THE EU STRATEGY FOR THE BALTIC SEA REGION AND THE PRESENCE OF RUSSIA

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Abstract

The aim of this paper is to reveal how the European – Russian political cooperation in the common Baltic Sea Region developed over the last twenty years, ending up at the recently adopted European Union Strategy for the Baltic Sea Region, which excludes Russian participation. This single case study is divided into two well-defined historical periods: starting from the fall of the Berlin Wall until the Eastern Bloc European enlargement and from 2004 to the adoption of the European Union Strategy for the Baltic Sea region in 2009; where comparison and process-tracing methods are applied to connect different variables that matter for clarifying the current state of relations. Furthermore, the analysis is conducted with the help of Constructivist and Neo-Realist theories for two purposes – to achieve stronger scientific explanation and to avoid too loose interpretation of the events. The results show that the Strategy for the Baltic Sea Region is often seen and understood differently by the various political actors, but consequently this leads to a situation in which the role of Russia in the common region remains unclear. When it comes to defining the Russian position today, the Baltic Sea Region provides a good climate for collaboration but so far, the European Union has failed to recognize that the Russian Federation although with a limited access to the sea, remains an actor that should not be ignored. Russia, as well appears confused about its overall foreign policy towards the European Union. Nevertheless, another significant outcome reveals that the levels of regional cooperation have been continuously increasing over the last twenty years, which is an indicator that the Russian presence did not diminish. Finally, the study suggests the European Union Strategy for the Baltic Sea Region is perhaps the beginning of a new tendency towards macro-regional policy development, which will play a future important role in the international relations.
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<tr>
<td>BDF</td>
<td>Baltic Development Forum</td>
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<td>BSPC</td>
<td>Baltic Sea Parliamentary Conference</td>
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<td>BSI</td>
<td>Baltic Sea Initiative</td>
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<td>BSR</td>
<td>Baltic Sea Region</td>
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<td>CBSS</td>
<td>Council of the Baltic Sea States</td>
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<td>EC</td>
<td>European Council</td>
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<td>EEA</td>
<td>European Economic Area</td>
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<td>EU</td>
<td>European Union</td>
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<td>EUSBSR</td>
<td>EU Strategy for the Baltic Sea Region</td>
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<td>HELCOM</td>
<td>Helsinki Commission</td>
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<td>IR</td>
<td>International Relations (discipline)</td>
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<td>NCM</td>
<td>Nordic Council of Ministers</td>
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<td>UBS</td>
<td>Union of the Baltic Cities</td>
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<td>VASAB</td>
<td>Visions and Strategies around the Baltic</td>
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1. Introduction

1.1 Background
On 14 December 2007 the European Council (EC) invited the Commission to prepare a European Union Strategy for the Baltic Sea Region (EUSBSR) (Lindholm, A. 2009: 104). This initiation officially put the foundations of a new form of regional cooperation, which on the other hand attracted vast public interest, as never before the EC has been so deeply involved in macro-regional policy making of such kind. This development also implies two things. First, considering the fact that the Baltic Sea Region (BSR) makes up almost ‘one-third’ of the European Union (EU) member states (Antola, E. 2009: 12), it is not surprising that the Strategy is of a great importance for the EU. Second, the BSR is perhaps the EU response to some of the challenges that no country can handle on its own (Lindholm, A. 2009: 105). Hence, macro-regionalization could be also seen as a reaction to the globalization process.

Nevertheless, the EUSBSR was adopted by the EC on 10 June 2009 and its current implementation has been already followed with substantial interest not only from national and regional level, but also from beyond Europe. There are ongoing public discussions on whether other macro-regional strategies should be created after the existing one, but the Commission is already busy preparing a new Strategy for the Danube Region\(^1\), which has to be completed by the end of the year 2010 (European Commission, 2010: 1). While the attention is drawn towards the question ‘if’ the EUSBSR will become a successful future model for the rest of Europe, in some ways the presence of Russia in the common region appears to be forgotten.

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\(^1\) The Danube Region is one of the most important areas in Europe, which covers several Member States and neighboring countries in the Danube river basin and in the coastal zones on the Black Sea (European Commission, 2010: 1). On the 19 June the EC has formally asked the Commission to prepare a Strategy for the Danube Region and by its character, the Strategy copies the EUSBSR, because it also recognizes the potential of the Region, as an internal part of the EU, in addressing many issues such as: economic and social disparities, infrastructure deficiencies, environmental status, prevention against risks, etc. (European Commission, 2010: 1).
1.2 Problem and relation to the International Relations discipline

Today, we witness noticeable differences in public opinion about the EUSBSR that in some ways resemble the disparity of existing ideas in the International Relations (IR) discipline and more particularly, the one between Constructivist and Neo-Realist thinking. These two theories are explained with more details in the theoretical part, but the main disagreements between them originate from the way they perceive the world’s structure, which determines the social and political action. Example of this rigid contrast in public opinion, is the strong critic that the Strategy has been developed without Russian participation, which could possibly lead to a lack of institutional cooperation and consequently to unsuccessful implementation. This is also an early sign that the EU has failed to acknowledge the Russian presence in the common region (Klain, A. & Makarov, V. 2009: 3-4). Contrary to this position, the European Commission anticipates that the Baltic Sea Strategy is the beginning of a new form of regional cooperation that will improve the relations between EU-member and non-member states (Lindholm, A. 2010: 58).

Furthermore, as already mentioned in the background above, the EUSBSR is the very first strategy of this kind and it is interesting to follow for at least two problematic reasons. First, this is an unprecedented strategy and a well-conducted study of the recent 20 years in the history of cooperation in the Baltic region will perhaps reveal some of the casual mechanisms, which led to its appearance. Second, Russia is the only country member of the BSR, but not member of the EU and certainly not part of the EUSBSR. This poses a challenge not only to the successful implementation of the Strategy, but it also raises the question on whether the Russian position in the common region has been weakened. Therefore, the main problem discussed in this research paper is that the different political actors have not seen the newly adopted EUSBSR equally, which leads to a challenging situation because of the presence of the non-EU, but still a Baltic country member – the Russian Federation.

1.3 Aim and research question

What makes the BSR so special? The area comprises 11 very different countries – different in size, politics, economies, markets, cultures, languages, currencies, etc. Also, as explained later in the analysis, the region has experienced very serious political changes since 1989. Despite its
diversity and tense history, the BSR has been recognized as a very competitive one, both in Europe and the rest of the world (Ketels, C. 2008: 2). The region is also seen as the place, where the EU–Russian cooperation is most visible (Blomberg J. 1998: 26). Interestingly, when the EC adopted the EUSBSR about a year ago, it became evident that EU has been seeking to obtain a new form of regional cooperation.

What has changed over the recent years, causing this necessity? Was the EUSBSR simply the EU’s response to the new challenges posed by the globalization? Can a small region indicate such a big change? On one hand, states tend to oppose the globalization, because they perceive it as a threat to their autonomy, but on the other side, the globalization has led to other forms of cooperation on a regional level to help manage common problems and shared interests (Farrell, M. 2005: 4). There is also the position that cooperation has emerged among democratic countries, partly out of necessity and partly because of the political strategies of the involved countries, but non-state actors are also an important factor for strengthening the cross-border collaboration (Farrell, M. 2005: 4). Thus, following the recent history of how cooperation has evolved in the BSR is a good opportunity to find out more about the links between regionalism and globalization. However, the primary aim of this paper is to explore the development of the EU–Russia political cooperation over the recent twenty years. This will help to define the Russian place in the BSR today and it will demonstrate that the ‘bottom-up’ approach is well accountable for explaining international relations on a ‘top’ level.

The EUSBSR is the latest development of the cross-national affairs in the region, as well as the first macro-regional strategy of this kind and it will be interesting to discover the objectives behind it. In addition, we have the Russian Federation, which has been deliberately excluded from the Strategy. Was this because Europe does not regard Russia as an important actor in the common region? How big is the Russian involvement in the Baltics? Can such strategy achieve a successful outcome? What is the Russian interpretation of the situation? Will this development alter somehow the EU–Russian relations? Is the EUSBSR a step towards developing closer

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2 ‘Bottom-up’ and ‘top down’ approaches is what the IR literature calls the ‘level-of-analysis problem’. It was first made known by David Singer in 1961 and the actual problem is whether we should account for the behavior of the international system in terms of the behavior of the nation-states comprising it, or vise versa (Hollis M. & Smith S., 1990: 7). This concept and its relation to the BSR are explained with more details in the analysis.
relations with Russia, or is it a step towards defining bolder regional borders? All these questions are considered further down in the analysis. Nevertheless, the main research question of interest is:

How did the political cooperation between EU and Russia change over the last twenty years in the common BSR and what is the Russian position today, especially after the adoption of the EUSBSR?

1.4 Disposition
After the problem, the aim and the research question have been already introduced, this section gives a very brief overview of the expected structure. The paper continues with a methodology chapter, which describes the used methodology in details: method, strengths and weaknesses, limitations and literature selection. Further next, the theoretical part includes explanation of the chosen theories and how they are applicable to this case study. Then the analysis starts with clarifying few of the main concepts employed in the research, which sometimes appear to be controversial. These include: specifying what the BSR is; explaining the bottom-up approach in the IR studies and its relation to the BSR; and defining macro-regionalism.

In this process, the case of the BSR is divided in two parts: 1) from 1989 to 2003 and 2) from 2004 to 2010; where each of them is interpreted with the help of Neo-Realist and Constructivist theoretical lenses. In doing so, the analysis only considers important political events, which address cooperation and which appear relevant to the aim and research questions. Special attention is paid to the EUSBSR, as it resembles the current state of relations. After each of the periods has been discussed, a comparison and process tracing method will be applied, seeking to find how the changes in the variables account for the answers of the main research question. Finally, the paper will summarize the main outcomes and it will derive its conclusions.
2. Methodology

2.1 Method and research design

The research relies heavily on the methods of interpretation and comparison in order to determine whether and how the EU–Russian political cooperation in the BSR have altered during two significant blocks of time, with the prime intention to explain the present state of relations. Thus, following the recent 20 years of events is considered important step in revealing and understanding any major shifts in the foreign relations. More specifically, the international relations of the EU and Russia in the region are divided, analyzed and compared in two historical periods: from 1989 to 2003 (from the post-Cold War to the Eastern Bloc EU-enlargement); and from 2004 to 2010 (the recent 5-6 years up to adoption of the EUSBSR). The goal is to discover whether and how any changes in the levels of cooperation have occurred and consequently to explain the place that Russia takes in this cooperation.

Although the chosen approach is quite strict, because the scope of the study is limited over the last 20 years, there is need for some more narrowness. For example, there are away too many factors that influence the international relations in a single common region, some to mention: states’ internal policies, economy, taxation, markets, institutions, national identity, borders, security issues, political statements, resource use, diversity, etc. Exactly which evidence should be taken into account to make this research both reliable and structured? In his writings on How to study a region, Lars Rydén suggests that there are three ways: political, economic and spatial (Rydén, L. 2002: 13). Accordingly, this paper will venture to focus on only one of the means – the political, although this division is not clear-cut and it will not be always possible to completely isolate the other two approaches.

Thus, in my research I concentrate on one independent variable – the political cooperation between EU and Russia in the common BSR. This is associated with a new problem. The political affairs are complex and are influenced by other variables, most significant of which are: institutional development, enlargement, integration, government change and security. To achieve more controlled comparison, a process-tracing method is needed as well. The process-tracing method that is applied seeks to give a more general explanation, rather than a very detailed tracing of the casual process. The reason for the chosen process method is that it does not require
a minute, detailed tracing of a casual sequence (George A.L. & Bennett A., 2005: 211), but at the same time it helps to reach a good understanding of the political scene.

However, these variables alone are also not enough to explain the complexity of international relations. For that reason and where pertinent, this research will use Constructivist and Neo-Realist IR theoretical lances for analyzing the events, but it is important to stress that the comparison here will be between changes in the independent variable in the two time periods, not between the Constructivist and Neo-Realist theory.

To sum up, this research is a single case comparison on ‘before’ and ‘after’ the European enlargement of 2004 when four of the Baltic countries joined the EU, where the changes of political cooperation in the common BSR are followed and analyzed with the help of Constructivist and Neo-Realist theoretical assumptions, and where process-tracing method and interpretation are also used. The study has clear naturalistic characteristics, because of the use of comparison method and historical aspects. However, it is not in contradiction with the constructivist research approach, because of the various interpretations and the use of a process-tracing method. Not least, the two methods use both qualitative and quantitative data: from historical figures and statistical information to interpretations of political statements and events.

### 2.2 Strengths and weaknesses

Selecting the BSR as a single case study makes it easier and more interesting to focus on the specific problem. For example, it is fascinating to discover the present EU–Russian relations by investigating the levels of cooperation in the common region, rather than exploring Moscow-Brussels political routes. To make the research more understandable, the case is divided, analyzed and compared on ‘before’ and ‘after’ the EU enlargement of 2004. However, it is difficult, if not almost impossible to describe complex international relations by using only one

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3 *Naturalism* is a methodology used by social scientists seeking to discover and explain patterns that are assumed to exist in the nature (Moses, J. & Knutsen T., 2007: 8). With other words, naturalists use a knowledge that has been recorded and that has been generated by sensual perception, such as observation and direct experience, and by employing logic and reason (ibid, p.8).

4 *Constructivism* as a methodology term is the opposite of *Naturalism*. The world is seen differently by the different people and therefore, the observer and the society play an important role in constructing the patterns that we study as social scientists (Moses, J. & Knutsen T., 2007: 10).
independent variable (Alexander L., George & Andrew Bennett 2005: 166). As in this case, only the political development of cooperation in the BSR over the last 20 years is taken into account, and that undermines other important variables, which might be significant. Here, the process-tracing method helps to link other consequent components of the main independent variable, strengthening the case and avoiding the danger of being too narrow-minded. Yet, the disadvantage of the single case comparative studies has not been completely removed. For example, process-tracing method does not make the research as broad, as it is wished.

The biggest challenge with process tracing is the variety of interpretations that could be made on a one single event (Alexander L., George & Andrew Bennett 2005: 222). In this connection, to avoid too loose interpretation of the events, there is need to adhere to some of the relevant IR theories. Here, I chose to use Constructivism and Neo-Realism, because the two ideologies are often considered very suitable in explaining regional cooperation. For example, Constructivism is a useful theory that explains and justifies regional integration in terms of shared values, identity, institutions and believes. On the other hand, Neo-realism can explain how cooperation, when possible, is driven by power considerations only. This existing discrepancy between these ideas makes the research more interesting and more diverse, but at the same time keeping in mind their big differences will help to distinguish whenever some of the analyzed events apply to either of the camps.

### 2.3 Limitations

By following political developments in the BSR over the last twenty years, to some extent this paper reveals how political and institutional changes in the region have led to new forms of regional cooperation and how the process is linked to the international relations on an even higher global scale – such as between the EU and Russia. This research does not go into deep details in explaining policy making, especially not in connection to the EUSBSR economic practices and resource use. The paper is not about the Strategy itself. Rather, it is a study, which analyzes regional developments of the last 20 years to define the existing levels of cooperation. Unfortunately, a very major limitation here, was to exclude some of the most important aspects of cooperation, particularly trade and security issues in the BSR, which would have brought into
light two other major international actors – the WTO and NATO. Yet, this route would have also made the topic more confusing by diverting it into another direction. Furthermore, I did not aim to investigate the EU enlargement, cohesion, neighboring and integration policies on their own. The paper focuses on the EU – Russian relations with the intention to discuss the Russian place in the common region. For this purpose, I often refer to the EU as an institutional body, rather than individual separate countries.

Besides the methodological challenges, which were already explained above, it is important to underline some additional limits. The time selection of 20 years was done to narrow down the research and to make it easier to distinguish, analyze and compare important events. The BSR has a long and rich history, which if time and space had allowed considering would have made the paper more inclusive. For example, it was especially difficult to disregard the happenings of before 1989 in particularly the Cold War, but it was needed, as this is a case on the very contemporary developments of the region. There are of course, significant events that put a beginning and an end on each of the time blocks, which logically divides the years. The idea is to compare how the regional cooperation has evolved in the years when most of the Baltic countries were taking the transitional path from the East to the West, with the years after the Eastern Bloc EU-enlargement.

### 2.4 Material

I have tried to be independent in my data gathering and to take into account both sides of the problem – the European and the Russian one. Working from abroad, it was difficult to obtain enough literature on the Russian perspective of these regional matters. However, the primary English literature, which I have used, is not necessarily being pro-EU oriented and I believe that I have remained unbiased in my research.

The research was conducted with both primary and secondary sources. For the theoretical part and explanations I rely mainly on the Burchil’s book *Theories of International Relations* and *Global Politics of Regionalism*, Farrel & Hettne. For the historical reconstruction of the events I use *World History Since 1500: The Age of Global Integration*, (Upshur J., Terry J., Holoka J., Goff R., Cassar G.) as well as *Postwar: A History of Europe Since 1945*, Tony Judt, and *The
Although limited, the literature by Russian authors includes: *Moscow Ready to Make Kaliningrad a Eurobridge* by Igor S. Ivanov, Minister for Foreign Affairs, The Russian Federation; and *Russia-Baltia, CFDP (Council on Foreign and Defense Policy) Reports Conference Papers*, edited by Sergei Oznobishchev and Igor Yurgens. The second source is a book that reflects on the joint efforts in the development of the Russian-Baltic dialog between the Council on Foreign and Defense Policy (Russia) and The Baltic Forum (Latvia). It contains reports and materials in Russian language from common conferences, during which wide range of bilateral and multilateral issues have been discussed.

The research is also partly a reflection on my personal working experience at Baltic Development Forum – an independent non-profit networking organization with members from large companies, major cities, institutional investors and business associations in the BSR. During this time, I was able to grasp the main concepts of the BSR, its different cultures, traditions, socioeconomic, and political traditions. I am particularly happy that I was also able to discuss the first ideas of my paper with Uffe Elleman-Jensen, Minister for Foreign Affairs of Denmark 1982–1993, who is also a co-founder of BDF and the Council of the Baltic Sea States, as well as Hans Brask, Director of Baltic development Forum.

### 3. Theoretical Framework

#### 3.1 Choice of theory

Since the case study asks questions about regional cooperation, it is logical to turn to some of the IR theories that address this problem. I have chosen Structuralism and Neo-Realism, which disagree on the question of international cooperation, but in a way these theories resemble the real-life situation and differences in public opinion about the EUSBSR. The choice was done
with the purpose to give enough broad scope for interpretation of the events. In doing so, I consider both theories equally important and effective in explaining the international relations. Thus, Constructivism and Neo-Realism are the theoretical lances for analyzing the case, but it is important to stress that no comparison will be drawn between them. The clear disparity between the two ideologies and in the way they explain cooperation, makes the research more interesting, but it also contributes to a better understanding of the regional cooperation in the last 20 years. For example, Constructivism assumes that ideas shape the international structure, which on its own defines the identities, interests and foreign policies of the states (Barnett, M. 2008: 162). On the other hand, Realism accepts that the international system structure is primary defined by the states’ behavior and the efforts to keep a balance of power (Lamy, S. 2008: 128). As this paper reveals further, Constructivism is useful in explaining the regional affairs in a way that the Neo-Realism would never be able, because it sees the international system as an opportunity rather as a threat. The opposite, Neo-Realism is needed here to remind us that cooperation is not always possible and that often in politics, states’ interests and power considerations are the real forces behind events and actions.

3.2 Constructivist Ideas
It is accepted that the theory was born (as well as and this case study) after the end of the Cold War, when it became evident that neo-realists and neo-liberals had both failed to predict the international events at the time (Reus-Smith, C. 2005: 195). As we will see in the analysis, many of the Constructivist ideas are necessary for explaining and understanding the EU–Russian relations and more particularly, the notions behind the European integration. For example, the European society is considered to have expanded, transferring its norms and shaping the identities and foreign policy practices of new member states (Barnett, M. 2008: 171). Thus, this theory is rather suitable in explaining the EU stance in the BSR.

Constructivism is relevant for the BSR case study and for another reason: because the “systems of shared ideas, beliefs and values have structural characteristics, and they exert a powerful influence on social and political action” (Reus-Smith, C. 2005: 196). Despite the fact, that the Baltic Region comprises 11 very different countries, Constructivism will prove that geographical
location is not the only thing they have in common. This is also why the EC has the confidence, as mentioned in the introduction that the EUSBSR will succeed to reinforce cooperation not only between EU member states, but also with Russia.

Also, Constructivism strongly supports the idea that the international institutions play an important role in defining the relations between the states. For example, the EU institutions, or the various BSR institutions are all equally important for creating common international norms that shape states’ behavior and strengthen a culture of cooperation in the international society (Held, D. & McGrew, A. 2008: 19). This also increases homogeneity, the deepening of the international community and the socialization processes in the world politics (Barnett, M. 2008: 171).

Last but not least, this theory is particularly relevant for the case study because it recognizes that the world society is socially constructed and thus, it investigates the global change and transformation (Barnett, M. 2008: 171), which relates back to the question of linking macro-regionalism and the globalization processes.

### 3.3 Neo-Realism

When it comes to regional cooperation, Neo-Realism gives its excessive credence to power matters. Power is what defines the state’s position in the international system and that reflects back on the state’s behavior (Lamy, S. 2008: 128). Cooperation is possible, but only when states with similar interests form an alliance to increase the balance of power in their favor. Many believe that the EU is indeed a perfect example of how different countries bind together in a regional agreement driven by common power maximization goals (Gilpin R., 2008: 239).

However, in most cases anarchy and the relativity of power considerations hinder cooperation (Donnelly, J. 2005: 38). Furthermore, only states are considered important players and non-state actors, organizations and social groups do not play a role in the global or regional relations (Söderbaum, F. 2005: 89). Only a small group of neo-realists agrees that the norms, institutions and identity could also influence the relations between the units, but in general, the school rejects this type of significance, because only materialistic matters could be truly powerful and thus, states remain to be the main actor in the international affairs (Donelly, J. 2005: 39).
Perhaps a more direct way in which Neo-realism could engage in this case study is the presupposition that a hegemon may create a regional organization to enhance its regional power (Hurrell, A. 2008: 48). The idea involves different ways of exercising the interests of powerful states over the weaker. For example, Robert Gilpin talks about how the EU although integrated, remains dominated by countries such as Germany, France and the United Kingdom (Gilpin R., 2008: 238). If such important international institutions are not balanced, then Neo-Realism assumes that they represents, as expected, the interests of the state that holds more power. Consequently, the study reveals that these notions are still alive in the BSR. Many critics remain skeptical towards the role of the EU in the common region, especially after the adoption of the EUSBSR. Thus, Neo-Realism is needed to discern the regional relations from a more suspicious angle – the one that is often seen not only by Russian politicians, but also by some of the European side.

4. Analysis

4.1 Bottom-up approach in explaining the international relations and the BSR

Before everything, it is important to explain how a small study on the political cooperation in the BSR is linked to the international relations on a global level between EU and Russia. One of the most controversial and highly debated questions in the IR is whether we should study the international system in order to understand why actors behave the way they are, or the opposite – we should account on the small units to explain the international system (Hollis M. & Smith S., 1990: 7). This is the so-called ‘level-of-analysis problem’, which becomes even bigger when we are trying to define what exactly the units are, because this generates more layers in between. For example, a unit that influences the international system varies and can take several dimensions: individual, organization, region, state, etc. (Hollis M. & Smith S., 1990: 7-9). The individuals can influence the institutions and vise versa. Also, organizations can influence states’ behavior and states can change the structure of the international system.

Although, it is not the intention of this paper to argue for or against either of the above approaches, I do consider the BSR a macro-regional unit that has a strong influence on the
international system. Thus, here I adhere to the so called ‘bottom-up’ approach in explaining the international relations, which would give this paper some strength in proving that the BSR is constantly changing and shaping back the international relations on a global level, particularly the relations between the two major powers – the EU and Russia.

4.2 Macro-regions and macro-regionalism

Macro-regions are often seen as separate units, or ‘world regions’ placed in between the state and the international system (Söderbaum, F. 2005: 87). However, this is a very broad description, which sometimes appears to be even confusing. For example, the EU and the BSR are two separate macro-regions, but at the same time they also comprise each other. In addition, macro-regions exist everywhere in the world, making it even more difficult to find commonly agreed single definition. Nevertheless, in my research, I have chosen to adopt the definition given by the EU Director General for Regional Policy and which was presented specifically for the BSR: “an area including territory from a number of different countries or regions associated with one or more common features or challenges” (DG for Regional Policy 2009: 1).

The problem in this particular case is that the Russian Federation has restricted geographical area to the Baltic Sea, which many of the politicians readily consider ‘an inside lake’ of the EU, (Ilves, T. 2005: 2) and thus, undermine the Russian presence. When referring to macro-regionalism, some critics state that this development is simply the newest notion of the EU integration process (Bengtsson, R. 2009: 1). Indeed, the general believe is that macro-regionalism has resulted from the intense development of the ‘new regionalism’, which originated in Europe right after the Cold War (Farrell M., Hettne B., Van Langenhove L. 2005: 8). This fast development of regionalism is a consequent reason for the establishment of the EUSBSR, but it also takes part in the so-called lately popularized theory ‘Europe of Olympic Circles’\(^5\), which describes how six macro-regions, among which and the BSR, are emerging within Europe (Antola, E. 2009: 9). Therefore, in this paper the new spread of macro-regionalism is seen as an important result of the ongoing global transformation, but also as a key factor that could play future significant role in explaining and understanding the international relations.

\(^5\) The theory states that furthering regionalization leads to the formation of five major European ‘circles’ or macro-regions: Mediterranean Region, Danube Region, BSR, the circle of Western Europe, and the Visegrad circle (Antola, E. 2009: 9-11).
4.3. *Defining the Baltic Sea Region*

Defining the BSR and its countries is not always simple, as there is no existing rules or definitions. As for example, when it comes to the EUSBSR, the Commission considers that the region consist of eight EU countries: Denmark, Estonia, Finland, Germany, Latvia, Lithuania, Poland and Sweden; and only one non-EU member – the Russian Federation (Commission of the European Communities, 2009: 2). However, local regional organizations, such as the Council of the Baltic Sea States (CBSS), Baltic Development Forum (BDF) and others, include also Norway and Iceland, because they are seen as closely related to the Baltic Region and thus, in this case the region appears to have a more Nordic outlook. Not least, this is because the region is often divided for economic and social reasons on Nordic (Denmark, Norway, Sweden, Iceland and Finland) and Baltic countries (Latvia, Lithuania, Estonia, Poland). For instance, Valdis Birkavs, former Prime Minister and Foreign Minister of Latvia and Søren Gade, former Minister of Defense of Denmark, on the 26 August 2010 presented their Wise Men’s report on the Baltic and Nordic Co-operation (NB8) at the NB8 Foreign Ministers Meeting in Riga, Latvia, in which they clearly divide the Baltic region and the Nordic states: “the Nordic countries were among the strongest supporters of the Baltic countries’ independence and their public support considerably influenced public opinion worldwide” (Gade, S. & Birkavs, V. 2010: 1). Interestingly, other countries that have as well good reasons to be included in the regional cooperation, such as Belarus for example are not considered part of the BSR. However, with or without Norway, Iceland and the others, officially the only state that is part of the region, but not part of the EU or EEA, is the Russian Federation.

Another problem here is whether we should be speaking of the entire countries that are comprising the region, or we should be thinking only of the restricted geographical areas around the BSR such as: Northern Germany, Northern Poland and some parts of Russia’s Northwestern districts. For example, even before the EU enlargement of 2004 the Russian Foreign Minister Igor Sergeyevich Ivanov (1998-2004) inferred that the Kaliningrad oblast would play a significant role in the BSR only if the Russian Federation and Europe succeed to build effective and constructive foreign relations (Ivanov, I. 2002: 11). In this paper, I also look on the BSR as a set of countries, rather than a group of regions.

4.4.1 Towards democracy and new borders in the region

The Baltic Sea Region, as we know it today, did not exist in 1989 when the Eastern Germany was still dominated by the Soviet Union with about 360,000 Soviet troops positioned on its territory (Judt, T. 2005: 695). In the spring of 1989, a very important event indicated that things in Europe were soon to change: the Solidarity – an oppositional party in Poland won the elections and entered into coalition government (Upshur J., Terry J., Holoka J., Goff R., Cassar G. 2005: 953). However, during the autumn of the same year, the fall of the Berlin Wall had cleared the path towards ever more dramatic political movements. East Germany also had elections in the spring of 1990, which resulted in a victory for the non-Communist coalition and a few months later – to its reunification as a country (Upshur J., Terry J., Holoka J., Goff R., Cassar G. 2005: 954). With this, the inevitable Baltic movement towards political detachments from the Soviet Union began and during the events in the 1990s three of the present Baltic countries declared independence: Lithuania, Latvia, and Estonia (Judt, T. 2005: 637). Finally, after unsuccessful attempt to save the system and faced with no other alternatives, the Soviet leader Gorbachev resigned in December 1991, putting an official end of the Soviet Union Empire and the beginning of the Russian Federation with a new leader – Boris Yeltsin (Upshur J., Terry J., Holoka J., Goff R., Cassar G. 2005: 956).

These rapid developments reveal that only for about three years, things in the Baltic Sea Region had changed dramatically. The Soviet Union, or Russia, has completely lost power over most of its Baltic territories, while the EU was gaining more strength. On 7 February 1992, the Maastricht Treaty was signed, which confirmed the EU’s existence beyond pure economic dealings. Besides setting up the rules on a future common currency, the Treaty was important for defining common foreign and security policy and a closer cooperation in justice and home affairs (92/C 191/01, 1992: 2-15).

This short historical reconstruction can already display some of the core differences in the way events allow to be interpreted. For example, Constructivism recognizes the German reunification
as momentous for bringing together not only the German nation, but also for unifying Europe. Thus, the spirit of common values and ideas led to further development of the EU, which was sealed by the Maastricht Treaty in 1992. As for Neo-Realism, if the nation-state, or in this case the Soviet Union disappear, it will be replaced by some new form of political authority, but it will not be replaced by a global governing mechanism (Held, D. & McGrew, A. 2008: 239). This means only shifts in power, but the conditions of global anarchy are expected to remain.

4.4.2 The driving forces towards regional cooperation

The BSR in the following years (1989 – 2003) established and developed common institutions, which worked together for strengthening complex ties between its region countries. Intergovernmental cooperation and various non-government actors created a feeling for shared values, structures and belongings. This is not surprising, because the historical changes at the beginning of the 1990s called for alternative political channels and thus, also fostered the spread of new forms of regional cooperation, many of which grew bigger and exist even today:

The Nordic Council of Ministers (NCM) was established in 1971, but it is worth mentioning here, as it continues to be an important actor seeking to influence regional cooperation. The participating countries are only: Denmark, Finland, Iceland, Norway and Sweden. Although Russia is not included, the Nordic cooperation initiative reaches out to include some adjacent areas, such as: Estonia, Latvia, Lithuania, Northwest Russia and the Arctic region (Seger, S. & Hansson E. 2004: 33). The NCM was created as a forum for collaboration on common values and developing Nordic welfare model. This organization supports many programs, including the development of democracy, market economy, sustainable use of resources and improvement of relations between the adjacent areas and the EU (Seger, S. & Hansson E. 2004: 33).

Although known for its environmental implications and its existing as long as from 1974, the Helsinki Commission (HELCOM) was too, strongly influenced by the tense political transformations in the region. For example, in the 1992 HELCOM endorsed a new Convention that was signed by all states bordering the Baltic Sea and the European Community (Helsinki Commission 2008: 1-43).
The Union of the Baltic Cities (UBC) developed as a sub-national regional cooperation organization in the 1991 with member-cities that has grown from 32 to more than a 100 today (Andersen, P. 2003: 3). Interestingly, the UBC excludes Iceland from the participating states in the BSR.

In the 1991 was created and the Baltic Sea Parliamentary Conference (BSPC) (Kałużyńska, M. 2008: 5) with the purpose to enhance diplomatic discussions between parliamentarians in the BSR and to increase the overall understanding of the important affairs in the common area. The BSPC has member-representatives of all eleven countries in the BSR.

In 1992 the Council of the Baltic Sea States (CBSS) was formed in Copenhagen with members today: Denmark, Estonia, Finland, Germany, Iceland, Latvia, Lithuania, Norway, Poland, Russia, Sweden. According to the CBSS website, this institution was established to “serve as an overall regional forum to focus on the needs for intensified cooperation and coordination among the Baltic Sea States” (CBSS 1st Ministerial Session-Copenhagen Declaration, 1992: 1). By its character, the CBSS follows the constructivist model: the idea of enhancing regional cooperation by promoting common values and by encouraging close relations between states and other regional organizations (The Council of the Baltic Sea States, 2010).

In August 1992, the Visions and Strategies around the Baltic (VASAB) was also founded at the conference at Ministerial level at Karlskrona (Kałużyńska, M. 2008: 5). This organization includes as well, all eleven Baltic countries and works extensively for the spatial planning and development of cooperation in the region.

Baltic Development Forum (BDF) is another small regional organization with a chairman Uffe Elleman-Jensen, Minister for Foreign Affairs of Denmark 1982-1993, who is also the co-founder and of the above-mentioned CBSS. BDF is a non-profit networking organization that started its existence in 1999 and one of its primary aims is to promote an advanced partnership and growth in the BSR (Toksvig, C, 1999: 2).
### Table 1: Cross-national cooperation in the Baltic Sea Region 1989-2003

<table>
<thead>
<tr>
<th>Established</th>
<th>Institution</th>
<th>Location of the Secretariat</th>
</tr>
</thead>
<tbody>
<tr>
<td>1991</td>
<td>Union of the Baltic Cities</td>
<td>Gdansk, Poland</td>
</tr>
<tr>
<td>1991</td>
<td>ScanBalt</td>
<td>Copenhagen, Denmark</td>
</tr>
<tr>
<td>1991</td>
<td>ARS BALTICA</td>
<td>Moves by rotation from one ARS BALTICA member country to another for extendible three-year periods</td>
</tr>
<tr>
<td>1991</td>
<td>Baltic Sea Parliamentary Conference</td>
<td>Copenhagen, Denmark</td>
</tr>
<tr>
<td>1992</td>
<td>Council of the Baltic Sea States</td>
<td>Stockholm, Sweden</td>
</tr>
<tr>
<td>1992</td>
<td>Baltic Sea Chambers of Commerce Association</td>
<td>Malmö, Sweden</td>
</tr>
<tr>
<td>1992</td>
<td>Baltic Sea Forum-Pro Baltica Visions and Strategies around the Baltic</td>
<td>Hamburg, Germany</td>
</tr>
<tr>
<td>1993</td>
<td>Baltic Sea States Sub-Regional Cooperation</td>
<td>Was founded in Stavanger, Norway with a current secretariat in Hamburg, Germany.</td>
</tr>
<tr>
<td>1996</td>
<td>Baltic 21</td>
<td>Stockholm, Sweden. As of January 2010 Baltic 21 has been integrated into the structure of the CBSS as an Expert Group on Sustainable Development.</td>
</tr>
<tr>
<td>1998</td>
<td>Euroregion Baltic</td>
<td>Secretariats in all countries.</td>
</tr>
<tr>
<td>1998</td>
<td>Baltic Sea Regional Energy Cooperation</td>
<td>Stockholm, Sweden (CBSS Secretariat)</td>
</tr>
<tr>
<td>1998</td>
<td>Baltic Development Forum</td>
<td>Copenhagen, Denmark</td>
</tr>
<tr>
<td>1999</td>
<td>Baltic Sea Trade Union Network</td>
<td>Stockholm, Sweden in cooperation with the Council of the Nordic Trade Unions</td>
</tr>
<tr>
<td>2002</td>
<td>Baltic Metropoles</td>
<td>Stockholm, Sweden</td>
</tr>
</tbody>
</table>

Source: Various Internet Sources from the official websites of the organizations (2010).

However, the aforementioned regional organizations are just a small part of the constantly expanding institutions and initiatives for this period. Despite its delicate political situation and all challenges, the BSR in this decade was transforming into a political region by quickly building new means of regional cooperation (Rydén, L. 2002: 18). Yet, in the Table 1 we see that no
organization was created on the Russian Federation territory. In addition, only two of the regional organizations have secretariats on Russian land, one of which is on a rotation basis. This is an indicator that the Russian Federation is certainly not the initiator for creating the good state of relations. This however does not necessarily mean a lack of interest. A more detailed study of this period will perhaps show that Russia had other more important internal priorities to deal with at the time. Still, it remains an interesting fact that the regional cooperation for this period was primarily driven by two of the Nordic countries – Denmark and Sweden.

Another interesting moment as Table 1 and Table 2 illustrate is that the Russian Federation is included as a member in all here mentioned organizations and programs, except to some extend the NCM. This is clearly an indicator of a growing political cooperation in the region, which recognizes the importance of Russia in the Baltics. Although the Soviet Union seemed to be the ‘unpopular loser’ after the end of the Cold War, this rapid cross-national cooperation with an explicit Russian participation, proves that the shared ideas and values for a better future in the common region have fostered a structural development and a closer political cooperation between EU and Russia. This is particularly true, because some other states, for example, Iceland and Norway, are members of almost all major regional organizations in the BSR, despite their insignificant share (Rydén, L. 2002: 18). At the same time, other countries that could have the same option, such as Belarus, are kept out of the region for political reasons. The Constructivism would argue that the countries, which comprise the BSR, including Russia, have more in common than simply their geographical location.
Table 2: Cross-national programs in the Baltic Sea Region 1989-2003

<table>
<thead>
<tr>
<th>Established</th>
<th>Program</th>
<th>Participating countries</th>
</tr>
</thead>
<tbody>
<tr>
<td>1991</td>
<td><em>Baltic University Programme (BUP)</em></td>
<td>Belarus, Czech Republic, Denmark, Estonia, Finland, Germany, Latvia, Lithuania, Norway, Poland, Russia, Slovakia, Sweden, and Ukraine.</td>
</tr>
<tr>
<td></td>
<td>The Baltic University Programme is a network of 180 universities and other institutes of higher learning throughout 14 countries in the Baltic Sea region, coordinated by a Secretariat at Uppsala University in Sweden. The Programme focuses on questions of sustainable development, environmental protection, and democracy in the Baltic Sea region. The aim is to support the key role that universities play in a democratic, peaceful and sustainable development; this is achieved by developing university courses and participation in projects in cooperation with authorities, municipalities and others. Main financiers of the Programme are the Swedish Ministry of Education and Uppsala University; some funding is also received from the Swedish Institute, Interreg IIB and the Nordic Council of Ministers as well as the Foundation for Knowledge and Competence Development.</td>
<td></td>
</tr>
<tr>
<td>1999</td>
<td><em>The Northern Dimension of the EU</em></td>
<td>Denmark, Estonia, Finland, Germany, Iceland, Latvia, Lithuania, Norway, Poland, Russia, and Sweden.</td>
</tr>
<tr>
<td></td>
<td>The Nordic Dimension is an EU-led initiative that provides a common framework for the promotion of policy dialogue and concrete cooperation aimed at helping the Northern Dimension region seize the opportunities offered by EU enlargement, and help strengthen cooperation with the Russian Federation and NW Russia as a neighbor. Funding is provided through EU financial instruments (Phare, Tacis and Interreg). The 2nd Action Plan (2004-2006) covers five broad priority sectors: economy, business and infrastructure; human resources, education, cluster, scientific research and health; the environment, nuclear safety and natural resources; cross-border cooperation and regional development; and justice and home affairs. The key purpose of the current Action Plan is to provide a clear operational framework for all Northern Dimension stakeholders, setting out strategic objectives, priorities and concrete activities.</td>
<td></td>
</tr>
</tbody>
</table>

4.4.3 1995 EU enlargement:
In 1995 Finland and Sweden became members of the EU and this has further shifted the balance on the way to prevailing European identity in the BSR. Only now, after 1989 and the major political changes towards democracy and just before the accession of Finland and Sweden, the EU has for the first time looked on the BSR as a unit and created the ‘Orientations for a Union Approach towards the Baltic Sea Region’, 1994 (Ryba, J. 2009: 5).

Source: based on the information from http://ec.europa.eu/enlargement/index.htm

From a first glimpse, this Communication paper reminds of the EUSBSR, however the two documents could hardly compare. Here, the EU underlines that it has great political and economic interests in the region and that it understands the potential in developing regional cooperation around the Baltic Sea. Also, this document, as stated by its name, is only an ‘orientation’ on how to strengthen the regional dimension of cooperation and coordination by proposing political, security, economic and trade suggestions (Commission of the European Communities 1994: 2-3). Therefore, the 1995 enlargement was a double process, leading to the further expansion of the EU, but it also brought the beginning of the BSR macro-regional integration.
4.5. From the Eastern Bloc EU-enlargement to the EUSBSR (2004–2010)

4.5.1 Eastern Bloc EU enlargement

If the 2004 enlargement was considered important for Europe, because ten new countries joined the EU, it was ever more significant for the BSR, as four of the Baltic States were taking part of this process. It is also believed that this enlargement marked the beginning of a new stage in the regional cooperation that united these countries and brought new hopes for a common future. For example, Uffe Ellemann-Jensen, a Minister for Foreign Affairs of Denmark 1982–1993, optimistically has said back then: “The enlargement of the EU is an opportunity to create a truly comprehensive European Union, to promote co-operation with Russia, and to finally consign the Iron Curtain to history” (Uffe Ellemann-Jensen, 2003: 5).

Contrary to this opinion, with the accession of Poland, Latvia, Lithuania and Estonia on the 1st of May 2004, many politicians perceived the entire Baltic area as an internal EU territory (Bengtsson, R. 2009: 1). Now, only Norway, Iceland and Russia continued to exist outside the EU, although Norway and Iceland are seen as part of the EEA. Thus, the feelings in the Baltic Region after the EU accession process remained very mixed and ranged from believes full with positive expectations for increased cooperation to concerns that this may have negative implications for the international relations.

A second concern here, associated with a neo-realist point of view, is the doubt that the newly admitted Baltic countries were capable of developing a common EU identity, even with the closest to them Nordic countries. A reason for this skepticism is that Latvia, Lithuania and Estonia have just freed themselves from the Soviet Union oppression and its cultural dominance, and they would not be willing to adhere so easily to a new cultural identity (Dalborg, H. & Thalén L., 2003: 7). Other critics went even further by suggesting that the events could lead to a regional identity crisis.

Source: based on the information from http://ec.europa.eu/enlargement/index.htm
On the other hand, Russian literature back then suggests that the four Baltic countries, which have just joined the EU, have achieved two things. First, they have demonstrated what the strategic priorities of their governments are by undermining foreign relations with the Russian Federation. Second, the Baltic countries had formed a common border with the EU to keep Russia out and to hinder closer economic cooperation in the region (Oznobishchev, S. & Yourgens, 2001:74). Thus, the Russian government after completely losing its authority in the BSR was now more than ever isolated from the area. Sergei Razow, the Russian Deputy and Minister for Foreign Affairs had made the dissatisfying comment that there cannot be a “talk about real rapprochement of countries and the creation of a single economic, political and humanitarian space when Russia finds itself on the other side of the Visa Fence” (Rosenkrands, J. 2003: 11). In spite of the criticism, the Eastern Bloc EU enlargement is considered a success for Europe, because it displays that the Baltic countries do share at least some basic European values, such as democracy, cooperation, human rights, peace, etc. (Rosenkrands, J. 2003: 11).

4.5.2 The new governance in the BSR
For the years from 2004 to 2010 and mainly because of the influence of the Nordic traditions, the BSR succeeded in building a history of peaceful political practices and well-functioning public institutions. It is fair to claim then that the region is often on the top of international charts, as an example of high marks for good governance (Ketels, C.2007: 40). This according to Dr. Christian Ketels, who is the author of the State of the Region Report since 2005, has also created further high conditions for trust and for the successful development of many regional organizations and initiatives. Figure 3 confirms that the states’ governance is an important factor that can show the direction in which the regional cooperation is going. The figure also points out that there has been an overall improvement in all-significant variables since 2003, except for the political stability in the region, which could be probably connected to the EU enlargement of 2004 that brought along many changes and even insecurity for both the EU member states and the Russian Federation.

Only for about a decade after the collapse of the Soviet Union and the major political and sovereignty changes, the Baltic countries have quickly recovered choosing to adopt the European
values and ideas, which in return awarded prosperity. Thus, the supporters of the constructivist school find the Baltic Sea regional case especially thriving. The negative ‘side of the story’ here is represented again by the Russian Federation, which many neo-realists would agree, was left alone after 1991 to cope with its endless internal problems. Russia was not so fortunate to form beneficial alliances, such as the one that the other Baltic countries did with the EU. In addition, after the 2004 enlargement, Russia appeared to be in an ever more isolated and challenged position than before. This is often pointed as a reason for the weak Russian involvement in regional affairs, alongside poor institutional structures of the government, which on the top of everything are also inexperienced to deal with cross-border collaboration (Ketels, C. & Sölvell, Ö. 2006: 78–79). The country is characterized by domestic policy clashes, as well as different foreign policy preferences of the Russian political elite (Klain A. & Makarov V. 2009: 1) and there is no agreed approach on the external affairs with Europe. The Russian federal government is also often criticized for being extremely centralized, because it hinders the development of the regional matters and relations, which is not the way the EU institutions work.
4.5.3 The driving forces towards regional cooperation

All regional organizations, which were created during the first decade of this case study, proved to be successful, as they continue to carry on their work even at present time. The new aspect for the period after the EU enlargement is that there have been less established institutions, but on the other hand there is a ‘boom’ of recently developed initiatives on the Baltic Region agenda:

The Baltic Sea Region INTERREG III B Neighborhood Programme is European initiative that was approved by the EC in 2001. However it was revised and re-approved after the EU enlargement of 2004. The programme includes all eleven Baltic countries and funds various projects aiming at enhancing the transnational cooperation and integration of the European territory (Ketels, C. & Sölvell, Ö. 2006: 57).
Since 2004 the NCM has introduced the Baltic Sea Initiative (BSI), which is a network of networks on a cross-national level for sharing the information on activities and providing coordination across institutions and networks in the BSR (Ketels, C. & Sölvell, Ö. 2006: 57).

In 2006, the Northern Dimension was re-launched not as a EU policy, but as an equal partnership between EU, Russia, Iceland and Norway (Ketels, C. 2008: 26). This was a significant move and a model towards the cross-regional collaboration in the region.

Many long-term projects are also emerging. For example, in 2007 VASAB started the preparation of a long term perspective of the BSR to year 2030, which is also supported by the EU Tacis programme (Ketels, C. 2008: 28).

Finally at the end of 2007, the EC began working on the EUSBSR. As we already know, about a year ago, this strategy brought an enormous interest and popularity for the BSR, but it also promoted back some of the activities of the leading institutions in this region. The public opinion today is that collaboration across the Baltic Sea remains high and ever more integrated between different projects and networks, not least because of the contribution of the EUSBSR (Ketels, C. 2010: 5).

The above-mentioned initiatives are just a small part of the dynamic works of the regional institutions for the last ten years. Unfortunately, it is not feasible to mention all of them, but what is more important here, is that they indicate a persistent state of development in the macro-regional cooperation. However, the presented data in this section shows also that the Russian Federation during this decade continues to be treated only as a partner and not as a part of the BSR, with the small exception of the Northern Dimension initiative. The EU enlargement of 2004 has intensified this negative feeling, as now the cross-regional activities became influenced ever more by the EU directive. On the other hand, during 2005 the BSR felt the challenge of not being able to create clear and equal visibility within the EU institutions, because of its diversity and not least because Russia, Norway and Iceland were isolated (Ketels, C.; Sölvell, Ö. & Hansson E. 2005: 65). As a result, the Russian participation remains low, despite the many attempts of the CBSS and other regional organizations to change this course (Ketels, C. &
4.6 The EUSBSR: summary and challenges

It was already introduced at the beginning of this paper that on 14 December 2007 the EC invited the Commission to prepare the EUSBSR. This action officially laid the foundations of a new form of regional cooperation, which created a vast public interest, as never before the EC has been so deeply involved in macro-regional policy making of such kind. The EUSBSR was adopted by the EC on 10 June 2009 and its current implementation has been already followed with a substantial interest not only on a regional, national and European, but also on an even higher international level. The EUSBSR is the first of its kind, because it represents the region as a unit, and not just as an area of countries bonded by a common sea, in which different types of cooperation happen to occur. This is why, it is important to understand the Strategy. It will be also interesting to see whether it will succeed to become a future model for other similar strategies in Europe. However, the problem here is if this can happen by structurally strengthening the cooperation only, or if the process also depends to a greater extent on the common regional identity (Bengtsson, R. 2009: 2). Thus, the EUSBSR is often seen as a test case, especially because Russia is excluded from participation and some analysts spot in this situation a clear distinction between internal and external dimension of the Baltic Sea cooperation (Bengtsson, R. 2009: 9).

Another interesting fact about the Strategy is that it does not involve new resources, or new institutions, which perhaps reflects on the overall public opinion in the region that “neither a lack of money nor structure was the key problem” (Ketels, C. 2008: 86). The Strategy seems to be also very promising, as it claims to target at far more objectives than a simple political message. This would happen by involving different countries in four action areas: environment, competitiveness, accessibility and security, and the European Commission would remain involved in monitoring the Strategy’s implementation (Commission of the European Communities 2009: 2-11). The first public reviews of the Strategy will be available only in a year from now during the Polish EU presidency in 2011 (Ketels, C. 2009: 107).
However, together with the enthusiasm, there is also an ongoing public doubt and a strong criticism that the Strategy would not be able to achieve its goals without the equal involvement of all members in the region and especially without Russia. So far, there have been no negative statements coming from Russian officials that are addressing this issue, but it is obvious that the EUSBSR is the newest major European initiative, prepared once again without the Russian consent (Klain A. & Makarov V. 2009: 3).

4.7 Comparison

4.7.1 Governance in the BSR
This factor has been considered in the analysis, because it indicates the stability and the effectiveness of the political systems, which also affects cooperation. Issues such as the control of the corruption, the government effectiveness, the rule of law, political stability, etc., can make difference in both short and long terms – they can even serve to explain complex international problems.

As we revealed earlier, the political situation and stability in the region was very tense at the beginning of the first decade. Changes and feelings of insecurity were in the air and in the spring of 1989 the Solidarity – the oppositional party in Poland won the elections and entered into coalition government. The fall of the Berlin Wall and the German reunification led to major transformations and the first challenges for the Russian empire. From 1989 to 1991, we can hardly speak of the Baltic Region as an entity and regional cooperation was scarce, because the security concerns were prevailing. However, up until the collapse of the Soviet Union in 1991, the Russian prevailing position in the Baltics was un-doubtable. This quickly changed after the detachment of Estonia, Latvia, Lithuania, and Poland, which further weakened the Russian hegemony and shifted the balance of power. Significantly, the newly established governments had to start their existence from scratch and even before they officially chose to take the European route, Russia felt betrayed. Crumbled into new states, the BSR had an atmosphere, which was not promising cooperation any time soon – a one of a common suspicion and distrust. Despite the skeptical situation, on 7 February 1992 the Maastricht Treaty was signed, with which
the European Union confirmed its existence beyond pure economic dealings. The process is considered to have united not only Europe, but also the Baltic Region.

When analyzing the situation of the more recent decade, we can hardly recognize the same region. As we saw, the BSR is nowadays pointed to be a leading area and even a showcase of good governance not only on a European level, but also on a global one. As a result, there are excellent overall conditions for trust and for the successful development of many regional organizations and initiatives and thus, this is an indicator for highly increased levels of cooperation. When it comes to Russia, the feelings of common suspicion have also lowered, compared to the first ten years, but still remain alive. The country is now known for its poor institutional structures, for its inability to deal with cross-border cooperation, for its ineffective and contradictory domestic policies and away too centralized government. This is often pointed as a reason to why Russia gets involved in various regional projects, but somehow remains reluctant to really build regional relations, or to take up the initiative. There is little available literature about the Russian perspective on this question, but all-in-all today, the country remains hesitant and even suspicious in its foreign approach towards the EU and consequently towards its neighbors in the BSR.

4.7.2 Europeanization of the BSR
The European integration process in the BSR has began slowly, when in the 1990s only Denmark and Germany were the local representatives of the EU, but already at its start, it was a successful major driving force for cross-regional cooperation. Nevertheless, the Europeanization has been of an equal importance at all times, although the number of the Baltic countries that have joined the EU in 2004 exceeds the one of the 1995 enlargement. The first decade is often seen as a transitional period and the time needed for the ex-Soviet countries to ‘walk the path’ from the East to the West and to adhere to some of the common European values and ideas. The Russian position on the first enlargement back then is unclear. Finland and Sweden have always been at the European camp and their accession did not change much the course of their foreign relations with Russia. While during the second enlargement of 2004, there was a good deal of mixed feelings, coming from both European and Russian side, the majority of the political leaders applauded the happenings and expressed their hopes that this would bring the
BSR countries closer than ever before and thus, it will also open a new window of opportunities in the relations with Russia. Some skeptical opinions at the time feared that the Eastern Bloc EU enlargement was away too big step for Europe to handle and even for the joining countries themselves. The concerns ranged from neo-realist doubts that Poland, Lithuania, Latvia and Estonia were really able to integrate to the opinion that Russia has been pushed out of the Baltic Region.

4.7.3 The driving forces towards regional cooperation
Institutional structures are important part of the cross-regional cooperation, because without their existence even the best projects or political conditions cannot hope for success (Ketels, C. 2008: 25). The 1989-2003 period has been a time of rapid institutional developments for the BSR. It appeared that feelings of insecurity, which were thriving in the 1990s, were not necessarily a bad thing. For example, new borders required new political channels and that resulted in the creation of new institutional bodies. There are several outcomes of the comparison in this section:

During the first time block from 1989 to 2003, plenty of cross-national organizations emerged in the region and they have all included the Russian Federation as an equal member. Despite the fact, that Russia was not the initiator of these relations, it is still impressive the way the Baltic Region was able to handle the past and to quickly move towards improving the foreign relations of its constituent countries. Moreover, the Soviet Union was also in the history and now the new Russian Federation was welcomed again to join the Baltics. The newly established regional institutions continued their successful efforts after the 2004 EU enlargement. There have been less cross-national organizations for the last ten years compared to the first period, but on the other hand, this has improved their stabilization and coordination and has allowed for numerous new and long-term projects and initiatives to emerge. Second, the regional organizations that were established up until 2004, were less influenced by the EU compared to the case in the second period. This however, is linked to the EU membership status of the Baltic countries at the time.

Third, the overall optimism of building the BSR as a highly prosperous area for regional collaboration has decreased after 2004, when it became evident that neither the already existing
regional organizations, nor the EU enlargement could increase enough the Russian cooperation. The optimism however has returned again in 2009, when the EC adopted the EUSBSR. The Strategy has raised the hopes for boosting the Baltic Region integration and it is also seen as a unique form of regional cooperation that will improve the relations between EU-member and non-member states. Nevertheless, a major flaw of the Strategy is that it does not include Russian participation. This, in a neo-realist point of view indicates that Europe undermines the Russian position in the Baltics, but it also puts in doubt the successful outcome of such approach.

4.8 **Summary of the analysis**

4.8.1 **The BSR special role**
As explained earlier in the analysis, the region has undergone very serious political changes since 1989. Despite its diversity and tense history, the BSR has been recognized as a very competitive one, both in Europe and the rest of the world (Ketels, C. 2008: 2). Since the Eastern Bloc EU enlargement in 2004, the region became almost an internal area of Europe and thus, its development is of a special importance for the EU. Perhaps the best way to summarize the unique role of the BSR is to say that it is a place, where the EU-Russian cooperation is most visible. This is because, the strained relations between EU and Russia often result in the failure of Russia to integrate into various initiatives, while the rest of the Baltic countries continue their attempts to make the region more homogeneous.

4.8.2 **Globalization**
As we followed up in the historical part, the EU integration process appeared to be the prime catalyst for cooperation in the Baltics for almost twenty years now. All that resulted in developing and promoting the macro-regional concepts and in positioning the BSR as a world region placed in between the state and the global system. When the EC adopted the EUSBSR about a year ago, it became evident that Europe has been seeking to obtain a new form of regional cooperation that would handle better cross-national challenges, which no country is capable of fighting on its own (Ketels, C. 2009: 105). Thus, the EUSBSR could be seen as a product from the ongoing process of global transformation, and this research has provided a small hint of the links between regionalism, macro-regionalism and globalization.
4.8.3 Changes in the political cooperation

The results from the previous chapters show that for the most part, Europe has been fairly open towards the Russian presence in the BSR. This is mainly because the Nordic countries have been very active in creating good neighboring relations and conditions for cooperation. Estonia, Latvia, Lithuania and Poland have been more functional in this matter after their EU accession of 2004. Nevertheless, the regional initiatives prove that cooperation from European side has been relatively high during both decades. Surprisingly, the research reveals that the existing lack of collaboration comes primarily from a Russian side and that the possible reasons can be found behind: poorness and inability of institutions; the excessively centralized government and the lack of coherent policy towards Europe; and not least the actual lack of interest in the small BSR (except economical interest, which are not being discussed in this paper).

However, the Russian Federation is also right to feel unwelcome by the EU, because it is being excluded as an equal partner and it is treated only as a limited member in many of the most important initiatives. In the case of the EUSBSR, the country is not even considered part of the common region. Many political analyzers have already alerted that the outcome of such undermining could become unfortunate for the initiative itself and the expectations are that the Strategy will fail to reach its objectives. On the other hand, there are also optimists, which are convinced that this will become a successful future model for other following strategies to come, especially because the EC has agreed for the first time ever to conduct a monitoring of the implementation.

At this time there are no negative official statements coming from a Russian side that address the Strategy itself, but it is well known from before that the country is very sensitive when it comes to all Western matters. However, it is not expected that the Strategy will alter the EU–Russian relations on a greater political scale. Rather, it is possible that the Baltic countries continue to come across further institutional challenges and lack of collaboration. In addition, the EC supports the idea that the EUSBSR would lead a step closer towards developing closer relations with Russia, but the Strategy certainly seems to be the opposite – a step towards defining bolder regional borders. Even if the EU intentions were sincere, this would only work if the Russian
Federation sees the Strategy with the ‘same eyes’. Nevertheless, given the recent history of cooperation in the region, this scenario is unlikely to happen.

5. Conclusion
The final assessment of the main research question is that the political cooperation between the EU and Russia has changed overall in a good direction for the last twenty years. This judgment is based on the increased number of newly created regional organizations and cross-national activities that took place over the period and which have all been seeking Russian participation. Despite the challenges experienced in attracting the Russian Federation on its side, the BSR does not lack institutional structures, or initiatives.

The EUSBSR is the newest form of regional cooperation that emerged as a result from the globalization and the common challenges that the Baltic countries are hoping to overcome together. The Strategy has the unusual conditions that it will not involve new institutions and resources, which is also a reflection on the public opinion that the region already has what it takes to develop macro-regional cooperation. Still, along with the raised expectations and new hopes for the future, the feelings about the EUSBSR remain mixed, especially because it became clear that more efforts are needed for coordinating and monitoring the different projects in the BSR and also for equally involving all state-actors.

When it comes to defining the Russian position today, the BSR provides a good climate for mutual collaboration, which is an indicator that the Russian presence has not been completely diminished. The problem is that the EU has to accept that the Russian Federation, although with limited access to the sea, remains an important actor for successfully defeating any of the macro-regional problems and for achieving progress. Russia, as well should decide on its overall foreign position towards the EU.
Bibliography


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