The Russian Presidency in the Council of the Baltic Sea States:
Thin Socialization, Deficient Soft Power?

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ABSTRACT
This paper aims to examine to what extent Moscow has exploited the opportunities of its presidency in the Council of the Baltic Sea States (2012–2013) to strengthen its role and authority in the region. In doing so, this study explores various initiatives suggested by Russia during its CBSS presidency. Moreover, this analysis aims to understand whether these initiatives were implemented or basically remained on paper and, if implemented, whether they were efficient or not. Currently, Russia’s Baltic strategy represents a mixture of the assertive/revisionist and status quo policies. The authors arrive at a conclusion that there is a long way to go for Russia to fully fit in the international standards of multilateral diplomacy – both conceptually and practically.

INTRODUCTION
Rotating chairmanship in international organizations is an understudied institutional mechanism that many countries use for strengthening their soft power and communicative resources and further legitimizing their international roles by promoting multilateral policies. For instance, presidencies of Germany and Poland in the EU had significantly contributed to the development of the EU’s policies toward Eastern Europe, Hungary took advantage of its EU presidency for promoting the Danube regional project, while in the post-Soviet area Kazakhstan and Ukraine demonstrated their eagerness to enhance their European credentials through chairing the OSCE.

Over the last several years Russia has chaired a number of international organizations and forums – G20 (2012–2013), Asia-Pacific Economic Cooperation (APEC) (2011–2012), Black Sea Economic Cooperation (July – December 2011), Barents-EuroArctic Council (2007–2009), G8 (2006). In this paper, our research objective is to examine whether Russia was capable of utilizing its presidency in the Council of the Baltic Sea States (CBSS) (1 July, 2012 – 30 June, 2013) for the sake of elevating its international profile and socializing into the regional milieu. We agree with those assessments, which claim that the core problem for the
EU-Russia relations in the Baltic Sea region (BSR) is its asymmetry. According to the Kremlin, the EU is so predominant in the region – economically, politically and institutionally – that Brussels tends to see the Baltic Sea as almost ‘EU-patronized waters’. Moscow claims that the EU strategic vision of Russia needs to be radically changed: Russia should be treated as an equal partner rather than a regional actor of secondary importance or a revisionist state who wants to return the Baltic States to its ‘sphere of influence’. The EU stand is lambasted as unconstructive and detrimental to the successful implementation of the common EU-Russia agenda. Against this background, the CBSS presidency gave Russia a perfect opportunity to counter-balance the EU domination and offer a different interpretation of the regional agenda. The research puzzle to be tackled in our analysis is how effectively this chance was used by Moscow, and whether an alternative to the EU preponderance in the BSR is feasible at all?

THEORETICAL FRAMEWORK

Drawing at a neo-Gramscian interpretation of hegemony we deem that presidency/chairmanship in international organizations is one of soft power resources that major states use to set common policy frameworks and enhance their communicative potential. Usually country agendas reflect those policy spheres where a chair government has major traction and thus can demonstrate its leadership capabilities. Soft power has to be understood in a wider context of discursively generated communicative power that might take institutional forms. It envisages a consensual type of leadership, a form of power that might be exercised not individually but only in conjunction with partners and on the basis of common approaches. Region-building is certainly one of those areas that require the application of soft power and make traditional state-to-state diplomacy obsolete.

During its CBSS presidency Moscow tried to present itself as an emerging ‘soft power’ in the BSR, making a point that Russia no longer poses any military security threat to the countries of the region. It tried to coin an image of a responsible and attractive regional actor that can offer mutually beneficial economic, research,
educational and cultural projects to other BSR countries. However, as we shall demonstrate in this paper, not all attempts were successful.

Russian CBSS presidency coincided with the rise of the Kremlin’s interest in the soft power concept which resulted in the latter’s integration to the recent Russian foreign policy doctrine (February 2013). Similar to other major powers, the document invites Russia to rely on soft power instruments (economic, diplomatic, cultural) rather than hard power tools (military, economic and political pressure)\(^4\). However, in contrast to the original concept that has been introduced by Joseph Nye\(^5\), its Russian version is more instrumentalist and pragmatic. It boils down to a sort of foreign policy ‘technology’ that can improve Russia’s international image and secure its positions in the post-Soviet space. It does not come as a surprise that the new concept has met a lukewarm reception and evoked some concerns among international audiences, especially in the post-Soviet countries.

*Socialization* is another concept we use for our analysis to describe a process of norm internalization (taking international commitments) to the extent of changing identity of socialized actor\(^6\). But as soon as it comes to great or rising powers, their socialization is seriously hindered by their valorization of sovereignty and national interests. This led to the idea of reciprocal socialization that might allow powers socialized into the international order to simultaneously reshape it\(^7\).

We will base this analysis on Russia’s official presidency agenda that contained the lists of Moscow’s priorities, and discuss their effectiveness and constrains. There are two possible ways of analyzing agenda-making in international organizations: one is to unpack their content, and another would be to identify the missing – or poorly articulated – points. Both aspects will be parts of our research that we start with explaining why the BSR is essential for Russia’s relations with Europe.

**WHY IS THE BSR IMPORTANT FOR RUSSIA?**

From a political viewpoint, the importance of BSR is due to at least three main reasons, all of them being actualized during Russia’s CBSS presidency.

*First*, there is a growing regional momentum within the EU where the financial crisis reactualized a number of regional for(u)ms of cooperation. Many of the current modalities of European regionalism are quite compatible with the much

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debated idea of ‘Core Europe’ in which the BSR, along with Germany, the Central Europe and the Nordic Europe are expected to play the key roles. Intrinsically, this alliance can envelop countries with effective and responsible models of social and economic development, as well as a record of external policy transfer practices.

This new regional dynamics will have inevitable repercussions for EU’s policies in the East, since many regional projects are designed as “bridges between the internal and external regionalization of the EU”. Each of (intra-)European forms of regionalism necessarily has repercussions for EU’s relations with its neighbors: in particular, a bi-regional group of Central European and the Baltic States becomes instrumental in engaging the countries of Eastern Partnership (EaP) in the European normative order without taking into consideration Russian concerns. The Core Europe, being a product of overlapping region-making projects, will be most likely dominated by the Russia-skeptic countries lobbying for a more active engagement with Russia’s neighbors independently of relations with Moscow.

Second, the BSR is a key element of Russia’s energy security; of particular significance in this regard is the Nord Stream project. In the energy policy domain the most severe opponents of Russia are Latvia, Lithuania and Estonia that were eager to form a bloc aimed at diversifying local energy markets, connecting local energy facilities to the EU networks, and ultimately avoiding excessive dependence upon Russia. As both recipient and transit countries, they have come up with their own understanding of energy security. Russia itself, from its turn, decided to discontinue oil export via the Baltic States by 2015. By the same token, Russia faced opposition from some Scandinavian countries who are dissatisfied with the environmental standards of Nord Stream project. This combination of factors makes Russia to seriously heed to the developments in the BSR.

Third, there is a set of issues related to Kaliningrad, which still has some prospects for fulfilling its function of a “pilot region” in the Russia–EU cooperation, hindered by the resilience of old approaches. In accordance with the logic of “Russian Europe” concept, the Russian Foreign Ministry recognized and even welcomed the possibilities of a facilitated visa regime in the Baltic Sea region, referring to the positive examples of Russia’s agreements with Norway, Poland and Lithuania. The Russian government came up with a “72 visa-free hours” initiative

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for foreign tourists, which started despite some resistance from the Federal Border Guards Service\textsuperscript{12}. The German-Polish-Russian triangle appears as mostly informal but quite consequential mechanism for policy coordination between the key BSR actors. These possibilities certainly need to be further explored.

**THE RUSSIAN CBSS PRESIDENCY AGENDA: A CRITIQUE OF MAIN POINTS**

Since almost all the CBSS member-states (except Iceland, Norway and Russia) joined the EU in 2004, the Council had to redefine its strategic goals and missions and strengthen its institutional basis. In line with the Riga Declaration of 2008 and the ‘Vision for the Baltic Sea Region by 2020’ both the conceptual and institutional reforms of the Council are underway. Moscow believes that the CBSS – being dependent on external sources of funding – needs strengthening the financial basis of its own by creating a special facility that should be funded directly by the Council’s member states.

Regional actors expected from the Russian CBSS presidency two moves – a new Russian Baltic doctrine and proposals on better coordination of its policies with the EU Strategy for the Baltic Sea Region (EUSBSR). Many expected that Russia would recognize the importance of the EU as a natural and promising partner in the BSR that could be helpful both in completing Russia’s domestic reforms and making the region safer and more prosperous.

These expectations, however, did not come true. It appeared that – when a long-awaited program of the Russian presidency was published almost three months after the beginning of the presidency term – Moscow neither developed a new conceptual approach to its BSR policy nor planned to interact with Brussels’ strategies in the region\textsuperscript{13}. The program and Russia’s policies in the BSR come across as a rather paradoxical mixture of general declarations (main priorities) and instrumentalist/technocratic approach (long-term priorities) that often were disconnected from each other.

The program had two major sections. In the first chapter, the Russian presidency’s main priorities were outlined:

- Cooperation in the field of modernization and innovation with a focus on clusters of growth;

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Establishment of a network of public-private partnerships (PPPs) as a platform for sustainable growth;

Promotion of tolerance as a means of combating the tendencies of radicalism and extremism;

Enhancing people-to-people contacts, facilitating the visa regime.

In the second section, the document explained how the above priorities may be linked to the CBSS long-term priorities that were established by the Council’s Riga Declaration, June 2008. Particularly, the program listed a number of on-going and future projects in areas such as economic development, environmental protection and sustainable development, education and culture, energy, civil security and human dimension.

Let us take a closer look at each of the four nodal points of Russia’s presidency. Firstly, it starts with the modernization and innovations that were evidently transposed from the Russia-EU agenda, with all connotative disconnections between the EU and Russian approaches. Yet while Russia insists on European investment and high-tech transfers as main priorities for modernization projects, the European side tries to develop a more general vision of modernization, including implementing by Russia a program of profound legal and socio-political reforms. While Russia’s approach is rather instrumental, pragmatic and material interest-driven (more European investment and technologies to develop Russian economy), the EU is also concerned about the rule of law, good governance, anti-corruption and anti-crime measures, human rights, etc., thus sticking to a value-based approach.

Secondly, as mentioned above, Russia included in its presidency agenda the PPP concept. Among the few more or less visible PPP-related initiatives the signing by the Russian Vnesheconombank and German State Bank KfW a credit agreement on extending $110 million for funding small and medium-size enterprises in North-Western Russia should be mentioned. The CBSS Pilot Financial Initiative as a new PPP partnership mechanism was launched under the Russian presidency too. Yet Russia can hardly be a flagship country in this respect. PPP has largely been discredited within Russia itself by the mass-scale corruption in the construction sector.

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_Thirdly_, the elevation of tolerance as an antidote to extremism and radicalism to the top of Russia's Baltic agenda is an overtly normative gesture. The XI Baltic Sea NGO Forum ‘Tolerance and Cultural Diversity in the Region of the Baltic Sea’ held in St. Petersburg on 16–17 April, 2013 offered an opportunity for a wider cross-sectorial dialogue by bringing together over 300 participants from CBSS countries and North-West Russia in order to improve cooperation in the BSR on the people-to-people level, to create effective mechanisms for promoting traditions of tolerance as a means to combat tendencies of racism, xenophobia and extremism.\(^\text{17}\)

Yet Russia's normative credentials look quite controversial against the background of growing intolerance within Russia, accompanied by too broad interpretation of extremism as a construct easily adaptable to political interests of the Kremlin. Besides, promoting religious and ethnic tolerance might have much bigger sense in more conflict-ridden regions, like the Caucasus or Central Asia, where Moscow prefers to keep a low profile in this respect.

_Fourthly_, the inclusion of visa facilitation in the BSR agenda looks largely irrelevant since the CBSS simply has no policy prerogatives in this domain. Obviously, this point was picked up from the EU-Russian bilateral agenda where it is normally discussed, though without much success.

In the meantime, there are several areas of cooperation with other BSR countries that may indirectly be considered as conducive to facilitation of the border-crossing procedures. For instance, the CBSS is a venue for cooperation in the field of education and youth. In particular, the EuroFaculty is an education project launched by the CBSS with the aim of adapting university education in the Baltic States and Russia to modern research and teaching standards corresponding to the Bologna process. The Kant University in Kaliningrad suggested establishing a Baltic Network Institute of Law as a follow-up of the EuroFaculty project. Based on the Kaliningrad experience with the EuroFaculty, the CBSS has launched a similar project in the Pskov State University in 2009. Under the Russian presidency the second phase of the Pskov EuroFaculty project (2012–2015) to develop bachelor and masters programs in economics, finance and law in the PSU has started.\(^\text{18}\)

While the St. Petersburg-based universities are capable of reforming its curricula in line with the European standards themselves, the Russian north-western provincial universities badly need international support and expertise in this sphere.

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\(^{17}\) _Ibid._

The creation of a tourist cluster around the lake Vyshtynets located on the border of the Kaliningrad region, Poland and Lithuania is another promising de-bordering project\textsuperscript{19}. The project aims at the development of a transnational nature park, which will introduce new models of sustainable tourism, environmental education and active participation of the local population. The idea is to make this cluster a role model for the entire BSR.

As far as youth cooperation is concerned, a concept of the “Baltic Artek” youth camp\textsuperscript{20} was introduced by the Kaliningrad regional administration in December 2009. The CBSS supported the international workshop session at the Baltic Artek Youth Camp focusing on Regional Identity, Democracy and Sustainable Lifestyles that was held in July-August 2012. The main purpose of this project is to make this summer camp a focal point for sustainable youth cooperation in the BSR.

To provide the EU-Russia Partnership for Modernization (PfM) with a regional ‘flavor’ the CBSS has established a program of modernization as to the South-Eastern Baltic Area (SEBA) with a special focus on Kaliningrad and its neighborhood. Project development, dialogue with stakeholders as well as improved communication constituted the central parts of this regional partnership. It had a two-year time frame and focused on sustainable development, public-private partnerships, tourism and university cooperation\textsuperscript{21}. Yet as compared both to the German initial plans for SEBA and the Russian presidency priorities, the implementation process has brought about rather modest results. For example, the aforementioned program almost lacked concrete projects under the SEBA aegis. The SEBA itself was mentioned only once \textit{in passim}, which could not but confuse Germany, a country that has launched this program during its CBSS presidency (2011–2012) in anticipation that Moscow will work hard to complete it. Besides, the document’s sections on economy and energy were too vague and lacked specific details.

As the final SEBA conference (Kaliningrad, 7–8 June, 2013) demonstrated the program was unable to achieve its major goal – to launch a large-scale modernization process in the area. Rather, the SEBA boiled down to a complex of networking projects in various spheres ranging from tourism and culture to university and youth cooperation\textsuperscript{22}. It was, however, decided to continue the SEBA

\begin{footnotesize}
\begin{enumerate}
\item CBSS (2012c), 'Modernisation Partnership for the South-Eastern Baltic Area', available from http://goo.gl/juv2GN.
\item Artek is an international youth recreation camp on the Black Sea coast in Crimea that is famous for its friendly atmosphere and education opportunities.
\item CBSS SEBA Project (2013), 'Creativity and Cooperation in the South Eastern Baltic Area. Conference, 7–8 June, 2013', available from http://goo.gl/5x4tRW.
\end{enumerate}
\end{footnotesize}
program and further develop this initiative to embrace the Leningrad and Pskov regions of the Russian Federation as well as other regions of the Baltic Sea area.\(^{23}\)

**WHAT IS MISSING IN THE RUSSIAN BSR AGENDA?**

Another line of critique would be to figure out what elements of the Baltic regional agenda stand beyond Russia’s list of priorities. In this paper we single out three of them – the issues of interdependence in energy sphere, regional security and multilateral diplomacy.

**Energy interdependence**

As far as the regional energy cooperation is concerned, Moscow seems to be interested in the intergovernmental Baltic Sea Energy Cooperation (BASREC) established in 1998. Russia verbally supports BASREC’s main objective to promote sustainable growth, security and prosperity in the region and backs up therefore the development of projects on energy efficiency and renewable energy and the creation of competitive, efficient and well-functioning energy markets.

Yet arguably, Russia’s presidency agenda was not properly adapted to the interests of all actors in the region. This is particularly the case of energy relations where priorities of Russia’s closest neighbors – the three Baltic republics – are not necessarily in line with Russia’s policies, and include energy efficiency, regional liquefied natural gas (LNG) terminals and interconnections between them, sustainable energy plans, liberalization of energy markets, use of renewables, and the search for alternative transportation routes.

Moscow often portrays the BSR as one of interfaces where Russia faces serious economic problems in dealing with the EU. The Kremlin in fact accuses the EU in applying allegedly protectionist measures against Russian investments, impeding Gazprom’s business and derailing for political reasons the joint projects like the launching of a unified energy system to embrace Russia, Belarus, Latvia, Lithuania and Estonia. In the Roadmap of the EU-Russia Energy Cooperation till 2050 both parties have agreed on two most important points – energy interdependency (Kaliningrad gets supplies from Lithuania, the three Baltic states – from Russia and Belarus) and diversification of energy supplies, yet these two notions are differently understood by the parties involved. As the head of the Russian Permanent Mission in the EU Vladimir Chizhov argued, instead of interdependence some Baltic countries are longing for energy independence from Russia, which is hardly achievable technologically. As for diversification, this is exactly what Russia believes

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\(^{23}\) CBSS (2013), op. cit.
to contribute to by developing South Stream and planning for constructing new legs of the Nord Stream\textsuperscript{24} – a position that is highly contested in Europe.

Thus, contrary to expectations, even the market – as an international institution potentially conducive to a more solidarist type of interaction – played a divisive role in BSR due to different conceptions of energy transportation routes. The key structural problem looming large at this juncture is the collision between at least two different versions of energy regionalism in the BSR – the Russian-German Nord Stream project that may potentially enlarge to the Netherlands and the United Kingdom, on the one hand, and a nascent strategy-in-the-making of a group of Baltic and Central European states eager to rid themselves of excessive energy dependence from Russia by means of diversifying their supplies and investing in alternative sources of energy production (renewables, shale gas, nuclear energy, etc.), on the other. The model of the Russian-German energy condominium rhetorically supported by Brussels and some Scandinavian countries faces alternative visions of energy security mainly emanated from the three Baltic States in conjunction with their Visegrad (V4) partners. Their strategies include heavy accent on practically implementing the idea of energy diversification that presupposes forming coalitions to balance the Russian influence and preventing Gazprom from acquiring new energy assets in the region. For Baltic and the V4 states the Nord Stream project is problematic since it maintains non-competitive prices and technically creates preconditions for disrupting Russia’s energy supplies to the Baltic States while continuing deliveries to Western European consumers\textsuperscript{25}. At the same time, the Baltic States are also wary of the EU’s policies of introducing stricter environmental protection regulations that can eventually lead to the raising energy prices due to new investments in expensive technologies and potentially to the growing dependence from Russia.

So far, Moscow appears eager to pursue an energy policy of its own, as exemplified by the launching of the Baltic nuclear power plant (NPP) in response to the closure of the Ignalina NPP, which accounted for 30–40% of the power consumption in the Kaliningrad region. Russia announced its decision in spite of the EU earlier proposal to connect Kaliningrad to Europe through the Coordination of Transmission of Electricity (UCTE). Yet the common electricity market in the BSR region in fact functions as an off-spring of the EU systems and, therefore, without Russia’s participation. As local experts forecast, Kaliningrad faces the peril of


isolation in regional electricity market, which will inevitably require the integration of Kaliningrad electric power system in regional networks of UCTE. This is especially important against the backdrop of “extremely low energy efficiency of Russian manufacturing industries and utility services”, which increases energy demands in Kaliningrad.

However, Moscow believes that the forthcoming Baltic NPP will not only solve the Kaliningrad region’s energy problems but also be attractive for the neighboring BSR countries as a potential exporter of a rather cheap and environmentally clean energy. The whole situation is complicated by Moscow’s unwillingness to ratify the European Energy Charter which was signed by Russia under President Boris Yeltsin but later interpreted as discriminatory. The main obstacle to Russia’s ratification of the EEC is Moscow’s unwillingness to separate production, reprocessing and transportation of oil and gas from each other. In practice, the Charter’s requirements mean reorganization of the monopolist companies such as Gazprom, Rosneft, Transneft, etc., and better access by foreign companies to the Russian energy sector. To counter the EEC the Kremlin suggested an energy charter of its own in 2009. However, the Russian initiative has not been endorsed by Brussels and this part of the EU-Russia energy dialogue is frozen so far.

**Regional Security**

It would be only logical for Moscow who with little success promotes the idea of pan-European security architecture to invest more efforts in developing a concept of regional security to be used as a starting point for wider security talks. Successful experience with effectively tackling security issues on a regional level would certainly be instrumental in innovative Europe-wide security arrangements.

Yet Russia’s Baltic narrative is to a large extent based on a modernist and essentialist presumption of inevitable clashes between the Baltic Europe and Russia as its “Big Other”. From the 1990s Moscow perceived Baltic region-making as a mechanism for adjusting the three Baltic States to the EU and NATO standards. Consequently, the Kremlin stems from the Baltic States’ unfriendliness to Russia and their deliberate intention to keep Russia at a long distance from the EU and NATO. In particular, Foreign Minister Sergey Lavrov has referred to WikiLeaks information on NATO’s plans of defending Poland and three Baltic states in case of eventual

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aggression from the part of Russia as an indication of NATO’s unfriendly gestures towards Moscow.28

Some elements of Russia’s security policies seem to be rather ambiguous. Russia’s references to the possibility of remilitarization of Kaliningrad – as a possible response to the U.S. plans to deploy an anti-ballistic missile system in Eastern and Central Europe – reveal the resilience of the Realpolitik type of thinking. What inhibits the search for new solutions is the dominating the logic of securitization: as a retired Russian diplomat opines, facilitated visa arrangements for Kaliningrad’s residents are an element in the EU efforts of diminishing Russian influence in neighboring areas.29 In Putin’s gloomy predictions, “after solving the problem with the Kaliningrad oblast, the EU will block the visa-free talks with Russia” – a logic that again would certainly be contested in the EU.

In contrast with the 1990s, when Moscow called for a BSR arms control regime and development of security and confidence-building measures at the regional level, now Russia is quite skeptical about the use of international organizations such as the CBSS for making any security arrangements in the BSR. Another manifestation of the Kremlin’s skepticism concerns the regional prospects of the Conventional Forces in Europe (CFE) Treaty which was concluded between NATO and the Warsaw Pact in 1990 and adapted in 1999 under the aegis of the OSCE. The CFE regime was the only international arms control agreement applicable to the BSR. The Baltic States refused to abide by the treaty, because it was concluded when they were still part of the USSR. Finland and Sweden have also refused to sign the treaty referring to their neutral (non-aligned) status. In addition, none of the Western signatories of the 1999 Adaptation Treaty ratified it. As a result Russia suspended its participation in the treaty in 2007.

Now Moscow expects that these two problems could and must be solved: the Adaptation Treaty should be fully ratified by all signatories, and all the BSR countries should partake in this arms control regime. Since none of them have any chance to be solved in the foreseeable future, the prospects for a regional security regime remain quite vague.

Multilateralism

The BSR is a peculiar combination of networking type of regionalism – with quite intensive “horizontal” relations between states, cities, NGOs and business organizations – and great power management practices, with Russia and Germany at their core. Back in the 1990s there were many expectations that the Cold War-style either/or approach would be substituted by a both/and approach, that one softening the borders between the West and the East. Apparently, it is mainly in the BSR that the EU offered “Russia access to regional-level international societies with a thicker set of institutions than are available in its relations with the United States and Asia”\(^\text{31}\). With all the controversies, the Nord Stream project can serve one of few examples of economic compatibility between Russia and the major gas consuming countries in Western Europe. In the same vein, with all its limitations, the Russian-Polish agreement on visa-free border-crossing regime for the residents of Kaliningrad oblast and two neighboring Polish voivodeships is a good argument for a more comprehensive visa facilitation bargaining between Russia and the EU\(^\text{32}\).

Yet being a region-shaper, Russia seems reluctant to conduct a fully-fledged dialogue with the EU, and this is very much due to the EU normative hegemony that Russia decries. Identity-wise, Russia’s association with the European idea – with all undeniable inter-subjectivity of Russia-EU relations – turns out not that strong. Russia proved unable to counter its negative othering by promoting its own long-term regional projects in BSR, and has chosen to compensate the shortage of strategy with distancing from the EU and refusing to join the EU-centered normative order. Russia’s – mostly rhetorical – claims for equality in the absence of long-term alternative strategies of region-building were conducive to the reproduction on the regional level of communicative disconnections between Moscow and Brussels.

In spite of the optimistic expectations for a thicker EU-Russia convergence on regional levels\(^\text{33}\), the two parties are steadily drifting apart from each other. The EU enlargement, of which the Baltic regionalism is a pivotal part, is seen as a menace to Russian economic interests even by liberal experts\(^\text{34}\). The growing tensions between Russia and the EU (and its member states) in the BSR are particularly consequential due to the widely discussed perspectives of the concept of “Core


Europe. Should a new constellation of economic and political forces take a more concrete shape in a long run, the future contours of the EU-Russian relations will to a very large extent be dependent on policy strategies pursued either by countries of the BSR or its neighbors. The most important political problem for Russia is whether the potential of the existing mechanisms of Russia’s engagement with its Baltic partners (the Nord Stream project, the German-Polish-Russian triangular diplomacy, etc.) would be sufficient to counter a well-pronounced series of opposite moves (such as the legal process against Gazprom spurred by Lithuania and Czech Republic, the energy security policy coordination mechanisms between the V4 and the Baltic countries, etc.).

Russia also appears to be dissatisfied with some institutional arrangements in this region. In particular, it complains that the CBSS functions as an EU off-spring, instead of playing a more independent role of its own. In the meantime, Russia’s expectations to use CBSS as a platform for politically pressurizing the Baltic countries in attempts to change their policies towards Russian-speaking minorities largely failed.

It is against this background that one has to interpret the fact that under the Russian presidency no proposals on a better division of labor and coordination between the CBSS and other regional initiatives/programs/institutions, such as EUSBSR, Northern Dimension, Helsinki Commission, Baltic Sea States Sub-regional Cooperation, Union of Baltic Cities, Nordic institutions, etc., have been made. Without this institutional setting the Russian policies in the BSR look isolated and non-contextual. More specifically, Russia failed to demonstrate how previous institutional experience aimed at de-bordering and inclusiveness may be instrumental for designing and building a future long-term strategy for BSR.

Yet what institutional experiences could have been instrumentalized for the sake of strengthening regional multilateralism in the BSR? One of them boils down to the legacy of the Northern Dimension (ND) that was launched in the late 1990s as an EU program to engage the BSR candidate countries as well as Russia, Norway and Iceland to various cooperative schemes. After its reorganization in 2006–2007 and launching the so-called partnerships the ND retains its status of a promising venue for cooperation with Russia in the BSR. For example, under the ND Environment Partnership (NDEP) a number of important projects were implemented: St Petersburg South-West Wastewater Treatment Plant and ten suburban WWT plants; improvement of the Leningrad Region, Gatchina, Kaliningrad, Novgorod, Petrozavodsk, Pskov, Sosnovy Bor and Tikhvin water and wastewater services; St. Petersburg Northern Sludge Incinerator; St. Petersburg Flood Protection Barrier; St. Petersburg Neva Program; Kaliningrad District Heating
Rehabilitation; Petrozavodsk Solid Waste Management, etc. These projects are supported by the European Bank of Reconstruction and Development, Nordic Investment Bank and Nordic Environment Finance Corporation\textsuperscript{35}.

The ND Partnership on Transport and Logistics aims at developing the regional transport network. The so-called Northern Axis is one of the five trans-European transport axes defined by the High Level Group in 2005. The Northern axis connects the northern EU with Norway to the north and with Belarus and Russia and beyond to the east, and consists of several road and rail corridors, which are directly linked to the TEN-T networks. Six of them involve Russia: Narvik-Haparanda/Tornio–St. Petersburg; Helsinki–St. Petersburg–Moscow; Tallinn–St. Petersburg; Ventspils–Riga–Moscow; Kaliningrad–Vilnius; and Berlin–Warsaw–Minsk–Moscow\textsuperscript{36}. The ND Partnerships in Public Health, Social Well-being and Culture add to this a more societal dimension.

The ND from its very inception had some chances to evolve into a “regional society” grounded in interdependence of its participants. Against this background, the “northerness” became one of mediators of different historical and cultural worlds, a pole of attraction of resources and initiatives, and one of new “circles of internationalization”. Arguably, “the Nordic area is extended eastwards and its center is shifting from its West Nordic to its East Nordic and Baltic Sea area”\textsuperscript{37}. In result, Nordic and Baltic regions open up new channels of inclusive dialogue with EU non-members, including Russia. At the same time, Russia is granted the status of being “one of us”, as potential partner which might feel at home with both Baltic and Nordic initiatives\textsuperscript{38}.

The ND could be interpreted as an initiative within the existing framework of the European integration or as an attempt to integrate the adjacent Russian regions into the existing trans-national frameworks\textsuperscript{39}. Neither Baltic nor Nordic Europe has a single ‘founding father’; they rather are made of exchange of views, with a broad variety of voices\textsuperscript{40}. The concept of regional integration “has been

\textsuperscript{36} NDPTL (2013), ‘Northern Axis’, available from http://goo.gl/OxZg5N.
coined in a number of scholarly texts and appeared in various political speeches... (and) communication flows."41

The experience of the ND proves the changing meaning of borders in Europe's margins – the task that Russia seems to be concerned with while raising the issues of visa facilitation. Yet it is questionable that Russia is committed to assuaging traditional “East-West” lines and making them less divisive.42 Russia keeps understanding borders in traditional, modernist sense, as instruments delineating sovereignties, and appears suspicious of non-state identities, trans-national exchanges, the raising importance of non-military concepts of security, etc.

Another BSR institutional point of departure could be the Germany-Poland-Russia triangle. The ‘triangle’ encompassing Germany, Poland and Russia is a relatively new regional project that is expected to give a spill-over effect for wider Europe. For the Russian Foreign Ministry, the practical importance of the trilateral format boils down to Germany’s institutional capability to lobby the projects of the Russian–Polish trans-border cooperation in Brussels. Sergey Lavrov quite explicitly assumed that the Moscow–Warsaw–Berlin nexus is a form of promoting regionally reached arrangements in the EU.43 For instance, the 2011 Russian-Polish low border traffic agreement on the visa-free regime for the residents of the Kaliningrad oblast and Polish border regions can be – to some extent – seen as a by-product of such a triangular diplomacy. However, there is no Baltic consent in this matter: for example, Lithuania refused to replicate the above Russian-Polish experience with regard to the Kaliningrad problem. More generally, it is still unclear whether trilateralism will be able to contribute to multilateralism in the BSR or fail to do so and degenerate to a Realpolitik-type ad-hoc coalition-building tactics. Obviously, the German-Polish-Russian trialogue should offer something really attractive for the countries of the region to persuade them that it is conducive to the region-making process.

**CONCLUSIONS**

Russia has important economic, societal, environmental and military-strategic interests in the BSR. These interests include *inter alia* the use of the BSR as a gateway to Europe in terms of movement of goods, services and labor force as

well as attracting foreign investment and know-how with the aim to modernize its economy. Russia still has some military-strategic interests in the region. These have not lost their relevance with the end of the Cold War. This continuity can clearly be seen in Russia’s security perceptions of the BSR as a region of both challenges and opportunities.

The Russian BSR strategies turned to be less expansionist or aggressive and, at the same time, more realistic and cooperative in their spirit. However, Russia’s geoeconomic and geostrategic ambitions in the BSR are still rather high, and – contrary to the 1990s – the political willingness and money to launch ambitious projects now do exist. Currently, Russian political, military and economic interests in the region are being pulled in the same direction. The increase in Russia’s economic, diplomatic and educational/cultural activities in the BSR is most probably only the beginning of a more visible Moscow’s role in the region.

Currently, Russia’s Baltic strategy represents a mixture of different approaches, not always consistent with each other. On the one hand, despite its ambition to be maximally specific Russia’s strategy in the BSR has a number of lacunae. Moscow failed to use its CBSS presidency to avoid the pitfalls of the EU-Russian relations which stuck in endless debates on visa facilitation and different understandings of the key concepts of partnership. Without offering a regional way out of the deadlock, Russia instead locked its Baltic Sea policy in either controversial (like fighting unnamed extremism) or differently interpreted (modernization, PPP, etc.) concepts. To put it differently, the Kremlin was unable to use the chance of the CBSS presidency to effectively build its political and institutional capacities in the BSR. It is the lack of a normative appeal that seriously undermines Russia’s policies in BSR, as well as in other regions of direct neighborhood. The EU dominance in the BSR to a larger extent remains unchallenged. At the same time, there is a growing feeling in the BSR that the further regional development cannot be successful without Russia, and that there should be an effective interface between the EUSBSR and Russia which is lacking for the time-being.

On the other hand, looking at the bright side of Russia’s Baltic policies it is possible to identify a number of positive changes there. Moscow now realizes that most of threats and challenges to its positions in the BSR originate from inside rather than from outside of the country. These problems are caused by the complex of factors such as the degradation the Soviet-made economic, transport and social infrastructures in the region, the current resource-oriented model of the Russian economy, the lack of funds and managerial skills to develop the Russian part of the BSR, etc. Therefore, Russia’s strategy aims at solving existing problems by domestic rather than external means. Moscow understands that the success of
its Baltic strategy to a larger extent depends on how effective its socio-economic policy in its north-western regions would be. It is obvious that the proclaimed modernization and innovation strategy should move from declarations to the implementation phase and be substantiated by specific and realistic projects in the Russian North-West.

The Russian political leadership seems to understand the need for a deeper engagement of sub-national actors (subjects of the federation and municipalities), yet Moscow is still afraid of separatism or attempts to encroach upon federal foreign policy prerogatives. In terms of implementing cross-border and trans-national projects, the Russian federal bureaucracy’s policies are not always conducive to the local and civil society institutions’ initiatives.

It is expectable that Moscow will seek to defend Russia’s economic, political, environmental and humanitarian interests in the region, more often bi-/trilaterally than relying upon the institutional resources of the CBSS. Moscow will be open to cooperation with BSR partners that are willing to contribute to solving numerous socio-economic and environmental problems of Russian border-located territories. In promoting its regional policies, Russia will prefer to use soft power instruments albeit there is a long way to go for Russia to fully fit in this frame – both conceptually and practically.

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