians had dropped the bad habit, adopted in Cold War Ostpolitik times, of worrying how hawks in Moscow would react.

Leaders from Central European states never shied away from reminding the European core about the legacy. Jiri Dienstbier, the former Czech Foreign Minister, evoked the analogy of Munich to remind Western leaders that cowardice would not win in the face of adversity in 1993. He reminded them that Western powers owed a debt for their historic misgivings and deeds.

Furthermore, Germany became the advocate for the post-nationalist policies in Europe. It rose as a civilian power, where the objective became to mirror processes and institutions with civilized politics and societies domestically to the international level. The concept of civilian power is encapsulated in two aspects-peace and democracy.

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662 Henning Tewes, Germany, Civilian Power and the New Europe: Enlarging NATO and the European Union (Palgrave, 2002), 172.
Thus, in terms of NATO enlargement where it was the most controversial, Germany was guided by the principles of democracy toward Eastern Europe and by the principle of peace vis-à-vis Russia. In terms of the EU enlargement, German institutions became actively involved in advocating the extension of peace and democracy to the East. Germany locked its policies into the Kantian triangle of peace vis-à-vis the transatlantic community, which was embedded in democracy, peace and trade endorsed by institutional cooperation.

Germany’s macro-regional strategies seemed to provide tools that were new, innovative and flexible enough to pursue German interests through institutions. The normative equality and institutional power was supported in Germany. The result was that Germany became an advocate of smaller EU states like the Benelux states and Denmark, Sweden and Finland, which had been members since 1995. Germany implicitly gave voice to those small member-states. From the perspective of France, it appeared that Germany would also gain more allies in the EU through closer ties with the countries to the East.

However, even though Volker Rühe was the first, in 1993, to propose the enlargement of the Euro-Atlantic community by accepting the Baltic States in NATO, he became an advocate of smaller enlargement, as initially proposed by the American administration. This may have been important in mitigating anxiety in France-Paris, always worried that Germany could too rapidly become significantly more influential.

On the other side, to dilute the German power, France proposed and supported the enlargement that would also include Mediterranean powers, or at least Romania and Bulgaria. Furthermore, the American support of NATO enlargement meaning initially accepting only Visegrad was significant for the EU as well. Apart from the enlargement concerns within the Euro-Atlantic community, Berlin was willing to mitigate the anxiety in Moscow. In response to growing dissent in Europe, across the Atlantic and with the German chancellor, the German foreign ministry led by Klaus Kinkel stayed neutral.

Initially, Germany contested cautious policies toward Eastern Europe. Only the German Länder, like North Rhine-Westphalia, Lower Saxony and Brandenburg, were interested in immediately steering Germany toward the East. The Länder strongly altered domestic political

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666 Otte and Greve, 192.
priorities to favor a federal Europe, with Brussels becoming the decision-making focal point.\textsuperscript{667} The federalization prospects were strongly compounded with German pro-atlanticism. Berlin saw NATO as the primary guarantee for security in Europe. Thus, Germany implicitly endorsed Brussels and Washington as the drivers of the enlargement process.

Nevertheless, Germany developed policy patterns that were directed toward peace and democracy in accordance with the Ostpolitik traditions. The result was that the new Bonn-Moscow axis emerged between 1989 and 1991 and dominated Germany’s policies throughout the first post-Cold War decade. Such patterns unquestionably represented a problem for the Baltic States.\textsuperscript{668} They found themselves sandwiched between two major powers in Europe. One of them, Russia, was considered alien to Europe by at least the Baltic States.

Nevertheless, German moral and historical legacies did not allow it to leave the Baltic States completely unattended. The German Chancery was the primary maker of German foreign policy, focusing on Ostpolitik and, therefore, Russia. The responsibility of the foreign ministry became the Baltic States. It was the secondary actor that defined German foreign policy. The foreign ministry’s activities were a way to keep the Baltics on board, while the Ostpolitik remained the German priority.

In terms of the EU enlargement, German foreign policy could not focus solely on Moscow practically and on the Baltic States formally. Since many Central and Eastern European states had applied for EU membership and the association process had begun in 1994, the debate about the best enlargement option came to the forefront in Germany.

Here, the chancery explicitly favored the “group model,” having in mind the Visegrad states. Conversely, the German foreign ministry favored the “starting line model,” where membership negotiations would start with all those who had applied for the EU membership.\textsuperscript{669} That included Latvia and the other Baltic States.

The foreign ministry saw the all-inclusive option as the least discriminatory against the Baltic States and the least geostrategic approach to address the enlargement. The sides came to a

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\item \textsuperscript{667} Lothar Gutjahr, \textit{German Foreign and Defense Policy After Unification} (London and New York: Pinter Publishers, 1994), 125, 137.
\item \textsuperscript{668} Kristina Spohr Readman and Hans-Dietrich Genscher, \textit{Germany and the Baltic Problem after the Cold War: The Baltic States as a Gauge of Unified Germany’s Ostpolitik and European Security} (New York and London: Routledge, 2004), 156.
\end{itemize}
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compromise. The “stadium model” anticipated that all applicants would become contestants that entered the race for EU membership. Some states were invited to start accession negotiations while less prepared states had to wait. Since the political agreement was reached among the major powers, the German foreign ministry started tacitly lobbying the model in Brussels.

There was little doubt in the Baltic republics that Germany was the key for EU membership-geographically, politically and, most certainly, financially. The Baltic States started tacitly working with the German federal offices since the position of German chancellors had always been colder. The former Estonian foreign minister Siim Kallas pointed to the fact that Germany was the Baltic advocate in the EU in 1996. If Germany is against something, he acknowledged, then there is no point in insisting on it.\textsuperscript{670}

In addition, the former Latvian president Guntis Ulmanis recalls Clinton noting that the Baltic States in times of hardship must address Helmut Kohl as a reliable American partner in Europe regarding the Baltic States.\textsuperscript{671} However, by 1996 Kohl’s first official speeches ruled out the possibility for even one of the Baltic State to join the EU.\textsuperscript{672}

In Germany, the foreign ministry became the true partner for the Baltic States. In 1996, to alleviate the Baltic concerns, the former foreign minister Kinkel and his Danish counterpart declared that Estonia, Latvia and Lithuania must become members of the EU. They actively lobbied for Baltic membership. Invited by Kinkel himself for a meeting the same year, the Baltic foreign ministers listened to the priority that the federal ministry had set to anchor all three Baltic States in the European institutions.

There was a bout regarding the Baltic admission to the EU and to NATO inside Germany and between its federal offices. The former German chancellors Helmut Kohl and his successor Gerhard Schröder were keeping their Baltic pronouncements quiet. Their priorities were linked to Moscow and refined form of Ostpolitik. As a result, the Baltic States risked becoming pawns in power games, as well as the possibility of being forced to remain in a grey zone should the position of the chancery prevail.

The emergence of dissent in Germany made the Baltic membership in the EU quite unrealistic. When the EU-Madrid summit was held in 1997, Germany shared reservations about

\textsuperscript{672} Drinkwater, Eade and Garapich, 189.
the strong wording on the final communique on the membership prospects for Romania, Slovenia and the Baltic States. Germany was also skeptical about the NATO membership action plan proposed by the United States administration and other European allies in 1999.673

The Chancery’s neglect and dissent was diluted by the German foreign ministry. It had incrementally elevated the Baltic EU membership to new heights. Estonia had started accession talks in 1997. Slower initial transformation and adaptation in Latvia and Lithuania led to a belated start of accession negotiations two years later.

At a time when the Baltic States were taking small steps toward EU membership, Kohl, made his first visit to the Baltic States, not in the capacity of a state official but, rather, to discuss business regarding the Baltic Sea region and to meet with Russia’s Prime Minister Chernomyrdin during the Council of the Baltic Sea States meeting. The German chancery abstained from addressing the Baltic States as well as their EU integration prospects.

Just after the election in 1998, Schröder explicitly noted that some states were cradling “wrong impressions” about the enlargement prospects.674 He also assured Yeltsin that Germany was not going to forfeit Russia at the expense of the Baltic States. Even if the European Commission (EC) promoted Latvia as the next country to be invited to start accession talks during the Vienna summit in 1998, Germany shared reservations. Had Germany thrown its weight behind Denmark and Sweden, the two staunchest lobbyists for Latvia, negotiations would have begun.

Then, only Lithuania would still be waiting. Both Lithuania and Latvia were invited to begin accession negotiations in 1999 during the EU-Helsinki meeting. Joschka Fisher, the former German foreign minister, supported the stance that all three Baltic States should join the EU together. Schröder visited the Baltic States in 2000. He did not promise anything other than Germany’s assistance in fulfilling \textit{acquis communautaire} requirements.675 Instead of just quick enlargement, Germany would affirm only the one that was slowest, demanded the most reforms, and thus was more complicated, but successful.

That was the truth, no matter how bitter it sounded to the leaders of the Baltic States. In 1999, the former Latvian president Vaira Vičē-Freiberga recalled that Latvia’s closest European

\footnote{Frank Schimmelfennig, \textit{The EU, NATO, and the Integration of Europe: Rules and Rhetoric} (Cambridge University Press, 2003), 255.}


\footnote{Drinkwater, Eade and Garapich, 195.}
partners explicitly noted that it was just the start of a long road to adhere to *acquis communitaire* and close multiple negotiations rounds.\(^{676}\) Only then would EU member states vote on Latvia’s membership in the EU. Consensus in Europe on the Baltic membership had to be reached. By the time Latvia was invited to launch accession talks, Germany’s position toward the Baltic States had significantly changed.

The Kosovo crisis, the United States support of the Baltic States and the surge of the second Chechen war had significantly contributed to the change. Germany supported the Baltic membership in the EU. Russia remained silent, but hoped that Germany would remain its voice in the EU. The enlargement significantly altered German foreign policy perspectives in the future.

*Ostpolitik* came to an end after the “big bang” enlargement in 2004. Germany took an initiative during the German EU presidency by drafting a new EU-Russia partnership agreement along the lines of the irreversible links between Russia and Europe as a new *Ostpolitik* in 2007. The initiative quickly faced difficulties with Germany’s eastern neighbors, particularly Poland.\(^{677}\) Lithuania turned out to be the one to block it diplomatically during the EU presidency year.

In terms of Russia, the EU became a composition of diverse political groups: Trojan horses (Greece and Cyprus), strategic partners (France, Germany, Italy and Spain), friendly pragmatists (Austria, Belgium, Bulgaria, Finland, Hungary, Luxembourg, Malta, Portugal, Slovakia and Slovenia), frosty pragmatists (the Czech Republic, Denmark, Estonia, Ireland, Latvia, the Netherlands, Romania, Sweden and the United Kingdom), and new Cold warriors (Poland and Lithuania).\(^{678}\) The mix made the EU rather ambivalent, but Germany was significantly restrained.

What was important for the Baltic States was the different context within which they had been placed since 2004. The EU membership offered Latvia membership in the European community so that it may enjoy its institutional protection. On the other hand, on issues of


significant importance, it could obstruct EU decisions like Poland and Lithuania did with the Germany’s policy initiative toward Russia in 2007.

Today, Germany is emerging as a geo-economic power that extends beyond the traditional framework of European cooperation or even of cross-Atlantic cooperation in the area of security. However, the EU institution gives significant leverage, even to small EU member states, to tame German power. It is better for small states not to obstruct Germany too often. The credibility of the EU significantly depends on German power and such actions are irritating, at best. Germany is not the only power in the EU. It has influential partners, like France, that the small states in the EU must consider. The EU remains a potent cooperation platform. But without the leadership and commitment of the major states, the institutional cooperation can be significantly weakened.

France: Ambivalence

As the major EU founder, France has inherited the mindset of a world power with neither the reach nor the means for one—it is a mid-size power with special links across Africa. Yet, France retains a pivotal role in the EU alongside Germany. It is still a hostage of the Charles de Gaulle foreign policy initiatives—the debilitating wound was inflicted on the European integration in 1965 (when France vetoed Britain’s membership), on the transatlantic cooperation with the withdrawal from NATO in 1966 and the creation of a nuclear force. France has denied memberships, frustrated transatlantic alliances and rose to nuclear power status, but not to the status of a global power. However, France possesses the ability to remedy crises in European or transatlantic relations when they occur through the EU institutions. Thus, it, without doubt, exerts a global influence through the EU.

The European ambivalence and the Gaullist gridlock was broken by François Mitterrand. French policy during Mitterrand’s term, conversely to De Gaulle’s ambivalence, fully embraced European integration and adopted the goal, long-term at last, of a federal Europe. Mitterrand from De Gaulle took the determination to commit to certain policy goals. This time it was the European integration that was still rooted in French domestic interests and bargaining.

For example, in practice, the French commitment to Maastricht’s goals of monetary and political union were tempered by persistent, sometimes fierce, displays of national interest.\textsuperscript{681} Those who opposed the treaty of Maastricht, however, did not oppose European integration prospects. Even if there was a significant French opposition against the Maastricht Treaty, the neo-Gaullists casted their “no” vote against the federal Europe, not the unified Europe.

By and large, the European integration objective for France has been to contain Germany’s economic strength by locking it into European institutions. The Maastricht process offered France some possibilities but took others away. The integration incrementally but imminently meant that France would become like “the others” in exchange for benefits like currency stability, low inflation, competitive exports, political gains from common diplomatic pan-European structures and a permanent seat by Germany’s side. Politically, France has always sought to minimize disadvantages from reduction of national sovereignty by decreasing Germany’s unilateral political capacity. By giving up hers, France could take some of Germany’s powers. In that way France could maintain parity with Germany.

Furthermore, France has also aimed to support the common agricultural policy for farmers in which a producer, not a consumer, is the priority. The German taxpayer, rather than the French, subsidizes the common agricultural policy that benefits France. France attaches cultural meanings to the production and output and Paris is inclined to support rules that allow for the protection of French cultural products.\textsuperscript{682}

For the French, the overarching issue was how to stay French and change at the same time. One of the major challenges for their language was how to maintain its status in the face of overwhelming Anglo-Saxon dominance. The whole challenge for the “la Franchophonie” emerged in the period of de-colonization, and increased when the Soviet Union collapsed and the EU enlargement prospects multiplied the effects of the globalization.

All those processes challenged geographic areas where French was spoken as the mother tongue, where the language was used as a means for communication or official purposes, or where the diplomatic institutions were built on profoundly French traditions. In addition to the cultural challenges, there were political dilemmas.

\textsuperscript{682} Malcolm Anderson and Eberhard Bort, \textit{The Frontiers of the European Union} (Palgrave, 2001), 108-111.
Without the United States, France could not create a substantial security alliance in Europe. European unity, on the other hand, would not be possible without Germany. With Britain, however, France could be an effective counterweight to Germany’s economic superiority or to an overwhelming American political dominance. France is a European nuclear power that keeps a finger on the nuclear trigger of major powers. When acting alone, France is far from omnipotent.

On the regional level, France shapes French-British and French-German relations—each of them separately and all of them together can be a remedy for crises in Europe or in transatlantic relations. Together with the major global powers, France shares a seat at the U.N. Security Council. With those power leverages, it has always aimed to maintain the status quo in Europe. France’s place in Europe, in the world, and in relation to her nearest neighbors, Britain and Germany, was a shadow of greater powers—an issue that had been bitterly debated.

For France, the disintegration of the Eastern bloc confirmed the West’s feeling of superiority and of correctness, even though what came after in some of those countries was nothing less than ruthless capitalism. Inside France that was the moment when the last bits of communism lost their political credibility. The issue of Eastern Europe, until then, was absent from French preoccupations, or was perceived in a purely derivative manner.

The Baltic States or “the other Europe,” in broader terms, was seen either as a way to foster channels of communication, as a means to reinforce détente on an economic basis or as a potential obstacle to détente with Moscow. There was never a pattern in Eastern European countries of reversing regimes’ rhetoric. In the past, even after the coup of 1980-1981 in Poland, or the Soviet invasion in Afghanistan, France insisted on keeping economic issues separate from the political and military ones. France has previously insisted on building relations with Russia on non-ideological basis.

Nevertheless, in the other Europe, France saw some opportunities, too. Owing to the French fear of Germany’s rise, Paris saw the enlargement as a possibility to further dilute German power. Since there was a possibility for the emergence of intra-union blocs, France

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strongly supported the EU enlargement to include Romania and Bulgaria. Those countries lagged behind Central and Eastern Europe in terms of democracy standards or transformation. France, in terms of the EU and NATO enlargement, was proposing broader enlargement since the French-preferred candidates were always on the bottom of the aspiring list of countries. As a result, France, at all times, has implicitly supported Latvia’s road to the EU and NATO.

At the outset of Latvia’s way to the EU, there was little interaction between Latvia and France bilaterally. However, France has not shied away from facilitation of Eastern European affairs or from giving advice. Former President Guntis Ulmanis explicitly named Mitterrand as the Western leader who demonstrated the most profound interest in Baltic affairs. In 1994, he advised Ulmanis to react rapidly regarding Russian troop removal since the domestic political change in Russia could become unfavorable. Kohl, nudged by Mitterrand, had urged Latvians and Russians to commit to troop removal agreements as soon as possible.

France has also extended support to the Baltic States. It supported the idea that countries seeking membership in the EU should begin accession talks sooner than Germany had anticipated. Paris had promised to act as Lithuania’s advocate on the route to the European Union in 1996. It helped to alter the EU stance in a positive way for the Baltic States.

By that time Greece, and EU-Nordic states had stressed that Estonia should be the first to start accession talks. The Netherlands urged that accession talks should start only with Estonia, while Finland and Germany supported the argument that Latvia and Lithuania would gain from Estonia’s accession experience. France was instrumental in rounding up the Baltic States as a package deal for EU enlargement. As a result, the position of the German foreign ministry within the EU was also explicitly enhanced by France.

For the Baltic States, one of the key impediments for the EU membership has been Russia. As recalls the former Latvian Ambassador to France Sandra Kalniete, the French were concerned that Latvia would bring the baggage of quarrels with Russia inside the EU. Moreover, Latvia was a distant country and very few in France knew of it. The public was also not inherently inclined to sacrifice much for Latvia.

The ice was broken and the situation changed when, in 1998, Latvia elected Vaira Vīķe-Freiberga as the Latvian president who, with her eloquent French and knowledge, charmed

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687 Ulmanis, 128.
Chirac, senators, deputies, ministers, intellectuals and even journalists. Only then could the French allow for such sympathies to enhance their political support of the Baltic States even if there were some practical reservations. It was only France that could afford for such sympathies to alter its political stance since it was a special country in Europe.

By advocating on behalf of the aspiring members, France risked giving away some of its important national traits. Many French politicians believed that the EU had changed from a project that was designed partly in France's interests. For example, the EU was a way of getting German taxpayers to pay large chunks of subsidies to French farmers. With the enlarged community, the French saw the EU as potentially acting against them. New members could jeopardize some policies that were important to France, like the common agricultural policy, or render EU payments thinner to French recipients.

France had not always enjoyed control over initiatives that it had politically launched in the EU. For example, the Maastricht treaty that paved the way for the single currency was largely the brainchild of Mitterrand, whose price for accepting German unification was Germany's abandonment of the D-mark in favor of a single currency over which France hoped to have more control. Despite the fact that it was possible for France and like-minded European countries to rid themselves from the D-mark burden, none could claim to be in control of the common currency.

Furthermore, France was most afraid of additional Anglo-Saxon traditions being brought in the EU. The EU had been based on the Franco-German engine from the outset. With every new enlargement, French cultural traditions were undermined. Before the “big boom” enlargement, pessimism about the cultural intrusion could be alleviated by the relative welfare and optimism that reigned in Europe. On such a positive wave, France, among other European powers, indulged in a little bit of philanthropy and the Baltic States became members of the EU. Ever since, there have been French cultural days celebrated in Riga on a regular basis.

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The United Kingdom: Reforms

Initially, the United Kingdom stayed outside European communities due to its national interests, or at least the government’s perception of its natural interests. At the insistence of the British foreign minister Earnest Bevin, NATO or the transatlantic alliance was created. It was perceived as Britain’s priority. It was initially led by the Brit Lord Ismay, who laid out the objective for the alliance to keep the Russians out, the Americans in and the Germans down.691

When the foundations for the European Coal and Steel Community were laid, the participants of the founding six sent the highest-ranking officials, while the United Kingdom sent a low-ranking “observer.” This clearly outlined how much importance Britain attached to the European cooperation at the outset.

In the meantime, the United Kingdom shared no less interest in keeping the Germans down, Americans in and Russians deterred in Europe. Initially, the United Kingdom assumed that relations with the United States might be enough to keep Americans in. It took some time for the United Kingdom to realize its asymmetry with the United States and the profound interests it shared with European countries.

By the time Britain decided to join the EU, De Gaulle saw British membership as a threat to France’s dominance and promptly thwarted it.692 When Britain, after several obstructed attempts by France, joined the EU in 1973, Europe fell into an economic crisis.

In the 1980s Europe’s economic legacy and political union was on the rise when France and Germany returned to the European driver’s seat. The Brits saw the EU potentially becoming a super-state and Britain became a significantly reluctant participant in the EU. In the same way as the former EU commissioner Jacques Delors was a European federalist, Margaret Thatcher and the Brits were fervently anti-federalist. They did not want to dilute the British exceptionalism inside the EU institutions.

In Britain, the public has always been concerned about the EU as a sort of super-state that gobbles up the British sovereignty and identity—both are intimately bound together with the United Kingdom’s satisfaction with its cultural and historical singularity.693 British political and

692 Desmond, 6-7.
cultural intellectuals have found it difficult to return to the European identity that those in the eighteenth century took for granted, and that nineteenth century Britain progressively abandoned as the empire expanded and the German industry pushed British goods out from the continental markets.

Among the essential questions was always who governs Britain—Westminster or Brussels. Since the United Kingdom was seen as the reform-minded addition to the EU, Europeans have tended to be perplexed over the question of whether Europe is good for Britain. The EU can potentially alter the British liberal capitalism that holds more affinity with the United States than Europe. The convergence of Anglo-Saxon traditions with Franco-German traits would mean that the identities would converge and change forever. It would also mean that Britain would be in the heart of Europe and Europe would be in the hearts of Brits. 694

Culturally, it has been the British preoccupation with monarchy and simple traditions, and Britain’s heritage that has contributed to “the glamour of Royal backwardness.” 695 When asked how proud West Germans, East Germans, Spanish or Brits are with their past, respondents answer eight percent, 10 percent, 26 percent and 50 percent affirmative, respectively.

Britain has always looked from a distance at Europe. It has indifferently sided with the weakest power to maintain the continental balance of power while only in alignment with the United States can the global balance of power be possible. The United Kingdom historically and mentally resides outside the EU’s Franco-German engine. Nevertheless, it is no less bound to the transatlantic cooperation than to the European links.

Brits have continued to exhibit the arrogant idea that Brussels’ bureaucrats could teach the Englishmen nothing. 696 There has been a broad belief that the disentangling of the British economy from the regulations imposed by Europe allows for the British enterprise to produce more cheaply. Since becoming a member in 1973, Britain’s European priority has been mired in economic merits, as confirmed by Thatcher’s success in gaining a rebate from the EU.

Thatcher recalls that her primary task in the EU was to “seek to limit the damage and distortions caused by the common agricultural policy.” In the 1980s, Thatcher succeeded in this

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695 Medrano, 227-229.
task, which became her loadstar achievement. In 1983, when Thatcher got the rebate from the EU as a compensation for the ostensible economic losses, Mitterrand smiled and said, “Of course, Madam Prime Minister, you must have it!”

Had the United Kingdom and Germany been the founders and drivers of the EU, the union might have been more market oriented, with much less significance attached to farming and cultural issues. From the time the Brits expressed interest in joining the EU, the French never missed an opportunity to remind them about their creation, based on French interests, traditions and culture. Therefore, it has been an objective for the United Kingdom to reform the union and transform it according to the liberal market principles.

As a reform-minded member then, the United Kingdom saw three important aspects that the EU enlargement eastwards would bring, apart from the enhanced security and stability achieved by eliminating the grey zone to Europe’s east. One was immigration. British society had already become diverse so that many people constantly interacted with strangers—feelings of solidarity became diluted, creating a threat to the continuity of a welfare state. Second was the opportunity to broaden the community and postpone or avoid the deepening of it indefinitely. The third aspect was the broadening of the common market and merit economically.

Before the eastward enlargement, Brits were worried about potential immigration effects from the new member states. Since, for example, wages in the western part of Poland were around six times lower, and ten times lower in the eastern part of Poland than in Germany, there was a possibility that Polish workers could take some of the British jobs. A 20 percent unemployment rate in Poland at the time and five percent in the United Kingdom spoke in favor of such immigration prospects. The influx of labor from Eastern Europe was seen as potentially affecting social, labor and immigration policies of the United Kingdom. Sweden, Ireland and the United Kingdom kept their labor market unrestricted with very few obstacles for labor immigrants from the new EU members.

The United Kingdom also saw additional economic opportunities. Baroness Hellen Liddell of the United Kingdom noted that the EU enlargement meant 100 million new customers for British businesses and enormous commercial opportunities in the countries preparing to join

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697 Ibid, 145, 163.
699 Drinkwater, Eade and Garapich, 163.
Indeed, most of the Central and Eastern European countries were lagging behind in terms of development and therefore were easy targets for much more advanced British companies and investments.

The British political leaders from both parties recognized the importance of enlargement. It was perceived that the new member states, having thrown off the deadening grip of the Soviet Union, would be unlikely candidates to favor any irksome interference from Brussels. New members were perceived as the pragmatic British and Scandinavian brothers and sisters with their preferences strongly bound to looser, more varied and multispeed developing Europe. Historically skeptical countries like Britain and Denmark adamantly supported the enlargement in the hope that the process would slow down political unification.

The delusional sense of distance from Europe was broken soon after the Soviet Union collapsed. When Black Wednesday of 1992 and the resulting British pound crisis proved how intimately bound the United Kingdom was to the European market, the British changed their stance. The British voters favored closer ties with Europe. Upon Tony Blair’s victory in the national election, his labor party vigorously worked to place Britain in the heart of Europe. Notwithstanding the salient partnership with the United States, the distinct European policy was no less appealing inside the United Kingdom.

Even if Tony Blair was more enthusiastic about the EU integration, the commonality of the Franco-German relationship bound Jacques Chirac and Schröder together in a way that excluded Blair from the privileged partnership. In contrast to the increasingly Europhobic position adapted by the conservative party, the reestablishment of Britain’s position in Europe was one of the first priorities that the Blair government established after the 1997 victory.

Since Britain remained outside the euro zone prospects, Blair admitted that the United Kingdom could not punch with its full weight in the EU until it adopted the euro. To achieve more influence, the Blair government supported deeper integration up until the war in Iraq in 2003. By inching closer to the EU core, the United Kingdom could become a more influential

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702 Desmond, 266.
703 Watts and Pilkington, 55.
704 Desmond, 304.
player in parallel with the Franco-German engine. At some point even the introduction of the euro seemed possible in Britain.

The United Kingdom was a staunch supporter of enlargement from the outset. Security reasons were the direct motivator, while the economic benefits and reforms were seen as indirect gains. John Mayor noted that “the United Kingdom has, from the beginning and under successive governments, been a constant advocate and supporter of early EU enlargement.”

Even if Germany appeared to have a preference for the three Visegrad countries to be admitted first (the Czech Republic, Hungary and Poland), the United Kingdom was willing to accept the most successful, based on the relative performance of each of the applicants. In that way, the United Kingdom gave an early fighting chance to Latvia and the other Baltic States. When compared with the geopolitical approach of France and Germany, it was the United Kingdom that favored the open race perspective.

The United Kingdom was important in binding major powers together when it was necessary. Germany and Britain wanted similar things in the EU. First was a reduction of their payment for the enlargement since the handsome cost was already well learnt during the German unification. Both also wanted a reformed common agricultural policy. There, France was in stark opposition and clung to the historic foundations of the EU each time the issue was disputed. In tandem with France, it wanted Germany to finance a British rebate and French-farming aspiration.

There were also areas where the British and German interests differed. The United Kingdom always wanted to defend the rebate, while Germany was looking for ways to defend its reduced share. In the spectrum of financial donors to Europe from 1990 to 1995, Germany stood out as the most salient donor. Conversely, the United Kingdom was always looking forward to getting out more and paying less in the name of the European project.

Germany was the source of funding in the EU. It was contributing 30 percent more to Central Europe than the United States, 19 times more than Britain and more than two times more than France. Despite the huge disparities over the budgetary and enlargement costs, all major

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705 UK Government, “Speech by the Foreign Secretary at City of London event to mark EU enlargement the Guildhall, 12 May 2004,” M2 Presswire (May 13, 2004), 1.
706 Barbara Lippert, Kirsty Hughes, Heather Grabbe, and Peter Becker, British and German Interests in the EU Enlargement: Conflict and Cooperation (London and New York: Continuum, 2001), 31.
707 Lippert, Hughes, Grabbe, Becker, 32.
708 Ibid, 35.
donors agreed to keep the EU budget within 1.27 percent of the aggregate EU GNP level over the period 2000 to 2006.\textsuperscript{709} Thus, it was possible to agree on accepting poorer states without increasing payments to them by the richer ones.

In terms of the enlargement, the United Kingdom was America’s voice in Europe. Since the United States was a partner to the United Kingdom and Germany, both countries supported the enlarged community in 2004. The United Kingdom helped to bring the United States NATO enlargement prospects in the EU enlargement debate. Furthermore, the United Kingdom pushed for the EU reform. The enlargement prospect was a way to achieve, at least partially, the British objectives in Europe.

New and Auxiliary Actors

The bargaining and discourse between the major three powers-Germany, France and the United Kingdom-gave birth to rising actors in the enlargement process. Since the Maastricht, the EU rose as a political union and a more influential player. The political weight of the union could ascend or descend, depending on how much authority major powers assign to the EU. Since the major powers endorsed the union, the commission could become a more influential facilitator of the enlargement process.

The elevation of the EU’s status happened quite quickly as the international situation changed. In 1988 the United Kingdom, West Germany, France and Italy had approved commercial loan packages of one billion, 940 million, 300 million and 400 million British pounds, respectively, to the Soviet Union (Eastern Europe at the time). Only a year after at the insistence of Americans, the Head of the European Commission Jacques Delors, who had sound personal ties with German Chancellor Helmut Kohl, French President Francois Mitterrand and United States President George H.W. Bush, brought the issue of the aid to Eastern European states, such as Poland and Hungary, to the G7 level at the beginning of 1990s.\textsuperscript{710}

The Maastricht process signified what share each of the major powers would contribute to European political unification. France pledged to Eastern Europe 6.7 percent of the aid, while contributions from Germany were 17.8 percent, and from the United Kingdom 0.9 percent

\textsuperscript{709} Ibid, 84.  
between 1990 and 1996. At the very outset Britain embraced the stance, “yes to credits, not to charity.”\textsuperscript{711} It was Germany and France that covered the most. The practical contributions to the EU showed the commitment to the supra-national structures for the European policy execution. Indirectly, it also illuminated how much each of the states were ready to move toward the federal European Union.

In terms of potential members, the major powers did not always share a political consensus on which states should be admitted to the European project. The EC, however, summed up the views and presented them to the major powers and candidates. As a result, the EC became the major broker of the enlargement. It also removed some of the political fabric from the enlargement process.

Apart from highlighting the stance of the major powers, the EC also provided information on the progress toward adaptation of the aspiring members. For example, the Delors commission prepared responses and made compromises possible; it slowed down forerunners and allowed for laggards to catch up. The enlargements process was implicitly making the accession a package deal. The Balkan crisis that reached the summit in 1999 before the 2004 enlargement disqualified Romania and Bulgaria, to the disappointment of France.

The adaptation process was a gift for small states that had sufficient political will to adapt when necessary. For example, by 2001 Poland was clearly lagging behind in terms of slow adherence to the \textit{acquis communitaire} laws. It had closed 18 pre-accession chapters, the same number as Latvia, while Cyprus had closed 23, Hungary 22, the Czech Republic and Slovenia 21, Slovakia 20 and Estonia 19.\textsuperscript{712} Despite Poland’s obscure performance until 2001, it was inconceivable that the enlargement would exclude the country. From the outset, it was a part of the reconciliation with Germany. Since smaller states could make themselves better suited than Poland had been, they could not be easily dismissed from further enlargement prospects.

The enlargement was necessary to uphold region-wide security and stability. Since the Kosovo crisis in 1999, the enlargement had to be pursued with the member states that were the most stable. Instability could potentially spill over from other turbulent regions. The aspiring members of NATO and the EU tried to differentiate themselves from the Balkan-like states and associate with Westerners.

\textsuperscript{711} David Usborne, “Howe Moves to Head Off EC Split,” \textit{The Independent} (October 25, 1988), 3.
\textsuperscript{712} Smith, 190.
For example, Romania tried to politically detach itself from the Balkans while Lithuania compared the CIS with the Balkans. Lithuanian Ambassador Stankevicus noted that the Baltic States’ return to the West meant a return to their natural community despite a five-decade occupation. The commission supported the adolescent foreign and security policy and presented the enlargement as a package remedy for the potential instability. The commission, from the perspective of the European political unification, played a crucial role.

Apart from the institutional aspects, there were some real, persisting relations between the emerging East and affluent West. For Lithuanians, for example, the Eurasian union represented by the CIS was foreign. Conversely, the possibility to return to the West was said to be the major reason for the endurance of Baltic national identities. Past economic relations were evidence of genuine bonds. Foreign direct investment usually results from past economic success and it, in turn, strengthens future economic success.

Between 1989 and 2003, the Czech Republic attracted $3,700 per capita in foreign direct investments, Hungary $3,400, the three Baltic countries $1,000-$2,400 and Poland $1,300. The investment inflows per capita to the Ukraine and Moldova were only $128 and $210, respectively, in the same period. The economic relations signified that the Baltic States were different from those that initially, and not without struggle, became members of the CIS.

Small states in Eastern and Central Europe saw small member countries as their advocates in the EU. At the same time, small member countries were always interested in maintaining balance between the major powers. Benelux countries wanted the United Kingdom to act as a counterweight to France and Germany. But small member states also wanted more small states in the EU. Even if the Netherlands was concerned about its large payment share and the possibility of being pulled into the broader community since it was sandwiched between the EU engines already-Germany and France-it was interested in having more allies in the union. Benelux was interested in expanding the community to dilute the profound roles of France and Germany.

Historically, there has been a strong opposition against expanding the EU grants and budget to the aspiring poorer countries. The concern was always shared by the poor states that were already members of the EU. Before the 2004 enlargement, the poorest- Spain, Portugal and

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713 Schimmelfennig, 231.
714 Balcerowicz, 14.
715 Desmond, 47.
Greece—instead of zealously supporting the Central and Eastern European aspirations, raised the EU bar higher for those who wanted to become members. Thus, the aspiring countries, before becoming EU member states, implicitly had to become better than the laggards of the EU in terms of governance, democratic principles and adherence to the EU principles.

In the same way that the economic conditions created obstacles, the historical relations became instrumental for successful integration. Latvia shares common interests with the Visegrad states (the Czech Republic, Slovakia, Hungary and Poland) and the Nordic countries (Iceland, Norway, Denmark, Sweden and Finland). They have been strongly involved in Latvia’s Euro-Atlantic integration process, but each of the regions played different roles.

Since the EU enlargement in 1995, Scandinavian states strongly supported the Baltic integration in the EU. It was underwritten by public support (See Table 4.4). The Nordic states also wanted to have their grey-zone hinterland eliminated. Even if most Scandinavian states, the dubbed Scandinavian neutrality ghetto, were EU members, their interests for the Baltic States to be secure and stable were the most salient. That was especially true when the first package of the grey zone was added to NATO in 1999. Ever since, even if they were outside NATO, their efforts to promote security in the Baltic region were adamant.

<table>
<thead>
<tr>
<th>Country</th>
<th>Finland</th>
<th>Sweden</th>
<th>Denmark</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>Estonia</td>
<td>69</td>
<td>19</td>
<td>65</td>
</tr>
<tr>
<td>Latvia</td>
<td>63</td>
<td>23</td>
<td>64</td>
</tr>
<tr>
<td>Lithuania</td>
<td>63</td>
<td>24</td>
<td>64</td>
</tr>
</tbody>
</table>

Source: “EU Public Opinion on Enlargement to Eastern Europe, 1996” (Eurobarometer, No 45, 1996)

By having the Baltic States secure, there was an opportunity for economic interaction. Trade relations with the Nordic countries have strongly upheld Baltic integration prospects. Germany (15 percent), Sweden (12 percent), Denmark (nine percent), the Netherlands, Estonia
and Finland (eight percent each), the Russian Federation and the United States (seven percent each) were responsible for the overall foreign direct investment in Latvia by 2004.\textsuperscript{716} Scandinavian states, notwithstanding their smaller size, were the biggest investors in the Baltic States. They wanted to see their assets secure and stable in the long term.

<table>
<thead>
<tr>
<th>Region</th>
<th>Country</th>
<th>Exports</th>
<th>Imports</th>
</tr>
</thead>
<tbody>
<tr>
<td>Visegrad</td>
<td>Hungary</td>
<td>45</td>
<td>105</td>
</tr>
<tr>
<td>Visegrad</td>
<td>Slovakia</td>
<td>57</td>
<td>96</td>
</tr>
<tr>
<td>Visegrad</td>
<td>The Czech Republic</td>
<td>127</td>
<td>57</td>
</tr>
<tr>
<td>Nordic</td>
<td>Finland</td>
<td>185</td>
<td>708</td>
</tr>
<tr>
<td>Nordic</td>
<td>Norway</td>
<td>247</td>
<td>61</td>
</tr>
<tr>
<td>Nordic</td>
<td>Denmark</td>
<td>344</td>
<td>239</td>
</tr>
<tr>
<td>Nordic</td>
<td>Sweden</td>
<td>501</td>
<td>336</td>
</tr>
<tr>
<td>Visegrad</td>
<td>Poland</td>
<td>623</td>
<td>1390</td>
</tr>
</tbody>
</table>

Source: The Ministry of Foreign Affairs of the Republic of Latvia

Moreover, the Nordic states were salient trade partners to the Baltic States (see Table 4.4). Finland, Sweden and Denmark, members of the EU by 1995, became strong supporters of the Baltic membership. Until 1996, Denmark was the most arduous proponent for the dual Baltic EU and NATO membership. In 1996, Sweden took over the relay from Denmark and became the leading lobbyist until 2004. Within the Nordic region, the comparison of attitudes deserves additional attention in the cases of Denmark and Finland.

Both Denmark and Finland were interested in having the grey zone eliminated and security and stability enhanced in the Baltic region. Thus, their common objective became to eliminate the Soviet geopolitical legacy. Denmark could support the Baltic States in NATO and

the EU since it was a member of both. Finland, however, could support the Baltic membership from the perspective of the EU, since it joined the EU in 1995.

Denmark promoted the Council of the Baltic Sea States (CBSS) cooperation, with the support of the participating newcomers Finland and Sweden as well as the European Commission.\textsuperscript{717} Even though the Baltic cooperation was initially led by Denmark, around 1996 Sweden overtook the leadership role within the CBSS framework and invited Richard Holbrooke to be a part of the council advisory board.

Thus, the EU side was supplemented by NATO’s hardline security role within the council. Moreover, Denmark financially, and in kind, assisted all three Baltic States with establishing their first common military unit-BALTBAL-the Baltic battalion. It was used to uphold peace prospects in Bosnia, the first NATO post-Cold War mission. Here, the Baltic States had an opportunity to prove their applicability to common regional challenges.

Of all the Nordic states, Finland was the most ambivalent and narrowly oriented. It supported membership for particular countries like Estonia. In comparison with Denmark, Finland did not keep the Baltic membership in the EU as a package deal. Latvian former President Guntis Ulmanis argued in 1997 that, “if Finland’s support for Estonia benefited all three Baltic countries, it cannot be denied that in practice Finland supported Estonia more than Latvia.”\textsuperscript{718} Apart from suggesting to the Baltic States that they become like Finland without the NATO’s umbrella, some Finnish leaders raised some profoundly disconcerting political demands.

The former Finnish Foreign Minister Tarja Halonen went as far as to demand that Latvia adopt the Russian language as the second official language in 1999.\textsuperscript{719} Halonen argued that Finland had approved Swedish as the second official language since nine percent of the population in Finland were ethnic Swedes. Then, newly elected former Latvian President Vaira Višķe-Freiberga gave a succinct answer-Latvia would follow suit when the share of Russians in Latvia was the same as in Finland.

In terms of minority issues, since France and the United Kingdom were inclined to support individual rights over group minority rights, they became Latvia’s defense against

\textsuperscript{717} Smith, 148, 162.
\textsuperscript{719} Višķe-Freiberga, 150.
Finnish demands.\textsuperscript{720} To the disappointment of Russia, Germany also joined in order to offset the Finnish position. The Finnish perspective perplexed the minds of the Baltic pundits. It initially acted more as a divider, not a unifier of the Baltic integration efforts. Nevertheless, Finland’s position soon converged with that of the rest of the Nordic states.

Estonia, Latvia, Lithuania, the Czech Republic, Hungary, Poland and Slovakia were on their way to the EU together. However, the Visegrad countries became strong supporters of the Baltic membership in NATO when they acceded the alliance in 1999. Even if the Baltic States had no interest in joining the Central European Free Trade Agreement (CEFTA) that was the only economic cooperation forum covering the whole Visegrad before the EU enlargement in 2004 in which security interests were genuinely shared.\textsuperscript{721}

With the exception of Poland, in terms of trade more so than commerce, but more for the commonly shared history and sense of adversity, there persisted the commonly shared stance against the potential rising Russian neo-imperial or neo-communism. Thus, the Baltic-NATO membership from within the alliance was strongly upheld by the members from the Visegrad region. The Czech Republic, Hungary and Poland joined Denmark and the United States to support the Baltic States in 1999.

In 2000, Vaclav Havel invoked the West as a regional, “Euro-Atlantic community of values,” to which the post-communist countries that had been previously torn out of the Western community by force naturally belonged.\textsuperscript{722} No matter how well such voices resonate for the Baltic States, they still had to prove that the cooperation between the three of them was possible before they could enter a larger community. The Baltic States had to prove to be worthy participants in broad and narrow cooperation realms in international affairs.

Here, the Baltic cooperation was nothing short of a failure. Owing to diverse relations with the Nordic countries, there were historic temptations to emphasize the Nordic identity by Estonia. No matter how uneasy relations had been with Poland, Lithuania strived to enhance links with Central Europe. Latvia has always been in the middle, not just geographically, and the Baltic coherence has never been easy.

\textsuperscript{720} Smith, 140.
\textsuperscript{722} Schimmelfennig, 258.
Indeed, former Estonian Foreign Minister and President Toomas Hendrik Ilves did not hide the fact that Estonia should aim to become “just another boring Nordic country.” No matter how uneasy it was to hear from the American pundit with Polish roots, Zbigniew Brzezinski toyed with a genius idea in which Poland could become a protectorate for Lithuania in NATO, but Estonia would come under Finland’s custody and a part of the complacent Nordic neutrality ghetto.

Had it happened, Latvia would have proudly stood alone in the middle as a toy for Russia. In 1999, the former Lithuanian President Valdas Adamkus, spoke sarcastically during a press conference about the prospect that Latvia, not Lithuania, would be invited to join NATO by saying that, “in that case he would send a bouquet of flowers to Vaira Vīķe-Freiberga.” He ostensibly knew that Poland did indeed strongly support Lithuania’s NATO aspirations.

The Baltic unity had been more like chimera, less a reality. Latvia had been in protracted quarrels over sea borders with Lithuania where it was assumed that oil stocks might be found. The sea border with Estonia has been a bargaining chip since it affected fishing rights in the Baltic Sea. The Baltic States were never able to forge any substantial defense alliance in the interwar period. It wasn’t until 2016 that Lithuania and Latvia started procuring the defense equipment together, making their military infrastructure more compatible.

Estonia has always politically leaned toward the Nordic countries. Lithuanians, however, tend to emphasize their bond with Poland. In terms of language, Latvian and Lithuanian are only two of the Baltic languages, while the Estonian language is closer to Finnish and Hungarian. Conversely, Latvian and Estonian statehood roots are much closer. There are many differences between the small Baltic States.

What they share is the strong willingness to not be portrayed as post-Soviet countries. They have urged the German media to stop referring to them as such. Otherwise, even Germany

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724 Vīķe-Freiberga, 154.
could be labeled a post-Soviet country since it also was a part of the Soviet Union. Furthermore, the United Nations have recognized the Baltic States as a part of the Norther Europe\textsuperscript{728} These particular identities of the Baltic States have always propelled them toward a return to European aspirations.

It is likely that the EU and NATO were the only post-Cold War factors that kept the Baltic domestic transformation on a common track. When Estonians learned that they alone were invited to launch accession talks with the EU, the newly appointed Foreign Minister Toomas Hendrik Ilves did not hesitate to note that “Estonia, not the Baltic States, will be the touchstone of EU enlargement” to attain the cooperation evident between the Nordic states.\textsuperscript{729}

When Estonia advised Lithuania about the best way to adapt to the EU, Lithuanian foreign minister Algirdas Saudargas explicitly stated that the Lithuanian-Polish cooperation would propel EU integration in the best and quickest way possible. In the midst of the Estonian-Lithuanian competition, the joys in Riga were sincere when Latvia overtook the forerunner Estonia even though it had started accession talks two years earlier.\textsuperscript{730} The race for the EU and NATO membership brought all three Baltic sisters closer. Denmark, Sweden and the United States were the glue that held them together in their dual EU-NATO aspirations.

The EU was also helpful. It kept the Baltic States on the same track. The former Commissioner Jacques Santer informed a Latvian audience that the EU would continue liberal cooperation with each candidate country. In December 1997, the EU launched the “accession process” monitoring and screening process to highlight the progress that the candidates had made with the \textit{acquis communautaire} adaptation. It was made explicit that each country would be assessed according to its merits.

Notwithstanding the diversified negotiation, the enlargement process, at the outset, included both groups of countries. One was the group that had launched accession talks-the “ins,” such as Estonia. The other group was waiting for the accession negotiations to start-the “pre-ins,” such as Latvia and Lithuania.\textsuperscript{731}

\textsuperscript{729} Lejins ed., 174-176.
\textsuperscript{730} Viêke-Freiberga, 150.
\textsuperscript{731} Smith, 185.
The failure to adhere to the EU standards would disqualify any of the countries. All three Baltic States shared a common fear of being left in the Baltic ghetto alone, characterized by regionalism and isolationism. Therefore, they were motivated by the healthy competition and the common objective that kept them on the integration path together.

Even though there were a significant number of forces pulling the Baltic States apart, since the Baltic States felt threatened by a single enemy, they worked together. Moscow used diverse leverages to obstruct the Baltic integration in the EU and NATO. It was Moscow that did not object to the West coming closer to its borders. Russia was rather more concerned that the West was forcing “the strategy of pressure,” where the Baltic States would be dragged out from under Moscow’s agenda and influence. If Moscow was associated with the strategy of pressure, then the Baltic States were truly lured back into Europe without coercion. They never disguised their shared objectives to abandon the post-Soviet identity, economy and political influence of Moscow.

Conclusion

The process of Latvia’s integration into the EU shares some common traits with its path to NATO. The United States implicitly influenced the EU integration process. It was not Latvian foreign policy that made Germany, France or the United Kingdom willing to accept the Baltic States in the EU. The contrasting or converging interests between the major powers were synchronized by the United States in the 1999 NATO expansion, the Kosovo crisis and Russia’s war in Chechnya. Membership in the EU was possible, as it was not explicitly in conflict with interests of major EU member states, but implicitly the enlargement upheld some important goals for major powers.

In the immediate post-Cold War period, the major powers like France, Germany and the United Kingdom were no less ambivalent regarding the ambiguous situation in Europe than the United States or the Russian Federation. It was clear that the comfortable bipolar order had come

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732 Herd, 266-267.
to an end. Then, in the same manner as the EU integration formula was applied to Germany, the Baltic accession to the EU became a possibility, but it depended on diverse and changing factors.

The incremental adaptation to novel conditions in Europe set some patterns and trends in motion. The unification of Germany was the interest of the German people. It was a domestic German issue. Conversely, the German regional incremental convergence with Central Europe was Germany’s interest, which grew into German support for the Visegrad states to be admitted in the EU.

German foreign policy toward the Baltic States was initially ambivalent. The German foreign ministry supported, but the German chancery opposed, the Baltic membership in the EU. The chancery was the most influential player in international affairs but Gerhard Schröder, the chancellor from 1998 to 2005, shared profoundly warm personal ties with Vladimir Putin and even called him a “flawless democrat.”

Schröder even took Germany off the nuclear path by signing the Nord Stream gas deals a few weeks before the chancellor lost the election. In 2005, Russia provided 35 percent of Germany’s oil imports and 39 percent of the natural gas imports. Schröder created a mutual dependency between Germany and Russia. It is no surprise that he was later invited to become a part of Putin’s spy empire as Gazprom’s Nord Stream committee member.

Germany, until the signing of the Baltic-American charter, the Kosovo crisis and the outbreak of conflicts in Chechnya did not explicitly support the Baltic membership in the EU. The implicit German support came from the German foreign minister. In 1999, the German chancery more silently opposed the Baltic membership prospects and the stance of the ministry and the chancery eventually converged. The German support was crucial to the Baltic States for political, economic and geographic reasons.

In the EU enlargement, France saw a possibility to dilute Germany’s influence by extending the EU institutions further east. Even if France did not see the Baltic States as a means for its security, by and large Paris was interested in a safer and more secure Europe. In relations with France, Latvian or Lithuanian leadership helped to offset an initially negative public opinion about the Baltic States entering the EU. The French factor became instrumental in keeping the Baltic membership prospect a regional package deal.

The United Kingdom wanted to reform the EU. The Baltic States were seen as an extension of the Nordic states and a positive addition to the culturally French and German Europe. Britain was willing to make the EU regulations shallower and more market oriented. Since the United Kingdom was already significantly multi-cultural, there was a fear surrounding the immigrant influx from Central and Eastern Europe. However, the United Kingdom saw multiple possibilities, too. It became the American voice in Europe and supported the Baltic journey back to Europe and to the EU.

Some important players in the EU and across the Atlantic contributed to the convergence of European major power interests. The Nordic states, with the exception of Finland, strongly upheld the Baltic membership in the EU and NATO early on. Denmark and the United States were especially zealous supporters of the Baltic Euro-Atlantic integration. When the Baltic States were evenly prepared for EU membership, the position of all Nordic states, including that of Finland, converged in robust support from within.

Since the introduction of the Maastricht treaty, the EC had played a more significant role as a rising actor. It made hard compromises possible and progress reviews available to all integration process participants. It set forth the dialogue between those that were concerned about the readiness and applicability of the Baltic States. Moreover, the EU made those concerns available to the Baltic States. The EU institutions and the integration objectives kept the Baltic States united until 2004.

The integration process proved that the Baltic States can undertake hard tasks if objectives are genuinely desired. The EU trinity-Germany, France and the United Kingdom-to which Britain does not belong institutionally anymore, allowed for the enlargement to take place. Implicitly, by supporting NATO enlargement, the United States set a political background for the double enlargement to happen. Washington removed all security impediments to the Baltic integration in the market-based union, the EU. On the other side, NATO membership was implicitly linked to membership in the EU as a standard for democratic transition. The criteria for new NATO members were primarily set by the EU.\footnote{Ronald D. Asmus, Richard L. Kugler, F. Stephen Larabee, “NATO Enlargement: A Framework for Analysis,” ed. Philip H. Gordon, NATO’s Transformation (Lanham, Boulder, New York, London: Rowman&Littlefield Publishers, Inc., 1997), 95.}
CHAPTER VIII
LATVIA AND THE EURO-ATLANTIC COMMUNITY: A JOURNEY COMPLETE?

Introduction

Chapter Three, *A Small State, Latvia*, outlined major sensitivities and vulnerabilities for Latvia from international, regional and domestic perspectives. It also explained how the historic learning process has influenced Latvia’s international orientation. The author does not claim to have explored all major conditions that Latvia as a small state must consider. However, the existing literature on small states and Latvia at present and in the past allows us to consider a few important issues.

First, there are sensitivities and vulnerabilities that derive from non-alignment and international interaction. They make small states more sensitive and vulnerable than larger ones. The non-alignment means that small states must operate within their own limits such as small populations, economic sectors and military capabilities. Here, the international viability challenges as described by both realist and liberal schools of thought must be taken into account. Thus, a part of this chapter will focus on how Latvia’s integration in the Euro-Atlantic community has or has not allowed it to offset international challenges faced by small states.

Second, the literature on small states suggests that it is possible to offset or at least mitigate external challenges by having strong democratic consensus and social cohesion. The democratic consensus depends on how consolidated the political system and society are. Here, the author will outline some significant traits about Latvia. The political system mirrors social coherence, interests and values of most states. Only explicitly authoritarian countries will lack such capability. Thus, by focusing on Latvia, it will be possible to conclude whether there are political and social aspects that hinder social coherence.

The third part of the chapter will focus on some essential issues related to small numbers and resource endowments. Small states mostly operate within the limits of their small populations. Latvia is among those smallest states in Europe. Thus, the quality of human resources is a decisive factor. It is important to assess the population and human resource trends in Latvia.
It will be possible to outline the demographic and humanitarian factor limits and possibilities in Latvia. International experts have argued that small states can offset small numbers with high social advancement levels. Highly developed societies can at least partially offset myriad political, economic, social and cultural challenges. In some instances, even a decreasing population can be a minor challenge in the short-term if truly capable individuals place a small state on a developmental path. In the long-term, those states that will serve their constituents well, and will also experience positive demographic trends.

To outline the trends above, the author will divide the chapter into three parts. The first will be devoted to the EU and NATO membership aspects. It will be possible to outline how well Latvia has adhered to the Euro-Atlantic community as well as whether the desired membership in the Euro-Atlantic community has allowed it to offset salient security challenges. The second part will be devoted to the political system in Latvia. It will decide whether the society in Latvia is united. If not, what are the reasons for social fragmentation? The third part will single out some significant trends for the Latvian population and humanitarian development. The major focus will be on the educational system in a comparative perspective. It will determine whether the social development trajectory for Latvia is positive. If negative, then what are the reform challenges that must be urgently addressed to revert negative trends?

NATO and the EU

During the NATO Summit in Washington in 1999, Latvia’s membership prospects in NATO were implicitly acknowledged. Its membership was explicitly announced at the NATO Summit in Prague in 2002. During her historical address at the summit, Latvian president Vaira Vīķe-Freiberga spoke about the decision to enlarge the transatlantic community as a brave step in eliminating the resulting patterns of the Molotov-Ribbentrop-Pact, Tehran and Yalta conferences.

She noted that the enlargement was a historic moment for Latvia since NATO’s door for membership was finally opened. Apart from Latvia, six other small states joined NATO. The former president of Latvia, Vīķe-Freiberga, explicitly stated that from the moment when Latvia
becomes a member of NATO, it assumes the duty not just to contribute to the strength of the alliance, but to uphold the principles shared within the alliance.\textsuperscript{737}

She said that Latvia will also uphold the shared values of liberty and justice that should apply to all. With NATO membership pending, Latvia began bracing for the commonly shared commitment to contribute two percent of gross domestic product (GDP) to the national defense. The expenditure grew through 2002, it increased incrementally until 2006, but the share for the defense expenditure has dropped ever since (See Figure 5.1).

![Figure 5.1: Defense expenditure, \% from GDP](image)

In 2004, Latvia and the other six small sisters that were quite evenly wealthy (or not) gained membership in NATO. By doing so, they closed the gap and gobbled the area that was previously dubbed as the grey zone or no man’s land, the land between Russia and Germany, a condition that has caused many European wars in the past.\textsuperscript{738}

Latvia and the other small members of NATO acquired the desired security. From the contemporary perspective of 15 years ahead, Latvia should be thankful, considering the


\textsuperscript{738} Henry Kissinger, “Not This Partnership,” \textit{Washington Post} (August 16, 1994).
resurrection of Russian aggression in 2008 and 2014 when it invaded Georgia and Ukraine. Those were some of Latvia’s sisters that were left outside the alliance, whose door has been closed since 2008. Even if Georgia and Ukraine has kept spending at a rate much higher than that of Latvia, the geopolitical conditions do not suggest that further enlargement will happen in the foreseeable future.

In the post-Cold war era, Latvia was searching for the security as a salient shelter from Russian aggression in no other way than did Georgia or Ukraine. It reached the objective in 2004, but, before and after the membership, it never committed to the major two percent spending rule. In comparison, Estonia has been spending the two percent on defense since 2003. After Russia's annexation of Crimea in 2014, Latvia and Lithuania agreed to raise military spending to reach the two percent target by 2018.739

Each member state is required by the gentlemen’s agreement to commit to the informally agreed upon military spending rule. The idea about deterrence and collective defense is rooted in commonly shared military capabilities. Only by committing to the realpolitik principles of defense can the members of the alliance enjoy the idealpolitik values of liberty and peace. As a NATO member, Latvia has neglected the principle, but it has acquired the security even if it has not yet practically paid for it. Thus, Latvia has eroded the basic principles of the alliance.

It is not Latvia’s aggregate or actual contribution that makes NATO more or less efficient. If Latvia contributed all of its yearly budget to the defense capabilities alone, it could buy three aircraft carriers, ten F-16 fighter jets (coordinated from ground bases), ten F-35 jets (part of the aircraft carriers’ crew) and one submarine.740 If Latvia pledged the two percent GDP annual share the same year for defense, it could buy three F-35 jets, nothing else. If Latvia ever decided to act accordingly, there are some caveats that must be considered.

If all of the Latvian annual GDP was spent on military equipment as suggested above, then Latvia would be left without any resources for personnel training and remuneration, ground


740 The calculation was done considering following economic input data: Latvian GDP in 2015 was 27 billion USD, Trading Economics review: accessed on 01/09/2017, http://www.tradingeconomics.com/latvia/gdp. The price of one F-16 Falcon fighting jet was $47 million, Aircraft Compare site: accessed on 01/09/2017, https://www.aircraftcompare.com/helicopter-airplane/Lockheed-Martin-F16-Fighting-Falcon/169. The cost of one George H.W. Bush aircraft carrier was $6,7 billion, one F-35 jet cost was $133 million, one model Virginia SSN submarine costed $2,4 billion, New Wars online: accessed on 01/09/2017, https://newwars.wordpress.com/warship-costs/.
forces, public services and even essential resources for subsistence of the population. In the end, the military infrastructure and equipment without the functioning state would be worthless.

If Latvia alone is not essential for aggregate NATO military capabilities, it can be useful for niche missions. It has developed specific capabilities that are instrumental for NATO’s overall objectives. Latvian military units serve as parts of NATO’s military units during international peace missions. However, in practice, Latvia harms NATO since it undermines the sole principle that makes NATO institutionally stronger. Solidarity among allies is essential. It upholds the institutional credibility of NATO that is primarily backed by the United States, rather than other stronger allies of the alliance.

The institutional cooperation allows to combine diverse military capabilities and resources of multiple member-states. As a member, Latvia is a part of a broader community that has sufficient military equipment and personnel for the common defense. Thus, Latvia enjoys the condition as if it had three aircraft carriers, 20 jets and one submarine. Even more, NATO has much broader ground, air and naval forces than listed. Therefore, it is a significant deterrent to potential Russian aggression.

Here, however, all allies must be willing to pledge sacrifices in the event of a military attack on Latvia knowing that Latvia has never paid its two percent for the common defense. Before the enlargement took place, the Baltic States had to prove that they would be seriously committed to defense and would not be “free riders” and “consumers” of security. The lack of solidarity and unwillingness to make sacrifices for the security of one member state can be an acid test for the survival of NATO’s alliance.

Notwithstanding myriad challenges, the Baltic States have tried to prove themselves useful. Since before their membership, the Baltic cooperation played a significant role. They had to prove that Estonia, Latvia and Lithuania would be useful allies, not weak points on NATO’s defense chain.

Like all NATO allies do, the Baltic States are improving and adapting their national military capabilities to better adhere to the overall NATO challenges. The attitude in the Baltic States regarding which country is the weakest point in Baltic security is quite telling (See Figure

This perception explains how the Baltic States see each other from the regional cooperation perspective.

Here, Latvia is considered the weak point in the Baltic defense structure. The smallest among the Baltic States is Estonia, but it has committed to the two percent spending rule since 2003. Thus, it has been seen as the smallest challenge to Baltic security. Latvia and Lithuania, even if they are larger in terms of their populations, are still considered, even by themselves, to be weaker points. Estonia’s adamant commitment to NATO’s principles is a lesson for the rest of the Baltic States that inspires a sense of regional security even for the smallest among the three members of the alliance.

Even though the defense expenditure is the condition that Latvia has failed to fulfill thus far, the society in Latvia feels rather safe in front of surging Russian military adventurism. In 2017, 85 percent of the population felt safe in Latvia. Only 15 percent felt that Latvia has not gained the necessary security after the 2004 NATO enlargement.742

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742 Author’s data based on targeted survey in the Baltic States. Among the surveyed, there were 160 foreign policy and security experts. To the question if Latvia is safe after the 2004 NATO enlargement, 134 respondents gave an affirmative answer.
delivers to Latvia the relative security from Russia when compared to those former Soviet countries like Georgia or Ukraine. Russia has not taken the risk of undermining any NATO member state even if it has not abstained from upholding its geostrategic interests in the nearest proximity.

The enlargement of the transatlantic community provided Latvia with another opportunity. It was a chance to join the European community, or the EU’s common market. In 2003, there was a referendum in Latvia asking the society if it supports Latvia’s entry in the EU. From all respondents to the referendum in Latvia, 67 percent supported it while 33 percent opposed it.743

The majority of Krāslava, Rēzekne, and Daugavpils districts, where mostly Russian speakers reside, opposed the membership (Eastern regions of Latvia). The rest of the population strongly supported the EU membership prospect. In 2017, only seven percent say that the EU membership has not been beneficial to Latvia, while 93 percent of the respondents support the stance that Latvia is benefiting from EU membership.744 To better assess where Latvia stands in the common market, it is necessary to compare Latvia in a few distinct areas.

In 2015, the median GDP per capita in countries that were members of the EU before 1995 (like Austria, Sweden or Finland) was $43,825. In countries that were not members before 1995 (that includes European Neighborhood Policy (ENP) frameworks like Eastern Partnership, Union for the Mediterranean Partnership and Black Sea Synergy), the median GDP per capita was $5,740.745 The beneficial character of EU membership looms high, but membership in the EU provides an opportunity for convergence of economic performance.

When compared with the two groups above, GDP per capita in Latvia in 2015 was $13,649. The economic performance was almost three times better in countries that joined the EU before 1995, but Latvia is almost three times wealthier when compared with the group of countries that joined the EU with Latvia, have partnerships with the EU in the ENP frameworks such as Eastern Partnership, Union for the Mediterranean Partnership and Black Sea Synergy.

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744 Author’s data based on targeted survey in the Baltic States. Among the surveyed, there were 160 foreign policy and security experts. To the question if Latvia is benefitting from the EU enlargement in 2004, 148 respondents gave an affirmative answer.
745 The calculation was completed using the World Bank Group data for 2015.
Latvia, in comparison with the initial economic forerunners from Eastern Europe like Hungary, which joined the Organization of Economic Cooperation and Development in 1996 (20 years before Latvia) has caught up significantly, from being 44 percent below the Hungarian GDP per capita in 1996, to just six percent below in 2015.746

Despite the economic improvement, experts are divided and mention that it may be 10, 25 or even 50 years before Latvia reaches the average income levels and the standard of living of the EU. There is a broad consensus, however, that the economic success of Latvia will depend on its domestic ability to utilize advantages offered by international markets. With regard to the EU, Latvia and Hungary are the biggest laggards today. They are the worst two utilizers of benefits offered by the EU institutions and market.747 At least in terms of the institutional adaptation, there is much Latvia could do to utilize available opportunities.

Apart from the economic performance, one must ask what transformation Latvia experienced before and since becoming a member of the Euro-Atlantic community in 2004. Membership itself depended on Latvia’s ability to adhere to certain criteria. Furthermore, it is reasonable to assume that the presence in the Euro-Atlantic community significantly lifted Latvia to the profile of the Euro-Atlantic community. Thus, it is realistic to expect latent relations between Latvia and the Euro-Atlantic community as such.

Latvia started its independent journey to the EU and NATO once the Russian military parts were gone in 1995. It became a member of the EU and NATO in 2004, a little less than a decade after the complete Russian military withdrawal. The adherence from 1995 until 2004 would underline the transformation to membership, while the period 2005 to 2015 would outline how the Euro-Atlantic community has changed Latvia and how Latvia has transformed itself since it became a member of the Euro-Atlantic community.

For this analysis, the author will compare two groups of states. One will consist of the EU and NATO members before 1995. Formerly neutral states like Sweden, Finland and Austria were affluent and relatively safe and stable countries when they joined the EU in 1995. The other group will consist of all those states that braced for the Euro-Atlantic membership thereafter.

The criteria that the author will use for the analysis will be GDP per capita as an indicator for economic development. To measure the human factor, the author will use education data as a criterion for social advancement. The foreign direct investment will outline how a country is perceived by external actors. Investors will tend to place their money in countries with sound past and future cooperation perspectives. Last, but not least, life expectancy is an indicator that shows how well the domestic structures and resources are attuned to guarantee sound living standards for a population. From the author’s perspective, those traits or values are indicators that unite the affluent and safe Euro-Atlantic community.

To highlight latent relationships, the author will apply the multivariate regression analysis. This analysis delivers a model that, at an 80 percent rate, outlines the latent relationship between those that joined EU and NATO before and after 1995. For the transformation comparison, the author sets three different benchmarks. In 1995 Latvia started its journey, by 2005 it was a member, but in 2015 Latvia could claim to have some insider’s experience.

The equation for each of the respective years allows for the user to adapt output to any respective country. In the case of Latvia, it is possible to conclude that in 1995 it matched the Euro-Atlantic community’s profile at a rate of six percent (+/- 1.2 percentage points, considering the 80 percent significance of the model). Only one year after Latvia joined the EU in 2005, the country matched the Euro-Atlantic community profile at 19 percent rate (+/- 3.8 percentage points). It was still 25 percentage points behind the latent profile of the Euro-Atlantic community (+/- 5 percentage points) in 2015.

748 The adjusted $R^2$ for the regression models for each of the respective years are 1995=0.78 (80%), 2005=0.79 (80%), 2015=0.76 (80%). It means that there are only 20% independent variables that are not included in the analysis to completely explain latent relationships between the EU/NATO members and non-members. Considering the fact that no country is perfectly aligned to the EU/NATO profile, the model is highly significant.

749 Regression analysis allows to generate equation where the p-value is below 0.05 only for GDPc and Life Expectancy. Thus, only those independent variables are considered. The result of the equation is: (1 members of the EU/NATO until 1995, 0 non-members of the EU/NATO until 1995) 0.06 (6%) = -1.88+0.00002*(GDPc=2329)+0.03*(Life Expectancy=69years). It allows to conclude that Latvia matches the EU/NATO profile at 6% rate in 1995.

750 Regression analysis allows to generate such equation, where the p-value is below 0.05 only for GDPc and Life Expectancy. Thus, only those independent variables are considered for the analysis. The result of the equation is such: 0.19=1.58+0.00003*(GDPc=7558)+0.02*(Life Expectancy 71.36years). It allows to conclude that Latvia matches the EU/NATO profile at 19% rate in 2005.

751 Regression analysis allows to generate such equation, where the p-value is below 0.05 only for GDPc, FDI, and Life Expectancy. Thus, only those independent variables are considered. The result of the equation is such: 0.25 = -2.3+0.00002*(GDPc=13649)-0.007*(FDI=2.83, net inflows, % of GDP)+0.03*(Life Expectancy=74.2years). It allows to conclude that Latvia matches the EU/NATO profile at 25% rate in 2015.
It is possible to conclude that Latvia was strongly adapting to EU and NATO membership since from 1995 to 2005 Latvia grew around 13 percentage points closer to the Euro-Atlantic community’s profile, while in the years 2005 to 2015, there was only a six percentage point increase. When Latvia joined the EU and NATO, it also became more complacent regarding its transformation.

It is possible to outline how well Latvia compares with its neighbors. Initial conditions for the Baltic State development were similar, if not the same. Economic success depends on how well Latvia compares with its neighbors in terms of the business environment. The character of the business environment will affect economic opportunities. The business environment for any country depends on the health of a state’s institutions, administration practices and domestic policies, among other things, and their ability to uphold entrepreneurial activities.

In terms of the friendly business environment, Estonia is the salient leader, followed by Latvia, but Lithuania is rated as the third (See Figure 5.3). The perception of the business environment will shape the flow of investments and business among the Baltic States and also in a broader international perspective.
The Baltic States have witnessed a healthy competition *en route* to the EU and NATO. Despite the fact that they tend to see themselves separately, they rank an enhanced NATO as their primary priority, closer Baltic cooperation as their second priority and an enhanced EU as their third priority.\(^{752}\) It means that the Baltic States see their own cooperation as a salient condition for their success in the Euro-Atlantic community.

The regional competition has tied all three states together since their sights were set on the EU and NATO membership in the early 1990s. On their way to the EU and NATO, the Baltic States have been rather united when domestic or international challenges must be overcome. Even today, 65 percent of the Baltic residents view the Baltic States as being united in the face of significant external or internal challenges.\(^{753}\) It is possible to conclude that reciprocal challenges for the Baltic States are unifying factors.

The Euro-Atlantic community has allowed for all Baltic States to offset orthodox realist and liberal challenges that primarily derive from the military weakness, but secondarily from the economic realm. Moreover, neorealist and neoliberal schools of thought name institutions as significant tools that major powers use to influence smaller states. Here, too, Estonia, Latvia and Lithuania managed to escape unwanted Russian institutional influence. At the outset of their journey to the Euro-Atlantic community, none of the Baltic States wanted to join those institutions that were led by Russia.

Since 2004, Latvia has placed itself in a different institutional framework where Russia must approach Latvia through the EU and NATO rather than bilaterally. Notwithstanding the institutional shield offered by the EU and NATO, Latvia must continue transformation processes to fully politically, economically and socially utilize the Euro-Atlantic community’s benefits. The next part of the chapter will outline some domestic impediments that hinder the institutional adaptation.

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\(^{752}\) Author’s data based on targeted survey in the Baltic States. The 162 surveyed foreign policy and security experts listed enhanced NATO, closer Baltic cooperation, and enhanced EU as three top priorities for the Baltic States. They were asked to rank such priorities as better relations with Russia, closer Baltic cooperation, closer Baltic-Nordic cooperation, closer Baltic-Vistregad-East European cooperation, closer Baltic cooperation with the EU’s Eastern Partners, better relations with the United States, enhanced EU and NATO.

\(^{753}\) Author’s data based on targeted survey in the Baltic States. Among the 162 surveyed foreign policy and security experts, 104 respondents gave an affirmative answer to the statement that societies on the domestic level are united when profound domestic or international challenges must be overcome.
Latvia: Domestic Coherence and External Inroads

Russia has always tried to emphasize bilateral relations with all EU and NATO members. It is an option to weaken and split the Euro-Atlantic community. It has used political, economic, social or cultural inroads to weaken member states domestically or internationally. In the case of Latvia, the political system has been an effective tool to split Latvia apart from the Euro-Atlantic community. It has been possible since the political system still bears a significant legacy from the five-decade Soviet occupation. As a result, Latvian society has grown rather divided.

There has been little social-civilian activity in Latvia. In 1998, around 80 percent of the population did not belong to any organization. That includes ethnic Latvians and non-Latvians. However, by 2004, 60 percent of Latvians and 63 percent of Russians did not participate in any religious, professional, political or cultural organization. Even if the civic activism was still profoundly low at the time Latvia joined the EU and NATO, there was a significant improvement.

The absence of, or low-level, civic activism can be explained with the fact that the trust in voluntary associations remains low. In critical situations only one percent of Latvian or Russian communities would ask for help from associations to which individuals belong. In comparison with other societies in Europe, the social passivity is shared among the post-communist societies. It is the legacy from the years of communist occupation. Since 68 percent of Latvians and Russians are pessimistic about their ability to influence government decisions on the importance of national or regional matters through civilian organization, the indicators for social coherence must be sought in the political realm.754

As there is little social trust in civilian associations, the reason for social unity or fragmentation must be sought elsewhere. The political affairs, or at least the critical political junctions in Latvia, have been underwritten by bold social activities of the past and present. The struggle for independence against the Russian or communist influence has been one important factor.

Quite noticeably, Central and Eastern Europe demonstrated signs of civic activity early, but became increasingly active in 1988. By then, the society in Latvia was divided into two

groups: one favored independence while the other opposed it. Those two groups were split in four distinct identities: Latvians who favored independence and those who opposed it, as well as Russian speakers who favored independence and those who opposed it.\footnote{Rasma Karlins, \textit{Ethnopolitics and Transition to Democracy: The Collapse of the USSR and Latvia} (Baltimore: The John Hopkins University Press, 1994), 174.} In the end, most Latvians favored independence from Russia while most Russian speakers opposed it.

The incremental fragmentation of the Latvian society started early, but came to a pinnacle at the beginning of the 1990s. The communist party had complete control over the Supreme Soviet, the major source of power in Latvia, until May 4, 1990. Then, owing to the splintering of the Latvian communist party, 138 deputies from the 197-large Supreme Soviet supported independence from the Soviet Union.

Among the 197 deputies, 11 were women, 180 had tertiary-level education, and only six were under the age of 30. The most common professions were engineering (23), law (16), economics (13), journalism (12) and medicine (9). The ethnic composition was also diverse. Among the deputies, 138 were Latvians (70 percent), 42 were Russians (21 percent), eight were Ukrainians, three were Jews, two were Byelorussians and one was each was a Pole, Greek and German. The outcome of the vote for independence dovetailed with the ethnic division in the Supreme Soviet and the communist party.\footnote{Juris Dreifelds, \textit{Latvia in Transition} (Cambridge University Press, 1996), 63-67.} One hundred and thirty-eight voted for Latvian independence. There were 138 ethnic Latvian deputies in the communist party and in the Supreme Soviet on May 4, 1990.

The independence vote became the base for the political-social consolidation in Latvia. After the vote, the support for unconditional independence grew among Latvians from 55 percent in 1989 to 95 percent by March 1991. The division among Russian speakers was more ambiguous. In June 1989, only nine percent supported complete independence while 38 percent supported the complete rupture of ties with the Soviet Union by March 1991.\footnote{Brigita Zepa, “Public Opinion in Latvia in the State of Transition: the Dynamics of Views of Latvians and Non-Latvians,” \textit{EMOR Report} (1992), 11.} Strong roots for political consolidation were mired in the ethnic division and the attitude regarding Latvian independence.

It is no surprise that the Latvian political system is not based on liberal, social, conservative, republican or democratic principles. To join the EU, however, Latvia was required to become a post-modern polity. It meant a polity where all social groups could represent their
interests and none would be discriminated against. Such requirements did not exclude the fact that political parties in Latvia could not represent interests of distinct ethnic groups. In fact, the political realm developed and was strongly influenced by ethnic issues.

Among the most significant issues in Latvian politics became the Russian and Latvian language status. Some political parties urged the elevation of Russian to the level of second official language. Ethnic Latvians saw it as a menace since it would be done at the expense of the Latvian language.

Some political parties saw automatic citizenship to all Russian speakers as a human right. From the perspective of ethnic Latvians, it would have meant furthering political rights of former colonists. Some political parties insisted that minority schools should choose their own language (Russian, for example) and traditions (Orthodox, for example) for instruction. From the perspective of Latvians, it would mean the extension of the Russian traditions at the expense of the Latvian.

Some political parties insisted on granting voting rights to non-citizens in local municipalities. From the perspective of Latvians, it would mean granting more political rights to those who see themselves as alien to Latvia, and closer to Soviet Union citizenship, a non-existing polity today. It would mean that Latvians who work at local municipalities would be required to learn Russian.

Whatever the political issues, the vote for independence was cast in May 1990. The 1922 Constitution of Latvia was reinstated on August 23, 1991. The continuity of Latvian statehood was emphasized. Then, the Latvian communist party was declared unconstitutional. The decision to make the communist party illegal destroyed the major political construction for the Slavic community.

From that point onwards, the Russian speakers or Slavic community in Latvia organized themselves around issues they found important. Those political parties, born out of the communist party, were far from united around any particular issue. There were a good deal of diverse interests within the political community based on issues, personalities and vested interests.

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The Latvian Socialist Party was the unofficial heir of the Latvian Communist Party. It was led by the charismatic, ethnic Latvian communist Alfrēds Rubiks. It was founded in 1994 and explains why Latvians do not embrace the socialist principles. The name socialism was regarded as communist even if socialist principles carry no communist ideology. The former communist choice to use the word in their political party name only underlined the bias.

The political movement did not have a stance on ethnic issues per se; however, it denied that Latvia was ever occupied by the Soviet Union. The 1940 events were seen as the communist revolutionary change of the time. The political party advocated that the Latvian referendum of 2003 regarding membership in the EU be made illegal. It thus proposed the withdrawal from NATO and the EU at the moment Latvia got inside. At the outset, the political party was seen as a radical anti-independence movement.

The Equal Rights party was built by the people who were the most reactionary elements of the Supreme Soviet of the Latvian Soviet Socialist Republic. From the outset, their goal was to defend the rights of non-citizens and ethnic Slavs. The party supported unconditional citizenship to all permanent residents of Latvia, closer links to Russia and the rejection of the fact that Latvia was ever occupied by the Soviet Union. Like the Latvian Socialist Party, this movement advocated for Latvia’s withdrawal from NATO and the EU.

Its leader, Tatyana Zhdanok, was elected as a member of the European Parliament in 2004 and has not left the post ever since. At the outset of the nomination, she publicly called for the establishment of a pan-European Russian party. With deputies from five other countries, she signed a manifesto in Prague and established such a political party. The objective of the political force became to defend the rights of the Russian speakers and enhance the status of the Russian language in all EU member states.759

Recently, she cast a vote against the EU strategic communications plan to limit Kremlin’s misinformation activities in Europe760 and went on a bilateral visit to Syria. On the sidelines of the visit, she spent 1.5 hours discussing events with Bashar al Assad at the end of 2016.761

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759 Ikstens, 45.
Zhdanok acknowledged that the conversation with Assad was very warm since there was an accord between the politicians on many issues and values.

Conversely, there is little doubt that the Latvian foreign relations sector approves any of the activities of the deputy. However, there is little they can do, as the election of the deputy is a democratic choice. While there will be sufficient public political support to this candidate, the political force will endure. Through a diverse civilian organization, the political candidate receives financial support from Russia.

In 1995, the Russian Party was founded by members who were also the most reactionary members of the Supreme Soviet. Like most parties that defend interests of Russian speakers, it advocated automatic citizenship, the elevation of the status of the Russian language, the absence of reforms in minority schools in favor of instruction in Latvian and voting rights to all non-citizens in local elections.

Their position, however, was aimed at strongly delineating ethnic Russian interests from the interests of the Russian speakers. For example, they insisted that ethnic Russians should be responsible for educational programs in ethnic Russian schools where the Orthodox Church traditions, for example, would be strongly enhanced. They opposed the idea that Russian speakers would act on behalf of ethnic Russians.

Another entity, the Motherland, or the Unified Social Democratic Workers Party, promised to uphold social principles related to resolving practical problems of the simple people. It was profoundly populist and said that it aims at distributing EU and Latvian resources in favor of the most deprived groups. This political force has emulated Vladimir Putin’s political party in Latvia.

Its most valuable asset is its leader Yuri Zhuravlov, a person who does not have any qualms about making controversial public pronouncements. The leader is an owner of a radio station that has not shied away from violating election laws and campaigning principles. The political force was founded in 1999 and managed to gain seats in the Riga City Council in 2005.

Apart from the political actors mentioned above, there were and still are some radical-nationalistic, even occasionally racist, political movements such as the Latvian National Democratic Party. In 1998, the party was called “Russian National Unity.” They named themselves “Berkashovites” after the extreme right-wing Russian politician Alexandr Berhashov.
It became an active defender of the Eastern Slavic rights in Latvia. Owing to the activities and ideas of the political movement, official registration was always denied. No information has been available about their members. The activities of the political movement are based on several persons such as the leader Yevgeny Osipov and Yuri Petropavlovsky. The movement is mostly active in the port-town Liepāja. Nevertheless, it is a part of a broader network and has links to the political party alliance, For Human Rights in the United Latvia. Even though Eastern Slavic political parties seldom share the same political priorities, they cooperate and coordinate and are rather consolidated.

For Human Rights in the United Latvia alliance was a home for several political forces. It was like an umbrella organization for the Equal Rights, the socialist party and the Harmony, as well as some non-registered political forces. The coalition of the Slavic political groups shared some distinct objectives while in some areas they were in conflict. Nevertheless, they gained political representation.

In the Fifth Parliamentary elections in Latvia, 13 seats went to the Harmony, and the Equal Rights got six seats. They collected a 12 percent and 5.8 percent, respectively, share of the popular vote in 1993. Just after the election, however, both political forces started fragmenting into smaller groups and between existing political forces. The Slavic political parties were far from stable and united, but the alliance initially became the network that kept the Slavic groups together.

Within the political party alliance, some political forces were stronger, some weaker, and some more and some less popular. The Eighth Parliamentary elections in Latvia were a success for the alliance since it collected 19 percent of the votes. Nevertheless, the Harmony alone collected disproportionally more than the others.

In 2003, the party decided to withdraw from the alliance. The decision was justified by the fact that the Harmony could not find a common ground with the socialists and leaders from the Equal Rights movement such as Tatyana Zhdanok.

Owing to this ongoing political fracturing, even the Harmony lost some support. As a result, its leader Jānis Jurkāns, the first Latvian foreign minister in the 1990s, resigned in 2005. He had supported pragmatic relations with Russia from the outset. Pronouncements in favor of all-inclusive citizenship prospects and the willingness to keep some sensitive issues with Russia (like border disputes) off the table in negotiations with Kremlin became anathema to his career at
the Foreign Service (even if intellectually he was one of the most apt candidates for the post). He was replaced by a young journalist, Nils Ushakov, as the leader of the political party.

The Harmony had one profound difference. Its members and ideology were never anti-independence. Some of its members were active participants in the Latvian National Front. Although the Harmony insisted that relations with Russia must be improved, it did not oppose Latvia’s membership in the EU although it opposed its membership in NATO.\(^ {762} \)

Furthermore, the political force has been less provocative in other areas, as it supported and ushered a naturalization process. It supported giving voting rights to non-citizens on the municipality level. The Harmony has not voiced a position on the status of the Latvian language even though it has insisted on giving a broader role to the Russian language in education. The political force has been successful in Latvia as it managed to get Nils Ushakov a seat as the mayor of Riga City since 2009.

During the municipal election in 2013, the alliance of the Honor to Serve Riga and the Harmony gained an absolute majority of votes (58.54 percent of the popular vote in Riga district) while Nils Ushakov alone received 111,000 votes during the election.\(^ {763} \) The election signified the dwindling of the ethnic division in Riga. Many Latvians saw the political force, and especially the leader, as an appealing political choice for Riga, a home for 700,000 residents or almost half of the overall Latvian population.\(^ {764} \)

It is a remarkable accomplishment that every seventh voter of Riga voted for Ushakov since 2009, not only for the leader and the political party in Latvia, but implicitly for Vladimir Putin’s influence, whose United Russia party has a cooperation agreement with the Harmony.\(^ {765} \) This fact, according to Nils Ushakov, is an asset. According to him, it allows strengthening of ties between Latvia and Russia.

With the significant exception in Riga and a few other localities where deputies have enjoyed their time at the European Parliament, Slavic political parties have not managed to gain political power at the national election. It is not because Slavic parties did not come up with

\(^ {762} \) Ikstens, 47.
proposals for legislation. Those political parties that have been supported by the Latvian electorate have always denied Slavic parties the ability to participate in decision-making.

The political parties that thrive from ethnic Latvian support have reasons to be vigilant with the Slavic political groups, which are sometimes too close to the Kremlin. In 1999, the umbrella alliance collected signatures aimed at reverting the citizenship and education laws that came into force in 1998. Moreover, there has been an adamant advocacy for the minority education to be conducted in the minority language. Apart from those disconcerting activities and demands, political forums such as the Baltic Forum were launched to discuss Latvian-Russian relations. Those events brought the most controversial Russian and Western politicians together in Latvia.

When the already approved language reforms of 1998 in education had to be reintroduced in 2003, the Slavic political alliance established a headquarters. The aim was to defend the Russian schools in Latvia. Not officially registered, the headquarters received support from Russia. The head of the headquarters, Aleksandr Kazakov, later became an assistant to the deputy chairman of the Russian Duma Dmitry Rogozin.  

The movement and the headquarters were efficient in Latvia as they brought together a ripple of around 10,000 people who protested in front of different decision-making bodies. As disconcerting to Latvians as it could be, concessions were made. Language reforms in education were altered and postponed. Ever since the concessions were made, the movement waned, but the latent Russian influence has not.

The Eastern Slavic political parties have not gained much leverage over decision-making in Latvia. To a degree, the reason for the exclusion is rooted in the fact that the political participation for Latvian elites in the communist party was restricted in the past. This is a backlash from the times when the share of Slavs in the Communist Parties of the Baltic States significantly exceeded the population of Lithuania, Latvia and Estonia. Lithuanians accounted for 69 percent, Latvians for 39 percent, and Estonians for 52 percent in communist parties of their respective countries.

To a degree, the result dwells in the broader social adversity against the Russian/Soviet influences. Those, mostly represented by Slavs, regimes are aimed at assimilating and diluting

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766 Ikstens, 45.
the titular ethnic group in favor of the Slavic ones. As a result, the politics in Latvia or Estonia, have been very closely linked to ethnic relations and traditions. In a country with a plural political system, it is no surprise that such group interests will persist and endure.

The ethno-political relations have left a substantial mark on the social coherence in Latvia. There are political groups that are defending citizens of Slavic origin, yet there is a substantial share of non-citizens. Around 12 percent of the total population or 247,104 residents in Latvia still held non-citizen passports by mid-2016. Even though there is a significant drop in the numbers of non-citizens, this is a profound social challenge in Latvia. This group can be mobilized for reasons unknown.

The political participation, the voting right, for the group is denied, but the Latvian non-citizens enjoy more liberal travel conditions than citizens. They can visit the Russian Federation and the EU without any restrictions. It is a sign that there is a socially and politically alienated group in Latvia with close contacts in St. Petersburg or Moscow. The existence of alienated social groups results in social and political fragmentation in Latvia.

The Latvian Parliament has been the most visible cause of these social cleavages. On the national level, the Slavic parties never gained any political representation. Even though Latvian politics is strongly embedded into ethno-political relations, there is another denominator to consider. The political parties that are said to represent ethnic Latvian interests have been willing to engage in close business relations with the Russian Federation.

Since the restoration of independence, there was a political consolidation with effects still felt today. The factor of the three As, or the presence of the three oligarchs in Latvia-Aivars Lembergs, Andris Šķēle, and Ainārs Šlesers-has been a direct inroad for the Russian transit, cargo and banking sector interests in Latvian politics. Political and business interests have been extremely entangled in Latvia. Considering the argument that the Slavic groups favor closer ties with the Russian Federation anyway, the presence of such oligarchs signify that the Latvian political elite is not dispositioned against the Russian influence either.

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Aivars Lembergs, who was elected as the mayor of the port town Ventspils in 1994, is not only a currently active politician in Latvian political life. He is also accused of convicting especially heavy corruption crimes in Latvia. The informal head of one of the most influential political parties in Latvia, the Greens and Farmers Union, he has led the political group in Latvia since 1992. The political party has been heavily involved in governmental affairs. By holding multiple important political posts, he is an important part of the Latvian government.

At the outset of the independence, and assuming more power in the port-town Ventspils, Lembergs became the chair of the Ventspils free port. Transit and political interests of the municipality, its port, and the political establishment on the national level were closely linked to transit and cargo business from Russia. Jānis Jurkāns, the former foreign minister and the leader of the Harmony political party until 2005, was the head of the Baltic association “Transportation and Logistics.”

Two people representing transit and cargo interests of Ventspils, Oļegs Stepanovs and Olafs Berķis, had especially close relations with the Baltic transit association. As a result, the ethnic-Russian and ethnic-Latvian political forces ended up working quite closely in terms of their shared business interests. The business became the source for the subsequent financing of political parties.

Andris Šķēle was the prime minister from 1995 to 1997 without any political affiliation. In 1998, he founded his own political force, “The People’s Party.” Before assuming the prime minister’s duties in 1995, Šķēle was active in the privatization process in Latvia. The political force won the 1998 parliamentary elections, and Šķēle became the prime minister in 1999 and remained in office until 2000. The political party was forced out but it led the government again from 2004 to 2007. Aigars Kalvītis took over the leadership, but, owing to corruption and political scandals, the government fell in 2007. The power in Latvia was taken over by the political party alliance consisting of the Latvian First Party and the Latvian Way.

Around this time, Šlesers, the third oligarch, becomes known among the public. He was the head and the main sponsor of the Latvian First Party from 2002 to 2007. A businessman, he donated to the political force generously. However, among the financial supporters of this political party were shareholders from the bank “Rietumu Banka” like Leonids Esterkins and a partial owner of the gambling industry in Latvia, Jānis Dāvis.

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770 Megem and Rekada, 104.
Additional sponsors of Šlesers’s political force were the two other oligarchs. Financial contributions, not completely transparent and hardly known, originated from financial institutions and business ventures that were closely tied to Russia, or even criminal circles.

Furthermore, the three oligarchs have been supporters of the Slavic political parties, too. They did not shy away from joining the coalition with them. For example, Šlesers became the vice-chairman of the Riga City Council in 2009. He was ranked second in power, behind Nils Ushakov, the mayor of Riga City from the Slavic Harmony political party.

These three political forces have been rather successful at controlling politics, business and even news. Latvian society has never critically assessed public information—a legacy from the communist period and the third awakening of the Latvian society. There is a history of trust in public information because Latvian critics of the Soviet system were instrumental in the mainstream media. Subsequently, media in Latvia is trusted, but the fact that the oligarchs control the news allows them to manipulate public opinion.

The oligarchs may be more or less publicly visible, but their political influence transcends from one political force into another until this day. For example, Aigars Kalvītis was ousted when the financial and economic crisis hit Latvia before 2008. Before the crisis, he was the prime minister from the People’s Party (founded by one of the oligarchs). After his ousting, Kalvītis went behind the political scenes to work on such business-political projects as the resurrection of the Latvian ice-hockey club “Riga Dinamo” in Russia’s Continental Ice-Hockey league.

Seduced by the past glory of the club and the desire to see ice-hockey surge, Latvian society has not coherently objected to the team being sponsored by the former Soviet intelligence-led “Itera Latvia” and Gazprom-owned JSC “Latvijas Gaze,” among other sponsors with similar political subtext. Some complaints surface about higher energy prices in Latvia, compared to Estonia or Lithuania, even if the neighbors receive Russian gas supplies from Latvia.

Those gas retail and distribution companies serve as the direct Gazprom subsidiaries in Latvia. They allow for the Russian political influence to be financed from the business ventures

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in Latvia. Presently, Kalvītis is the Chairman of JSC “Latvijas Gaze,” but he also became the chairman of the newly established JSC "Conexus Baltic Grid" in 2017.

The new gas distribution company was established to separate the gas distribution and storage from the supply and retail functions in Latvia. The foundation process of “Conexus Baltic Grid” was pursued in Latvia to comply with the EU energy market liberalization requirements. For Latvia, a more liberal energy market means lower energy prices and less Russian political influence.

However, since shareholders of the new company remain the same, the normative requirements will be fulfilled, but the gas market will stay under the control of the same business groups and leaders. Even though it is clear that the major supply source of gas to Latvia will remain Russian, at least in the short term, in the case of political crises even the delivery of the liquefied natural gas from Lithuania can be hindered politically.

The liquefied gas, even if it can be more expensive, could be delivered from Lithuania in the case of gas supply disruptions to Latvia. The necessary liquefied natural gas infrastructure is available in the Klaipeda port, but the distribution and storage will still be decided by those same vested interests so closely tied to Russia’s Gazprom.

It is possible to conclude that the Latvian society has been split in two distinct ways. The first is along ethno-political lines. One cluster of political parties serve Russian speakers while the other serves ethnic Latvians. The other aspect divides Latvian society between political elites and constituents.

In Latvia, the vested interests have contributed to low social trust and high corruption levels. The present Latvian political system places the country in front of two distinct paths. First, if public institutions are embedded in social structures, then Latvian society can expect for a country to be set on potentially the development path. As evidence suggests, this is the least likely scenario at the moment.

The political elites are corrupt and there is a gap between political elites and society. Thus, Latvia is on the predatory state path. The predatory condition derives from the fact that

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there is no benevolent reciprocity between constituents and the state, social agency and social goods, taxes and self-interest of a ruler.\textsuperscript{776} Even though the country is a democracy, it is still ruled by just a few political groups. Thus, the democratic structures are abused for the benefit of a few.

Considering the character of the Latvian political system, it is possible to conclude that the ethnic division will not be overcome any time soon. Only benign and attractive polity will contribute to the social cohesion, ethnically and politically. The persistence of the existing political culture will only contribute to a broader ethnic division and gap between political elites and society. The social division can be mitigated by eliminating the communist legacy, the corruption and persisting ethnic disputes.

Just over 25 years since Latvia completely disentangled itself from the Soviet Union on August 21, 1991, one of the Latvian independence movement leaders, Dainis Ivāns, gave an interview on the occasion. He emphasized that the contemporary politics in Latvia is worrisomely reminiscent of the days when the communist party was fragmenting in Latvia at the beginning of the 1990s.\textsuperscript{777} Right now, however, the process sometimes seems to go in reverse, according to the leader.

Small Numbers Amplified

Small states differ from larger ones in that they must always cope with small numbers. A small population size means a limited pool of leaders, small economies and/or limited military capabilities. Those factors discern small and large states in a big way. Being one of the smallest in terms of population, Latvia is among the forerunners in facing these problems in the Euro-Atlantic community.

Latvia has always faced the challenge of rebuilding the population counts lost during World War I, World War II and the Soviet occupation period. Moreover, the dominant Soviet Union and the Russian Federation influence on the Latvian social and political areas has made the task of rebuilding Latvia from a cultural perspective quite complicated (See Figure 5.4).


Before 1914, there were 2.5 million ethnic Latvians. After World War I, there were only 1.58 million left.\textsuperscript{778} By 1939, the total Latvian population had increased to almost two million. Owing to World War II and, later, Soviet deportations, there were 1.4 million ethnic Latvians at the outset of the Cold War.\textsuperscript{779}

At the outset of the occupation, the Soviet Union replenished the lost cadres by sending 650,000 Russian speakers into Latvia. In 2005, the situation was the same as it was at the outset of the Cold War. There were 1.35 million ethnic Latvians while the Soviet-imposed ethnic blending left around 0.8 million, some of them citizens, some non-citizens.\textsuperscript{780}

While the overall Latvian population according to the count of citizens was around two million, only 70 percent of them are ethnic Latvians. The challenge of maintaining the Latvian language in the face of a Russian influence is a difficult one. This is dependent on how Latvians themselves treat their state and their culture.

The dividing line between the two groups is the language. Around 77 percent of the population considers the presence of the Russian speakers a challenge (the number dovetails with the share of ethnic Latvians and Russian speakers in Latvia), while only approximately one half

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\textsuperscript{780} Nils Muiznieks ed., \textit{Domestic and International Dimensions} (Riga: Latvijas Universitāte, 2006), 17.
would respond in Latvian if addressed in Russian. More than a half, however, would respond in Russian, but very few would use English. The attitude against the language will determine the faith of the language. At the moment, most ethnic Latvians are inclined to use the minority language in public communication.

The decreasing population is not the only challenge. The continuous reduction and aging of the population, as well as high immigration and low fertility rates, pose a serious threat to the social and economic development in Latvia. By 2016, around 370,000 Latvian citizens lived abroad. Most of them spoke at least one foreign language and could be considered better educated since the group could compete for jobs outside Latvia. It is clear that not all of those abroad will return.

The demographic and immigration trends threaten to aggravate some significant challenges in Latvia. This may lead to a growing demographic burden and cause an imbalance in the social budget and pension system. A resulting shortage of resources for education can impair business activity and even further undermine human resources, entrepreneurial activities and the social system in Latvia. The present demographic and immigration challenges only aggravate these additional, looming challenges in Latvia.

When combined, there is a potential for deep social, economic and political crises. A whole range of actions must be taken now for the improvement of the social and economic situations in the future. Among these urgent tasks might be different types of governmental support aimed at increasing birth rate and decreasing immigration, as well as strategies targeted to attract immigrants.

There is a risk that the labor force in Latvia may scale down by 20 percent within the next 20 years and by 45 percent by 2050. The number of children may decrease by 20 percent within the next 20 years and by 35 percent by 2050. The task to revert these negative trends can be accomplished with strong social coherence and political leadership. The present political elites do not speak, nor do they act explicitly or implicitly, to address these challenges.

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781 Author’s data based on targeted survey. From 163 respondents, 124 gave an affirmative answer to the statement that the presence of Russian-speakers is a challenge to the Baltic States. 71 gave an affirmative answer to the question that Latvian language will be used as the first response to the question in Russian. 87 responded that they would respond in Russian.


Even if there is currently a large social class (like pensioners or disabled persons who cannot take care of themselves for various reasons), it is possible to uphold the social system with the help of a capable and educated private sector as well as a versatile and benevolent public sector.

Even if at the outset of independence the education system was left at the mercy of liberal markets (almost no funding to education was prescribed), Latvia does not perform poorly today. The Organization for Economic and Social Development (OECD) suggests that in terms of readings skills, Latvia ranks as 30 (Estonia ranks as 13, and Lithuania as 40). In terms of mathematics skills, Latvia ranks as 36, just one place above Lithuania, while Estonia ranks as 17. In the case of science skills, Latvia was 31, while Estonia was nine, and Lithuania was 33. The report has assessed student performance in reading, mathematics and science.

The report included OECD member and partner countries in 2013. Here, however, Latvia can conclude that Estonia is outperforming Latvia and Lithuania. Thus, there are lessons to learn from Estonia. The most likely drawback in Latvia is the continuous lack of reforms. More mobile towns (center) are performing much better than regions (countryside or periphery). The center outperforms average OECD educational ratings while Latvian student research results are better than in Singapore in those distinct areas of comparison.

The society in Latvia admits the need of reforms. The author’s survey only underlines the concern about the political system since 45 percent of Latvian residents consider corruption and Soviet-style leadership, economic and social development, lack of reforms, absence of a credible political entity/actor, lack of domestic solidarity, absence of tangible political elites and direction, depopulation and immigration trends, lack of future vision and development trajectory, populism and media, small population and markets as the most important challenges for Latvia.

Most challenges in Latvia can be addressed at home, but one condition hinders immediate reform prospects. The corrupt political system is still the communist legacy that does not allow

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787 The author’s survey where 52 out of 122 respondents answered the question, what is the most salient challenge to Latvia as a small state in international affairs, putting emphasis on domestic issues.
for new political figures to emerge. There are few political figures that are qualified for leadership roles in Latvia.

As a vivid indicator, only 0.5 percent of respondents considered the present Latvian president (in office since mid-2015) Raimonds Vējonis a credible leader. In comparison, 60 percent considered former Latvian president Vaira Vīķe-Freiberga the Baltic leader. On the same issue, around 25 percent viewed Toomas Hendrik Ilves, and 13 percent viewed Dalia Grybauskaitė as two Baltic leaders. Two percent of the respondents viewed recently elected (in mid-2016) Estonian president Kersti Kaljulaid and the former Lithuanian president Valdas Adamkus more favorably than the present president of Latvia, Vējonis.

If around 40 percent of the Latvian population view Estonian and Lithuanian politicians more favorably than their own, then it is not hard to conclude that there is a strong leadership problem. Two respondents from Latvia, when asked to provide their deliberate alternative answers about leaders in the Baltic States, named the brave Estonian reformer Mart Laar and Lithuanian foreign minister Linas Linkevicius as two Baltic leaders.

Without the strong outlier, like the outstanding former president of Latvia, Vīķe-Freiberga, Latvia would be in an even worse situation in terms of perception of leaders. Vīķe-Freiberga is not only a past Baltic leader, she currently chairs internationally important think-tanks and organizations, participates in international debates and was nominated for the United Nations Secretary General post in 2006. Her candidacy was vetoed by Russia in the United National Security Council. However, it never diminished social support for the former president in Latvia and the Baltic States.

It is possible to conclude that those small numbers share strong reciprocity in Latvia. Without strong leaders, society cannot be united. Without social coherence and strong leadership, a political system cannot be stable. Without stability and trust, there can be little development and improvement in living conditions and socio-economic trends. Without all these aspects, demographic and migration trends will remain negative. Only stable and prosperous future perspectives in Latvia will motivate families to expand and stay in Latvia.

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788 Author’s survey where out 163 respondents (7 from Estonia and Lithuania, 45 percent male and 55 percent female) 58.28 percent named Vaira Vīķe-Freiberga (former Latvian President) as the Baltic leader, 24.54 percent Toomas Hendrik Ilves (former Estonian President), 12.88 percent named Dalia Grybauskaitė (Lithuanian President), 1.84 percent Kersti Kaljulaid (Estonian President) and Valdas Adamkus (former Lithuanian President), while only 0.61 percent or 1 respondent named Raimonds Vējonis (Latvian President) as the leader of the Baltic States.
Considering the narrative about the political situation in Latvia, it might just be necessary to wait until the post-communist corrupt traditions and elites leave the political stage. Then, new cadres that will share no affinity with the past political traditions must take over. It is possible to revert negative demographic, migration, social and economic trends, but since there is a need for strong leadership to organize domestic structures, reforms must first be undertaken in Latvian politics.

Conclusion

Membership in the Euro-Atlantic community has allowed for Latvia to offset some profound sensitivities and vulnerabilities. However, some of Latvia’s inherit weaknesses can be remedied only by domestic adaptation and reforms. Membership in the EU and NATO does not mean a farewell to all communist legacies, challenges, sensitivities and vulnerabilities that pull Latvia back into Moscow’s dominion.

The most salient challenge for small states has been the military one. Despite the fact that Latvia has hardly ever contributed to the informally agreed upon two percent spending rule for national defense, it has gained relative security by joining NATO. The examples of Georgia in 2008 and Ukraine in 2014 can serve as vivid case studies. Even higher military spending in those countries did not deter Russia from using military force to accomplish its geopolitical objectives. Even though Latvia has never spent two percent on its military, even less than Georgia or Ukraine has done before, Latvia has not suffered from overt or covert Russian military aggression.

Membership in the EU comes with the opportunity to join the common market. In terms of economic advancement, the country has been rather successful. However, Latvia must pursue further adaptation and transformation. Estonia, according to Latvian respondents, is more attractive for business. The better business environment will lure some of Latvian or Lithuanian enterprises to Estonia since all Baltic States share the same EU common market where people, capital, money and knowledge move freely.

Moreover, Latvia still represents 25 percent of the profile of the Euro-Atlantic community and from 2005 to 2015 it was rather complacent in adapting to new conditions. In comparison, the pre-membership transformation was rather robust. Closer ties with the EU
institutionally, economically and politically will eventually improve Latvia’s market possibilities and as a result, socio-economic conditions.

Most sensitivity and vulnerability risks in Latvia are of a domestic character. The EU has provided the opportunity to utilize common market opportunities. How Latvia manages all these opportunities depends on how developmental or predatory the country will be. Right now, the post-communist elites pose a significant challenge to development in Latvia. Those political groups that rose out of the Soviet Union still bear the same political culture and traditions and are responsible for creating adverse development conditions in Latvia.

If Latvia can develop into a sound welfare state, to the disappointment of Russia, then ethno-political division will wane. Until now, those political groups that lean toward a Slavic or Latvian electorate are rather attuned to the Russian influence. The Latvian political system and economic interests allow and even invite Russian influence, not the opposite. For Russia, those inroads in Latvian politics remain the only ones to influence decisions in Latvia.

It is hard for Latvia to revert the present political trends immediately since the old leaders do not feel comfortable in the Western environment yet. Their ideology, ideas, and language in many cases are closer to Slavic traditions and language. Only new political elites can overcome the discomfort that Latvian political elites share in their relations with the Euro-Atlantic community. To conclude, social change in Latvia is a difficult challenge and it will take time for new practices to evolve. The Euro-Atlantic community has set decisive pre-conditions for benevolent change to take place.
CHAPTER IX
CONCLUSION

The research about Latvia’s path to the Euro-Atlantic community raised four major questions. The first three were related to Latvia’s international constraints while the last was about the Euro-Atlantic international process that offset sensitivities and vulnerabilities in Latvia. All research questions focused on limitations small states face in international relations.

The first was about the role of small states in international affairs and concerned Latvia’s ability to successfully guide itself independently of major powers. Such constraints are shared by most small states. Latvia in particular, at least in the region to which it belongs, cannot claim any feasible power, soft or hard. In fact, it must rather focus on diverse risks stemming from the actions of major powers.

The second question explicitly described how a major power, the United States, determined the enlargement of the Euro-Atlantic community. Based on this research, America’s foreign policy has been assessed as a contributor to the enlargement of the Euro-Atlantic community in general, and the Baltic accession perspectives in particular. Mostly instrumental to NATO enlargement, American foreign policy implicitly altered the European consolidation as well.

The third research addressed the assumption that converging and diverging interests and identities played an instrumental role in Latvia’s Euro-Atlantic integration process. First, the way which Russia approached the Baltic States was a significant criterion for the enlargement of the Euro-Atlantic community. Second, even if the United States was and remains an influential power in Europe, the decision to enlarge the EU was based on European consensus.

Thus, the way that the Baltic States were seen in Europe by major global and regional powers had a strong effect on Latvia’s membership prospects. This part of the research broadly focused on shared interests and identities in Europe as a precondition for the institutional enlargement of the European community.

The result of Latvia’s Euro-Atlantic integration was its dual membership in the EU and NATO. Until it joined both organizations in 2004, Latvia had to undergo a significant adaptation process to adhere to mostly the EU’s, but also NATO’s, membership criteria. The memberships
signified that Latvia had successfully completed the required adaptations. Nevertheless, the Euro-Atlantic institutional umbrella does not guarantee that small states will be completely free of sensitivities and vulnerabilities.

As suggested by small states research and Latvia’s intrinsic properties, the fourth question asked if the dual membership was able to offset its major sensitivities and vulnerabilities. The focus of the state of the research was on selected, but extremely important domestic areas in Latvia.

The path to the Euro-Atlantic community started when Latvia adapted its own foreign policy strategy for the period from 1995 to 2005. Beginning only when Russian troop withdrawal was complete, the strategy made the enhancement of Latvia’s sovereignty and independence as top national priority. To uphold this objective, Latvian policy makers set forth a few important tasks.

The first priority aimed at bringing Latvia into the European and transatlantic complex, as well as other international organizations. The EU and NATO stood out as two focal points for Latvia’s integration. The second priority was the enhancement of the cooperation between the Baltic States. The third identified the major European powers (France, Germany, and the United Kingdom) and Russia and the United States as critical to Latvia’s interests.789

As an integral part of foreign policy success, the strategy identified the development of parliamentary democracy, enhancement of domestic stability, and endurance of economic reforms as three major tasks. At the beginning of its journey, Latvia outlined the groundwork that practically affected integration in the community. The strategy acknowledged Latvia’s domestic compatibility with the Euro-Atlantic community as a pre-condition for membership in the EU and NATO. Notwithstanding domestic efforts, the integration process depended on major powers.

At the outset of Latvia’s independence, the United States was recognized as the most important bilateral partner. American foreign policy had undergone three distinct stages toward Latvia. The first stage was rather malign. It was a stage where the United States after World War I decided to approach Europe normatively. Apart from diplomatic contacts, little closer practical cooperation existed. In relations with the Baltic States, the United States rather reluctantly

recognized the existence of Latvia as an international actor. Belatedly, when Soviet Russia and Europe had already recognized Latvia, Washington also diplomatically acknowledged the existence of the three Baltic States. The years from 1919 to 1940 demonstrated a lack of general American interest in the Baltic States.

However, by the end of the interwar period, when two of the major regional powers in Europe signed the secret clauses of the Molotov Ribbentrop-Pact on August 23, 1939, the United States issued a statement, denouncing the illegal incorporation of the Baltic States in the Soviet Union. Thus, Washington committed to work with the Baltic exile governments. During World War II and the Cold War years, without risking an all-out war with the Soviet Union, there was nothing the United States could do to liberate the Baltic States from communist grasp.

The alternative would have meant a war with the Soviet Union, played out between NATO and the Warsaw Pact alliances. Therefore, for more than five decades Washington upheld the normative existence of the three Baltic States. Latvia’s exiled government was allowed to uphold statehood principles and celebrate Independence Day in the United States throughout the Soviet occupation period. Not much else was possible or done. It was a benign approach, but the only one available at the time.

During Gorbachev’s perestroika and glasnost as well as the immediate aftermath of the Cold War when the Soviet Union was dissolved, American foreign policy makers were still cautious, reluctant, and hesitant supporters of cooperation with Eastern Europe. There were debates about NATO’s future and America’s commitment to transatlantic cooperation. These institutional defense structures were the glue that kept the United States bound to Europe. On the other hand, The EU had substantially grown. It had become a contributor to America’s welfare. Thus, it was a worthy partner to defend. The U.S. Congress urged the White House to strongly uphold the transatlantic cooperation, even with the Baltic States.

As a result, the United States subtly and adamantly upheld its European ties. At first, American foreign policy concentrated on Germany. German unification could potentially jeopardize or promote a “whole and free” Europe. If unification failed, there could not be consolidation of Eastern Europe. Peace in Europe depended on the stability delivered by democratic regimes. Here, the Balkan conflicts became a test for Europe and the United States. When European powers failed, stronger American involvement was more necessary than ever. When acting alone, European powers threatened to undermine the accomplished Western
European stability and unity. Thus, Washington soon resurrected NATO for new missions in the Balkans as a peace dividend for Europe. Willing European powers followed.

The year 1994 heralded a new life for NATO, as well as a bolder engagement of America in Europe. Initially, even Russia became a potential partner for the refurbished NATO as a PfP participant. For Latvia, the new NATO partnership heralded an opportunity for redemption. American absence from Europe in the years from 1919 to 1940 had been malign. American presence through the Cold War and in its immediate aftermath in Europe had been benign, and it was not sufficient for Latvia to escape Russia’s shadow. The redemption of previous policies started when new NATO partnerships were announced and the Russian military left the Baltic States with the assistance of Washington in early 1995.

The White House could finally carry out what Congress had urged President Bill Clinton to do since Gorbachev came to power in the Soviet Union: to raise the flag of freedom high in the Baltic States and end the legacy of the Tehran, Yalta, and Potsdam conferences in Europe. NATO was set to enlarge. The question was where and when. Washington presented reform requirements to the Baltic States. In the meantime, it also provided myriad assistance to improve their militaries, build democratic institutions, and engage civil society.

All of these reforms were essential pre-requisites not only for NATO membership, but also EU enlargement. Washington harvested its foreign policy fruits by concluding the Baltic-American Charter in 1998. With the charter signed, the Baltic-NATO membership prospects were officially announced. To practically conclude the most solemn defense relationship with the United States, the Baltic States had to join NATO.

Ever since the first NATO enlargement in 1999, the Baltic States had had additional political support inside NATO. The Washington NATO Summit announced further enlargement prospects, setting criteria in 1999. This event marked a low point in relations between Washington and Moscow. The Kremlin had strongly opposed NATO enlargement by accepting the Baltic States. By doing so, the West jeopardized its ties with Russia even more.

Nevertheless, the leadership change promised to improve relations between the United States and the Russian Federation. In 2000, Americans elected Republican President George W. Bush, who took over the White House in 2001. Boris Yeltsin, upon his departure from the Kremlin in 1999, nominated Vladimir Putin as his successor. Before both leaders were given an opportunity for rapprochement, there came another shock which altered the international order.
A few months after being sworn into office, Bush was forced to deal with an unprecedented crisis. The terrorist attacks on Washington and New York on September 11, 2001, strongly affected American morale and the country’s international future. Among all of the allies, Putin was the first leader to call and offer his sympathies and support to his American counterpart, in the post-9-11 aftermath.

For the Baltic States, Russia’s closer alliance with the United States put forward the possibility of joining NATO. Putin still opposed Baltic membership in NATO, but he did not voice his opposition in relations with Washington anymore. Thus, in 2002, during the Prague NATO Summit, all three Baltic States received their invitations to start the accession process.

There was no power in hindsight to challenge American support to the Baltic States. Besides the American-led NATO anti-terrorist mission in Afghanistan, no power could revert Washington’s choice to launch another war against Saddam Hussein’s Iraq in 2003. American foreign policy makers probably did not foresee that the mission in Iraq would spell the end of their unipolar fantasy.

Despite the growing transatlantic divide over the war in Iraq, NATO grew again with further enlargement in 2004. The United States was bold and the American freedom agenda was on the rise. Russia was perplexed since it could not find a role for itself in Washington’s agenda. The Baltic States finally joined both NATO and the EU. The Euro-Atlantic community expanded almost overnight, and there were yet more states willing to join.

Georgia embraced Bush’s freedom agenda and democratic values early on. In response, American foreign policy supported the democratic transition in the Caucasus. Conversely, it was not clear to Moscow what America’s intentions in the region closest to Russia were. Convinced that the United States would come to defend democratic Georgia if attacked, Mikhail Saakashvili, after not receiving a NATO membership action plan during the Bucharest NATO Summit in 2007, launched a military campaign against Georgia’s breakaway regions. Saakashvili had thought that Georgia’s territorial disunity disqualified the country from receiving the membership action plan in Bucharest.

Nothing was more likely to provoke Russia’s military response. Putin taught a lesson to the hot-headed Saakashvili that small states never provoke major powers. The result was that any prospects for future NATO enlargement would be postponed indefinitely. By that time, Washington’s and Moscow’s relations were already suffering, as reflected in Putin’s 2007
speech at the Munich Security Conference. At the conference, he “could skip excessive roundabouts of political politeness and diplomatic phrases, and challenge the United States unipolar moment, underwritten by excessive military actions and unilateral decisions.”

Russia continued drifting farther from the West. It searched for its own regional and global role. It could not find one in Bush’s freedom agenda. Against this backdrop, European and American leaders were trying to resolve the dispute on behalf of Georgia with Russia. They came back from Moscow empty handed.

In terms of security, the Baltic States were now out of Moscow’s military reach. Russia withdrew its military forces from the Baltic States by 1995. It was not a deliberate choice by Yeltsin. The Russian Federation was so weakened by the collapse of the communist regime that it desperately needed Western financial assistance. Assistance to Russia was made on condition of its good behavior in the Baltic States. Later, owing to growing fossil fuel prices and surging budget revenues, Russia became more assertive in its foreign relations.

By 2005, Russia had reached financial sufficiency and domestic stability, an unprecedented condition during Yeltsin’s era. After the Euro-Atlantic community enlarged, Russia was confused and confusing, especially in the years from 2005 until 2007. It was in search of a new identity, its international role, as well as a formula for relations with foreign countries, both remote and proximate. In addition, radical forces inside of the country had grown stronger. Consequently, Russia had started acting as an international bully, especially in the near abroad, and against the Euro-Atlantic community in 2007.

In the Baltic Sea region, Russia has violated international rules by ignoring national boundaries. Russia has launched diverse military exercises aimed at particular states. Several media campaigns have sullied the image of particular countries in the Russian-speaking world. All in all, Moscow has conducted itself in a nefarious way. The Kremlin had become a powerhouse of falsehoods and propaganda by 2007, if not before.

The Kremlin has heedlessly altered public information to manipulate local societies in Russia and internationally. In addition to those disdainful methods of influence, Russia has also abused its economic assets for political influence. For example, Germany, the EU, multiple countries in Europe and elsewhere heavily depend on Russia’s gas exports. It makes some

partners extremely vulnerable to Russia’s influence. Past gas cutoffs to the Ukraine and the
decrease of transit through Belarus serve as reminders of the predicament.

The Slavic core, Russia (great Russia), Ukraine (small Russia), and Belarus (white
Russia), has been the cradle of Russian culture and identity. However, economic, political,
social, and cultural disputes have recently grown into broader diplomatic skirmishes, even
military aggression in the case of the Ukraine.

Thus, one by one, Russia is losing its allies even from the historical Slavic core. For those
reasons, Belarus plans to open its borders to the West. Minsk overtly condemns military
exercises against NATO on its soil. Even there, Russia could extend military exercises to the
point of violation of Belarussian sovereignty.

As a result, Russia is gradually becoming less European and more of an Asian power. It
strives to find its ideological place in the international community, but it ominously pivots
toward the bygone imperial or communist ideas and actions. The resurrection of past symbols
and ideology only increase the anxiety among Russia’s neighbors.

Those European countries that are geographically remote will be less concerned about the
ideological path and policy in Russia. Countries with no shared borders with Russia, will
embrace business opportunities. Those that share borders with Russia will try not to sell
important aspects of sovereignty by creating political inroads to Moscow in exchange for more
“exports of cottage cheese or sprats” to Russia. Russia has demonstrated the ability to politically
divide Europe and particular nation states.

Meanwhile, in the EU, when the unification was successfully complete, Germany faced
demands from its closest neighbors to do the same as West Germany did to East Germany. The
Visegrad and Baltic states adamantly sought an opportunity to join the EU early on. The latter
was more distant from Germany, caused additional concerns in relations with Russia, and was
less popular in Europe in general. Even Germany became divided in terms of Baltic integration
into the EU.

In the scheme of priorities, the German Chancery placed relations with Russia before EU
enlargement. It continued Ostpolitik, based on closer links with Moscow. German chancellors
such as Helmut Kohl (1982-1998) and Gerhard Schröder (1998-2005) never disguised their
foreign policy priority to uphold relations with Russia. When they could, both chancellors
omitted the Baltic States from political agendas, stayed rather neutral regarding Baltic
membership prospects in the EU, or excluded them from enlargement prospects in general by giving priority to the Visegrad states.

Conversely, the foreign ministry of the Federal Republic made Baltic membership in the EU a top priority. Although the Chancery often prevailed in foreign affairs, gradually foreign ministers such as Klaus Kinkel (1992-1998) and Joschka Fischer (1998-2005) pulled the Baltic States slowly into Europe’s institutional frame. Thankfully so for the Baltic States, the European Commission of Jacques Delors echoed the German foreign ministry’s efforts and slowly brought the Baltic States into the European community.

Even if Britain and France did not have a firm stance regarding the Baltic States per se, they favored enlargement. Owing to warm relations between particular French and Latvian leaders, France was supportive. Paris was willing to see German economic power tamed in a broader EU. Thus, EU enlargement offered some political benefits to France. Considering the overall demand to join the EU, France favored broader enlargement to include even Romania and Bulgaria. Those were a few laggards in terms of adaptation. If Romania’s and Bulgaria’s integration was supported, then France had to support the reform forerunners like the Baltic States.

The United Kingdom maintained a strong ambivalence toward the EU. It still placed its special relationship with the United States first, but distinct European policy was no less popular in London. In relations with the Baltic States, Britain saw a possibility to bring in like-minded countries. London aimed to make the EU politically shallower and encourage reforms to lift disturbing normative limitations for free markets.

Even if the United Kingdom saw immigration as a challenge, it also valued the enlargement of the market as well as additional investment options. All in all, the United Kingdom did not hide its support. Moreover, the United Kingdom proposed for that enlargement be without political prejudices. Prospects for membership had to be available to everyone. It had to depend on the compatibility of aspiring countries with the EU.

Two distinct regions in Europe strongly enhanced Latvia’s Euro-Atlantic integration. One group pulled Latvia into NATO. Led by the United States, the group had consisted of Denmark and the Visegrad states since 1999, minus Slovakia. The Nordic states, such as Denmark, Finland, and Sweden, supported the Baltic path to the EU. All those states wanted to see the Baltic States safe under the Euro-Atlantic umbrella.
Despite some controversy within those regions, less so among the Visegrad states, American foreign policy positively influenced the major European states. The stance of the Nordic countries converged in the resolute support for all Baltic States early on (even if Finland initially preferred that Estonia be first). The democratic criteria for NATO membership became EU membership. The dual integration was important for the community to eventually enlarge and Latvia to join in 2004.

Even if Latvian foreign policy tasks for 1995 to 2005 were fulfilled in 2004, it is not hard to confirm the first research hypothesis. As a small power and state on the outskirts of Europe, Latvia did not influence its Euro-Atlantic integration. There were too many other influential countries that made decisions instead. For Latvia, the major task was to keep up with domestic reforms and the requirements of major powers.

It is possible also to confirm the second hypothesis. The United States determined Latvia’s journey to the Euro-Atlantic community. Owing to the Baltic-American Charter, refined NATO, and Russia’s own second war in Chechnya, even the initial opposition inside the German Chancery waned. It was all the result of bold American foreign policy in the post-Cold War period.

The third hypothesis can also be confirmed. The enlargement of the Euro-Atlantic community occurred at the moment when most interests and identities of major powers in Europe were in harmony. Moreover, EU enlargement served as a democratic criterion for NATO enlargement. As the EU enlarged, so could NATO, and vice versa. Even Moscow did not overtly oppose the enlargement of the Euro-Atlantic community until 2005.

The fourth research question was not related to major powers, but rather how international integration affects small states from within. The Euro-Atlantic community grew in 2004, allowing to offset essential sensitivities and vulnerabilities of Latvia. It made it possible not to worry about realist and liberalist core principles anymore. Latvia became a part of NATO defense alliance and EU trading regime. As a result, it escaped Russia’s military challenge and it could utilize EU’s economic and institutional benefits as of 2004.

Nevertheless, Latvia has never paid for its security the agreed two percent share from GDP on defense. On the other side, Latvia is still far from the advancement levels of those countries that were members of the EU or NATO before 1995. In 1995, Latvia matched the
Euro-Atlantic community’s profile at 6 percent rate, 19 percent in 2005, and 25 percent rate in 2015.

Notwithstanding additional reform options offered by dual memberships, Latvia has been rather complacent in terms of adhering to the Euro-Atlantic community. The consequence for the slow pace of reforms is slower economic advancement. Estonia, the reform forerunner, has better economic performance indicators than Latvia. This is in part because of Estonia’s better adaptation to international markets. Latvia has much to learn from Estonia’s policies to improve its business environment.

Latvia’s inability to reform partially stems from the lack of democratic consensus. Society is split in two distinct ways. One is the ethno-political division. Latvia has managed to set up universal democratic structures but it has not overcome ethnic divisions in politics. There are ethnic and political groups that uphold ethnic Latvian or ethnic Slavic interests even if there is no practical conflict between those groups in daily life.

The second factor that divides Latvian society is corruption and alienated political elites. These aspects stem from too close an alliance between political and economic groups. Such political conditions serve the interests of narrow groups. If the interests of the broader society remain unattended, the gap between the ruler and the constituents will increase. This political trajectory sets Latvia on a predatory state path.

An obstacle to the developmental path in Latvia are the actions of a few oligarchs with strong business interests in Russia. These companies influence transportation, financial services, and the distribution and retail of gas. All this has allowed for the Kremlin to maintain political influence in Latvia. Latvian political and business elites have permitted Moscow to abuse the aforementioned key economic sectors. Thus, Russia’s factor in Latvian business and economic life remains strong.

Those political-ethnic aspects have a strong impact on social relations in Latvia. Instead of robustly building a welfare-state, Latvia faces a few profound domestic challenges dealing with demographics and emigration. While demographic challenges are hard to address in a predatory polity (a legacy from the Soviet Union), emigration of young Latvians stems from free movement of people in search of developmental polities (a result of EU membership).

Those economic, social and immigration risks can be mitigated with a highly advanced and consolidated society. All challenges, related to population advancement and size, share a
significant reciprocity. They can lead Latvia into simultaneous and prolonged political, economic and social crises. The labor drainage can cause the social system to become unsustainable and lower educational levels can cause undermine economic efficiency.

Notwithstanding these present challenges, sound leadership could alter the political framework and direct the country in a better way. To build a better polity, there could just be a need for a generation change. The average age of a deputy in the Latvian Parliament is 53. Only 15 percent of the deputies were born after 1980. This means that only 15 persons out of the 100 deputy large Parliament, had a chance to study foreign languages before entering the Parliament. For the remaining, such possibilities were denied since the soviet educational system did not offer foreign languages, except Russian, which is a foreign language to Latvians. This means that the Latvian legislative shares less knowledge about the West, based on language skills only. Thus, there can be less convergence, less reciprocal interaction and understanding between Latvia and the community to which it belongs.

To direct the present political class in Latvia, there is a need for strong leaders, such as former Latvian President Vaira Vīķe-Freiberga. Around 60 percent of Latvia’s population consider her as the Baltic leader while 40 percent name Estonian and Lithuanian leaders as significant for the Baltic States. One out of 160 considers the current Latvian president Raimonds Vējonis as a credible leader. It is an appalling situation where Latvian citizens view its leaders as weak. This perception perpetuates negative political conditions and affects social coherence.

It is possible to conclude that Euro-Atlantic integration has not offset all of Latvia’s sensitivities and vulnerabilities on the domestic level. The lack of democratic consensus stems from a few important areas. First, Latvia is not politically coherent. Social coherence can vacillate between liberalism and socialism but not preferences of ethnic groups or oligarchs.

Furthermore, the influence of Russian business-political interests in Latvia create strong fault lines between elites and the ruled. Even if Latvia is a member of the Euro-Atlantic community, part of it is still residing in the past. Latvia lacks strong leaders who are capable of bringing Latvia culturally and socially deeper into the Euro-Atlantic community. For only these reasons it is possible to falsify the fourth hypothesis.

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As a result, institutional adaptation has not offset all Latvia’s major domestic sensitivities and vulnerabilities. It still depends heavily on imports of Russian fossil fuels. This makes Latvia vulnerable in face of potential delivery obstructions. Latvia is still socially and politically divided. It allows abuse between social groups and causes instability in Latvia. These challenges aggravate reform fatigue and political trust crises. Latvia has been in the Euro-Atlantic community since 2004, but it still must work hard to adapt to it.

In conclusion, Latvia must remain vigilant and resilient in the region to which it belongs. For some time already, major Western powers seem to rush somewhere, nobody knows where, but everyone wants to get there first. Some elements of the Euro-Atlantic community in the United States and Europe even start contemplating alternative directions. The result of such trends have aggregated into simultaneous crises in European and transatlantic relations.

Thus, there are reasons for caution and reforms in Latvia. The transatlantic link has offered security to Latvia. Considering Latvia’s past, the solemn relationship with the United States must be treated with the utmost respect by pledging two percent or more from GDP on defense. Even if Latvia will not alter the aggregate military capabilities of NATO, it will respect the collective defense principles. The crises in Georgia and Ukraine should serve as reminders to all allies that NATO must not be taken for granted. Thus, the transatlantic solidarity rooted in commonly shared defense responsibilities must be respected.

What Latvia will make out of EU membership depends on its adaptation to and utilization of commonly shared market benefits. The rush to membership in 2004 proved that Latvia can robustly reform itself. After membership, reform processes have rather stalled, also in some other parts of the EU. Nevertheless, the EU has not lost its global position as the largest consumer market, followed by the United States, according to population size. Here, the EU itself or in partnership with the United States could create a trading regime to remedy the crisis in Europe and transatlantic relations.

For multiple decades, the existence of strong a Euro-Atlantic community has delivered sound and regular benefits to its members. Some members have forgotten how dismal the future would be without the institutional framework that keeps both sides of the Atlantic together. But there is a stance that all could agree on. Even if too many present leaders seem to forget those historic reasons that still justify the necessity of the Euro-Atlantic community, a glance outside would justify the argument for better conditions inside.
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Sandis Sraders is originally from Latvia. Before coming to Old Dominion University, he had received his B.A. and M.A. from Riga Stradins University in International Affairs with major concentration on European affairs. His B.A. and M.A. theses aimed at questioning the role of national identity and security perceptions in a broader European energy politics. The cases of Norway and Latvia were examined throughout his previous research. The author specifically assessed interrelations between energy security perceptions, legal aspects of European market liberalization, cost efficiency and national identity.

Sandis received his doctoral degree from Old Dominion University in May, 2017. His major concentration was on American foreign policy, but his minor was International political economy.

EDUCATION

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<td>2017</td>
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