Marketplace or military bastion?

Kaliningrad between Brussels and Moscow

Edited by Ingmar Oldberg

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Introduction and background

Ingmar Oldberg

The idea of this publication came up in connection with a roundtable on Kaliningrad at the 17th Aleksanteri Conference in Helsinki on 25 October 2017. Four of the speakers, and two who could not come, agreed to contribute papers. The aim of this publication (as of the panel) is not only to explain why the Kaliningrad region[1] has in recent years become a military hotspot in the Baltic Sea region but also to go deeper and elucidate the internal situation, the economic and foreign relations, not least in the EU context.

After the political and economic crises in the 1990s, Russia under Putin has become an authoritarian state, relying on military power and great power status. Aided by high energy export prices, Russian military expenditures have grown continuously since the 2000s, more than doubling from 2005 to 2015. In contrast, NATO countries continued to cut down their military spending. Russia's military spending as a share of GDP rose from 3.6 to 5.4 per cent, while in the USA this fell from 4.7 to 3.3 percent (Oxenstierna 2016, p. 138; Meister 2017, p. 9). Even if Russia's military forces are smaller than those of all NATO, its forces near the Baltic Sea region clearly outnumber those of NATO. Its number of battle tanks in the region, for example, outnumbers that of NATO by a ratio of 5:1. (Economist 10 March 2018) Especially the three small Baltic states, with their history of Russian occupation, see this as a threat, which most Russians find hard to understand. The Baltic states therefore joined NATO in 2004, which Russia saw as a threat. Russia in 2007 suspended the CFE treaty, which limits the conventional force levels in Europe. It opposed the US plans for a missile defence system in Europe, seeing this as directed against Russia. In 2011, Russia responded to these plans by deploying new radar and missile systems in the Kaliningrad region. It repeatedly threatened to install Iskander cruise missiles with long range, high precision, and nuclear capability.

With its growing strength, Russian military doctrines also became more assertive and anti-Western, stressing the role of nuclear weapons. For example, the 2015 Maritime Doctrine presented the prevention of NATO's eastern enlargement as a cornerstone (Hedenskog et al 2016, pp. 111-121, Sukhankin 2 August 2017). In 2008, when Georgia tried to reconquer a separatist region, South Ossetia, Russia intervened and established two new pseudo-states, South Ossetia and Abkhazia, in military alliance with Russia. In 2014, when a pro-Western democratic "colour revolution" occurred in Ukraine, Russia occupied and incorporated Crimea and supported a separatist war in its eastern provinces. A Russian disinformation campaign started against the West. Putin supposedly said that he could have troops not only in Kiev but also in the Baltic capitals and Warsaw in two days, "if he wanted" (Frühling and Lasconjarias 2017, p. 109).

In response, NATO increased its air patrols over the Baltic states, created a "very high readiness joint task force " of about 5000 troops. It deployed four battalions in the three Baltic states and Poland, in total 4530 troops, on a rotation basis, to act as a tripwire against a Russian attack. As shown by Alexander Sergunin in his chapter, Russia in turn built up what in the West is called an Anti-Access/Area Denial (A2/AD) bastion or "bubble" in Kaliningrad. This intended to keep NATO out of the Baltic Sea area, and prevent its movements in the area, by expanding air, sea, land, space and cyberspace forces, including weapons of mass destruction and electronic warfare in the region (Frühling, Lasconjarias 2017, pp. 97 ff, Sukhankin, 2 Aug 2017,

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[1] Forthwith the region (oblast) is often called only Kaliningrad, which is different from Kaliningrad city.

Westerlund 2017). Air incidents and violations occurred with Baltic Sea neighbours, and frequent exercises were (and are) held in and around Kaliningrad (Oldberg 2016, p. 9).

In September 2017, part of the large-scale Zapad 17 exercise was held in Kaliningrad, which appeared to train precisely the military's A2/AD capabilities, including a sea blockade. In addition, new "territorial defence units" of reservists were organised in Kaliningrad (Sukhankin 18 Sept 2017, Oct 2017, 1 Nov 2017). A Duma committee chairman threatened that Russia could respond to the (alleged) US deployment of a tank division in Poland by strengthening the Iskander units in Kaliningrad (Kaliningrad.ru 12 Oct 2017). Indeed, in January 2018 it was announced that the Iskander-M complexes were there permanently, and claims were made that they could overcome all existing anti-ballistic missile systems (Sukhankin, 23 Febr 2018, Gummesson 2017). This claim was amplified by President Putin in his annual speech to the Federal Assembly in March 2018, when he boasted of having five new invincible strategic weapons systems which he hoped would encourage "our partners to hold talks". (President of Russia, 1 March 2018)

Combined with hostility against the West, which also extended to political principles and moral values, this military buildup was underpinned by growing Russian patriotism. Military victories, especially during the Second World War, became an important source of state and regime legitimacy. The society was militarized with military training in schools. (Hedenskog et al. 2016, pp. 105 ff). Kaliningrad was part and parcel of this. Besides the territorial defence units, Kaliningrad was one of the first Russian regions to host the military-patriotic youth group "Yunarmia", a youth movement with Soviet roots. Kaliningrad is becoming the most militarized Russian region, and even Russian officials call it a military stronghold or a "fort outpost" against the West (Patriarch Kirill) (Sukhankin 25 April 2016; 2 Aug. 2017, 23 Febr. 2018). It is thus returning to the role it had during the Cold War.

At the same time, Kaliningrad's relations with its NATO neighbours, who supported Ukraine, have worsened and been reinforced by fears of separatism. Even if the population (almost a million) is predominantly Russian and supports Putin against the West, the inhabitants are more Europeanized than other Russians and want more support from Moscow due to their exclave situation. In 2014, the incumbent governor accused Western special services of preparing a Maidan in the region (Sukhankin 25 April 2016, Oldberg 2016, p. 3). An alarmist commentator in Moscow warned that Kaliningrad could be seen in the West as a "natural compensation for European territorial losses" such as Crimea, and that its authorities should not be trusted to play at foreign policy (Regnum quoted by Goble 2017). A campaign started against a fifth column, which allegedly cooperated with German organisations interested in the region's history. Patriarch Kirill dismissed the German cultural legacy as a series of "old stones" which should not get predominance over the Russian legacy. On 27 January 2017 the German-Russian House in Kaliningrad city was labelled a "foreign agent" and forced to close down. People who wanted to restore the original name of Königsberg were threatened with criminal charges of separatism (Sukhankin 25 April 2016, Goble 2017).

Relations with Poland also soured. The new Polish nationalist and anti-Communist government reopened the case of the 2010 air accident in Smolensk, in which the Polish president had died, and it supported the removal of Soviet war memorials (Yandeks 2018). As examined by Żęgota, a unique local border agreement allowing visa-free travel for inhabitants of Kaliningrad and two Polish regions, which had been agreed upon in 2011, was suspended in mid-July 2016 (Kotowicz 2016, pp. 100 ff; Jankowiak 2012).

Relations with Lithuania were no better. Local propagandists in Kaliningrad supported by authorities in Moscow claimed that the oblast ran the risk of being annexed by Lithuania (!) with approval from the United States. Unlike Poland, Lithuania did not make a local border

deal with Russia, because that would encompass the whole country. Instead, it decided to build a fence on the border with Kaliningrad, like Estonia and Latvia are doing on their eastern borders (Sukhankin, 25 April 2016, Goble 2017). The Kaliningrad governor did not object to this and even offered to deliver bricks (New Kaliningrad 16 Febr 2018). Kaliningrad also depends on Lithuania for military transit by rail. Since 1993, there has been an agreement granting this on condition of inspections and fees, but this has to be renewed each year and is sometimes questioned by Lithuanian parliamentarians in times of crises, for instance in 2008.

As explained by Żęgota, the military buildup and tension with the West was also accompanied by growing political control of the region by Moscow. In 2016, Governor Tsukanov, who came from the region, was replaced, first by Anton Zinichev, a local FSB chief, and soon after by Yevgenii Alikhanov. Alikhanov was a 30-year old technocrat from Moscow who was soon elected with a 29 per cent turnout (Wisniewska 2017, NewsBalt 17 Febr 2018). His main task in 2018 was to secure Putin's reelection as president in the region. When demonstrations for boycotting the election were held in connection with the opposition leader Aleksei Navalny's visit, a propaganda site cautioned against a "victorious Maidan" and suggested that some "ersatz patriots" could become collaborators (New Kaliningrad 28 Jan 2018; NewsBalt 17 February 2018). Right before the presidential election Putin himself honoured the region with a visit (President of Russia, 2 March 2018). The election resulted in a turnout of 62.3 per cent, three per cent higher than in 2012, but 5 per cent lower than the Russian average. Putin won 76 per cent of the votes, compared to the 52.5 per cent he had won in 2012 (Kaliningrad.ru 19 March 2018). Thus, even if most people are loyal to Moscow, many are dissatisfied or apathetic. For military and political reasons, Kaliningrad is probably the region under the strictest federal control in Russia.

This control also extends to economic relations. When the Baltic states became independent, the region was cut off from the rest of Russia and had virtually no economic relations with other countries. In order to promote foreign trade and investments it became first a Free, in 1996 a Special Economic Zone (SEZ), which meant customs-free foreign trade and tax-breaks for foreign investors. As a result, trade with the neighbouring states quickly grew, especially trade in consumer goods, while local production was disfavoured. However, most of the trade went on to or originated in Big Russia, thus avoiding the customs, and foreign investment stayed below the Russian average. As a result of new rules in 2006, the list of duty-free import goods was restricted. The number of foreign investors decreased fourfold, while large, often state-owned Russian investors were favoured. Like all other Russian regions, Kaliningrad grew more and more dependent on federal assistance, and in 2011 this constituted 60 per cent of its income. The economy prospered and living standard rose in the first decade of the new millennium as elsewhere in Russia, mainly thanks to rising energy export prices (Rogoza et al 2012, p. 43, Gareev 2013, p. 111 ff.). As part of Russia, Kaliningrad was also affected by the global financial crisis in 2008 and falling energy prices after 2014, which led to a depreciation of the rouble.

On top of this came the Russian interventions in Ukraine in 2014. These caused Western states to impose sanctions on the financial, energy, and technology sectors. That then caused Russia to impose counter-sanctions on imports of foodstuff from these same Western states. The latter sanctions hit Kaliningrad hard, since it had become very dependent on such imports (EU covered 34 per cent) and its agricultural sector had been neglected since Soviet times (Kaliningrad.ru 19 Aug. 2014.). As a result of these factors, foreign trade diminished and shifted from trade with European neighbours to trade with countries overseas like China, South Korea and Brazil (JBS, 14). Foreign tourist visits also decreased. This was partly an effect of the Polish suspension of the local border agreement in mid-2016. It was maybe also because in January 2017 Russia scrapped the 72-hours visa-free travel for foreigners to Kaliningrad, citing lack of

demand (Kostiuk 2017, Sukhankin 27 March 2017, p. 3). About half the foreign visitors were German "nostalgic tourists" and one third was business-related (Kostiuk 2017).[2] It should be added that Kaliningrad has very scarce connections by sea for foreign tourists and only one foreign airline (LOT) in place at present.

Furthermore, after Russia joined the WTO, in mid-2016 it had to scrap the SEZ with its foreign trade favours and prepare new laws (Sukhankin 31 March 2016). In order to avert economic breakdown, which the business community feared, the Kaliningrad governor and government called on Moscow to make the region the "most competitive" Russian region and create an international finance centre there by reducing taxes and red tape (New Kaliningrad, 14 July, 5 Aug 2016, Kaliningrad.ru, 16 Jan 2017; Sukhankin 10 Jan. 2018). As a consequence, Moscow decided to increase transfers to the region and compensate its firms for losses. The share of federal transfers in the regional income budget rose from 30 to 70 per cent between 2015 and2016. 90 per cent went to the car assembly factory Avtotor, affiliated with the South Korean car maker Kia. In 2016, extra transfers were reduced, but more were promised for the following years (R39 5 Oct 2016, Wisnewska 2017, New Kaliningrad, 12 Jan 2018).

As demonstrated by Sergunin's paper, in 2017 President Putin signed a new law for the SEZ, granting residents various new privileges instead of customs exemption. New electronic visas will be introduced. Thanks to federal support, the economy and both the industrial and agricultural sectors (including fishery) started to grow slowly again. Even if the import of foodstuff from Poland for private use was restricted, Russian purchases in 2017 grew (Kaliningradskaia Pravda, 3 Febr 2017, New Kaliningrad, 19 Dec 2017). High hopes for visitors have been pinned on the 2018 World Cup in football, for which a new stadium has been built and the airport has been modernized (Wisniewska 2017).[3] The tourist sector also plans to attract Chinese visitors interested in buying amber (Kostiuk 2017).

Energy is a special problem for Kaliningrad due to its security implications. The region has very few resources of its own, save for a small oil field off the coast. However, there is no refinery, so all oil products must come from outside. As for natural gas, which is mainly used for heating, this is delivered from Russia through a pipeline across Lithuania and Belarus. Since 1991, 80 per cent of electricity has come from nuclear plants in Russia through the Soviet-era Brell network which includes the Baltic states. Two gas-fuelled heat-and power plants (CHPPs) have been built, making the region self-sufficient with electricity and even able to export some to Lithuania.

However, the Baltic states have decided to leave the Brell network and instead to connect to the Continental Europe grid. This threatens to make Kaliningrad an energy island. Moreover, in 2013 the big CHPP-2 was struck by lightning, causing a blackout across most of the region so that Lithuania had to help. Instead of expanding the gas pipeline through Lithuania, which would be the cheapest option, Russia resolved to build four new power plants in Kaliningrad (three gas, one coal) (Usanov 2016). During his visit in March 2018, President Putin inaugurated two of them. Those on gas are to be fed by a floating LNG plant that will be ready by the end of 2018 and by expanded storage facilities (President of Russia, 2 March 2018, New Kaliningrad, 26 Febr 2018).

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[2] The number of foreign tourists fell from 12447 to 9495 in 2016 and their share shrank by 43 per cent from mid-2016 to mid 2017. However, they made up only 13 per cent of the total tourist flow (Kostiuk 2017). Air fares to and from Big Russia are subsidized, still, more Kaliningraders visit EU countries.

[3] Governor Tsukanov was allegedly involved in construction fraud, which may had contributed to his dismissal in 2016 (Sukhankin 31 March 2016).

Another project intended to build a nuclear power plant (NPP). Groundwork for this was started at Sovetsk near the Lithuanian border. The plan was to sell electricity to Lithuania, where the Ignalina NPP was closed down at the EU's request in 2008, and to Germany, whose government decided in 2012 to decommission all its reactors in ten years, as well as to Poland and other countries. However, Germany showed no interest in providing loans and importing from that kind of source, and Poland, Belarus and Lithuania also embarked on building NPPs. For these reasons Putin stopped the project in 2013 (Menkiszak 2013, pp 1-4). Thus, in the economic field, Kaliningrad has also become totally dependent on Moscow and increasingly isolated from its neighbours.

This trend also includes Kaliningrad's relations with the EU as elaborated by all the papers below. In particular Anke Schmidt-Felzmann demonstrates that when Russia was in political and economic turmoil in the 1990s and the EU was expanding eastwards, Russia and the EU found a common interest in preventing soft security threats and social problems from growing in and spreading from Kaliningrad. Pushed by the Nordic states, in 1997 the EU launched the Northern Dimension initiative, including cooperation and assistance to this region. In 1999, Russia produced a medium-term strategy in which Kaliningrad was promoted as a "pilot region" for its future relations with the EU.

A problem occurred around the year 2000 when the Baltic states and Poland were moving to join the EU and the Schengen zone. The Schengen zone involves the abolition of border controls among members and strict external borders. As analysed by Lars Grönberg this meant that Kaliningrad as an en/exclave posed the question of a corridor across Lithuania, thus pitting Lithuanian territorial integrity against that of Russia. The issue was solved through a compromise, allowing Russian civilian visa-free transit by rail under Lithuanian control. This meant that Lithuania could join the EU and Schengen in 2004. However, just like the military transit, the arrangement is fragile and easily disturbed.

In the first decade of the new millenium, cooperation with the EU concerning Kaliningrad continued but weakened. As Russia under Putin recovered economically, it became less interested in assistance and integration with EU (and NATO) states and more concerned with military power, central control of the regions and great power status as argued above. In the face of this, EU attention to Kaliningrad also slackened. The EU Strategy for Baltic Sea Region, promoted by Sweden and Poland in 2009, did not take up Kaliningrad as an issue, nor did the following Action Plan. Instead, other regional organisations like the Council of Baltic Sea States (CBSS) tried to pick up the slack. Negotiations on a new EU-Russia Partnership stalled. In 2014, Kaliningrad also fell victim to the freeze on EU-Russian relations resulting from Russia's intervention in Ukraine and the rising military tension in the Baltic Sea region, as Schmidt-Felzmann points out.

One may conclude that postmodern approaches as de-emphasizing the importance of borders and rejecting zero-sum thinking in favour of cooperation and integration is the only or best solution to the Kaliningrad question, as argued by Pertti Joenniemiin this report. Still, he and the other contributors to this report agree that the present trend runs in the other direction. Kaliningrad is getting increasingly militarized, isolated and dependent on Moscow. It is not likely to become a bridge between Russia and neighbouring EU and NATO states in the foreseeable future.

The contributors to this collection of papers hail from six selected Baltic Sea states and represent different walks of life and scientific disciplines. This is mirrored in their papers, which therefore have different foci, emphases and sometimes also different political points of view. Some overlap occurs and internal references are made.

The Finnish peace researcher **Pertti Joenniemi** sees the Kaliningrad exclave from a postmodern perspective as a challenge to the 'modern' idea of territorial sovereignty and well-ordered political spaces. He views the EU as a transformative postmodern power, aiming at peace and internal de-bordering. In its external relations it has been more 'modern' but has agreed to make exceptions for Kaliningrad as a special case. Russia, by contrast, is considered a more 'modern' state preoccupied with its identity, borders and great power status, for which Kaliningrad is a problem. Summarizing the Russian foreign policy debate, Joenniemi discerns a transition, from liberals who have an interest in economic cooperation with the EU concerning Kaliningrad to more emphasis on hard security, strict borders and anti-Europeanism. Still, he believes that durable solutions to the Kaliningrad issue can only be found if its postmodern nature is fully recognized by both the EU and Russia.

Starting from an international and historical perspective, the Danish diplomat **Lars Grönbjerg** zooms in on the problems that Kaliningrad's en/exclave position entails for Russia and the EU. He analyses the negotiations on Russian transit across Lithuania that took place in 2002, having been a former participant in these negotiations himself. In these negotiations positions of principle stood sharply against each other. He points out that the resulting compromise, which allowed Lithuania to attain full membership in the EU and Schengen, requires a will to solve several practical problems that may arise at any time.

The Polish politologist **Krzysztof Żęgota** argues that the Kaliningrad oblast can be understood both as an area of cooperation and of conflict between Russia and the West. Here two key security processes intersect; on the one hand there is European integration moving eastwards, on the other there is the Russian project of reintegrating the post-Soviet area. Moscow is shown to increase its control of Kaliningrad by political and military means. The increase of forces and exercises is claimed to threaten the neighbouring Baltic states and Poland. Żęgota also analyses the conclusion and suspension of the local border agreement between Russia and Poland, which meant visa-free travel between Kaliningrad and two Polish regions.

In her paper, the German-Swedish political scientist **Anke Schmidt-Felzmann** examines why and how Kaliningrad became a neglected topic in EU policy vis-à-vis Russia. In the 1990s, the EU and Russia started to tackle a range of soft security problems in Kaliningrad. However, from 2004 onwards, Kaliningrad's importance dropped on the EU-Russian agenda and became primarily a concern for regional organisations and sub-state actors in the Baltic Sea area. The tightening of Moscow's federal control of the region meant a shrinking space for its cooperation with the EU and surrounding states in the Baltic Sea area. The Russian aggression against Ukraine and the following sanctions strengthened the focus on hard security. Schmidt-Felzmann argues that the prospects for Kaliningrad's development look bleak.

Last but not least, the Russian professor **Alexander Sergunin** gives an extensive review of the evolving Russian debate between optimistic liberals and alarmist political realists and geopoliticians, including a survey of recent military and foreign policy doctrines. He concludes that, given the current crisis in Russian relations with the West, there is an obvious shift towards confrontational thinking concerning Kaliningrad. Sergunin also analyses the economic development of the region after Russia's economic crisis in 2014-2016 and the western sanctions caused by the Ukrainian conflict. He now observes a slow recovery and an improvement of the economic structure in Kaliningrad following the adoption of a new federal law on the Special Economic Zone. Finally, he examines the Russian military strategy and buildup in the region as a response to NATO, and especially to US, plans and measures in the Baltic Sea area. Nevertheless, he believes that Moscow still hopes Kaliningrad can again become a 'pilot region' for economic interaction between Russia and the West.

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Kaliningrad as a Postmodern Challenge

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The Kaliningrad Oblast as a region in-between

Kaliningrad does not really fit in. It has frequently been viewed as something beyond the ordinary, as indicated for example by the constant employment of labels such as enclave or exclave. Due to its nature as a 'puzzle', the region obviously distorts the drawing of clear-cut territorial borderlines separating the inside and the outside. The exceptionality applies equally to its relationship with the EU and Russia. It has thus been characterized as 'a small Russia inside the EU', viewed as a 'Baltic Hong Kong', seen as comparable to 'Singapore', or depicted as an entity that is no longer just Russian space but constitutes a kind of emerging and intermediary 'third space' located between and yet distinct from the different cores.

Due to its betweenness, the Oblast significantly problematizes the modern idea of territorial sovereignty and in general conceptualizations of well ordered, unambiguous political spaces. However, it also figures as something unordinary in terms of time. It does this, for example, by beingoutlined as a 'pilot region' that is an entity paving the way into a different future. More broadly, the oblast breaks with a clearly delineated conceptualization of space and time. The exceptional nature of the region may therefore – pending interpretation – be comprehended as constituting a problem if not something of a danger, even though there are also good grounds for viewing it as a promise and an asset.

The oblast's obscurity clearly stands out as something quite puzzling. However, this contribution is not about Kaliningrad and its nature as such. The aim is rather one of utilizing the region's exceptionality as an inroad into a broader issue pertaining to changes over time in the self-understanding of the European Union as well as of Russia. It is about the Oblast's constitutive power with Kaliningrad approached as a configuration that, through its in some sense obscure being, impacts and problematizes the identities of the European Union as well as Russia. It does so by forcing them to relate to and deal with the region's overlapping, diverse, and border-breaking nature, i.e. qualities that unavoidably undermine efforts of dividing European political space neatly into insiders and outsiders. In short, the issues at stake pertain to its inherently postmodern being.

It could initially be thought that Kaliningrad's exceptional nature is not much of a problem for the EU, whereas it may well stand out as something quite challenging when viewed from a Russian perspective. While defining itself as a rather postmodern subject to start with, the EU could assumedly be rather well equipped to embrace and cope with the betweenness and diversity of the oblast and digest its in many ways border-transcending nature. It could therefore also be argued, on good grounds, that the EU is in a far more advantageous position and clearly ahead of Russia in tackling the various issues raised by the need to incorporate Kaliningrad into Europe's increasingly integrated, fuzzy and border-transcending political landscape. Russia has, in comparison to the EU, been much more stuck in an explicitly modern self-understanding, one calling among other things for indisputable territorial sovereignty, for unambiguous borders separating the inside from the outside, and more generally for clearly demarcated spaces. Kaliningrad could therefore – due to its inherently postmodern nature – stand out as something much more unsettling, not just politically but also in ontological, identity-related terms for Russia than for the European Union.

I would, however, like to argue that such an assumption is overly simplified. I would assert that the constellation has not been a stable, or for that matter, a straightforward one over time.

Instead, significant variation seems to have taken place, allowing Russia to take the lead at least on some occasions. Yet, it also appears that Russia has more recently returned to an explicitly modern self-understanding and one that has forcefully impacted its conceptualizations of political space as well as time. This has then also been reflected in Russia's approach to Kaliningrad. The change – that is the increased emphasis on Russia as a rather modern and basically power-political state – has threatened to undermine most if not all of the progress made over the recent years in the efforts of turning the oblast from a burden and trouble-spot to an asset in EU-Russia relations.

The European Union as a transformative power

Notably, the core concept and point of departure underlying the EU's self-understanding has been that of peace. It has forcefully impacted the way the Union conceptualizes itself and how it has been brought about at least internally as a rather integrated and de-bordered entity, boiling down therefore to a rather fuzzy, that is postmodern entity. In addition, the centrality of peace as a core constitutive point of departure has also had a bearing on EU's external policies – above all the approaches and policies coined in view of the more immediate neighbourhood – with the Union depicting itself first and foremost as a force for good. The endeavour to export its norms, values and forms of governance in order to also impact the exterior has consequently been comprehended as something inherently positive and progressive.

 The aim over time has been one of converting the difference embedded in the exterior to similarity through the pursuit of quite inclusive policies of integration. Such policies have been on offer, as the constitutive difference required in the construction of the Union's identity has basically consisted of Europe's power-political past. The EU has in that sense been rather self-contained. With the constitutive difference applied in constructing the Union's identity consisting of temporal rather than spatial bordering, it has been void of the rather modern need of drawing divisive lines separating the internal from the external. It has not had the need to do so in order for it to feel secure in terms of its very being.

It may be noted, though, that the construction of identities also stands out as an intersubjective process. This implies that the Union's identity and secure sense of being is not just a matter to be decided upon by the EU itself. It does not boil down to something self-contained. It also hinges on the recognition – or for that matter non-recognition – provided by significant others. This, then, implies that Russia is also furnished with some power, either by confirming or refusing to confirm the identity as a force for good to which the EU aspires. It further means that Kaliningrad , because of its nature as an overlapping entity encircled by the EU and a kind of 'little Russia' semi-integrated into the Union, is a potential asset for Russia.

Yet it is obvious that the option in a number of ways is quite a limited one. It has remained limited above all due to the fact that the Union's nature as a postmodern peace project has not been viewed as something all-embracing and generally valid. Instead, it has been comprehended as coming, by and large, to a halt at the EU's external borders with the exterior depicted as qualitatively rather different from the interior. In other words, the Union has not always aspired to present itself as an inherently postmodern configuration in for the face of external challenges such as those presented by Kaliningrad. It has on occasion also been tempted to search in a very modern fashion for non-convertible and threatening differences in its exterior, with these differences then confirming the Union's positive being.

The change, from postmodern aspirations in internal policies to more modern ones seen as valid vis-à-vis the exterior, has then also impacted the EU's approach to borders and bordering. In short, the postmodern efforts of de-bordering have been converted to an emphasis on lines of division. Instead of being designed to be connective in nature, they have been predominantly

furnished with the function of ensuring that the internal remains clearly separated from the external. The prevalence of such a protective logic – as evidenced quite explicitly by the Schengen *acquis* – then also implies that borders are not seen as something to be overcome in order for the EU to be able to fully project its peaceful being to its exterior, and to do so in an unencumbered manner. Instead, border'functions have become one of shielding the Union's exceptional nature from external and rather modern dangers such as crime, smuggling, corruption, transmittable diseases, and illegal migration (Browning 2003).

This then also implies that it has been far from easy for Russia to play the recognition game by drawing on the oblast's inherently postmodern nature. It has, in fact, been relatively easy for the EU to ignore the idea of Kaliningrad as something calling for special attention and which needs to be dealt with through measures such as those of de-bordering and efforts of integration (i.e. approaches confirming the Union's exceptional nature). On the whole,t he oblast has been conceptualized as part of the qualitatively quite different – that is modern – exterior. Therefore, the tackling of the region's various plights has been seen as warranting rather strict moves of bordering (i.e. measures conducive to its further isolation) instead of warranting a resort to integrative policies.

Policies reconsidered

In other words, the Union has approached the oblast as an issue that is part of its basically modern exterior rather than something to be brought in line with its own postmodern being. The dominance of Russia's own and rather modern either-or approach vis-á-vis Kaliningrad, one premised above all on hard security and military issues as prime concerns, has further contributed to making it relatively easy for the EU to duck the issues involved and deny any responsibility. Russia's own emphasis on undivided sovereignty as a core point of departure that is also to be applied in the case of Kaliningrad despite of its temporal and spatial peculiarities has further allowed for efforts to shoulder the responsibility exclusively on Russia.

Yet, the Union has in the end been forced to admit that the ordinary, modern approach, based on efforts to establish and preserve a rather strict division between the inside and the outside, does not work. It has been obliged to recognize that Kaliningrad has unavoidably – in particular with Lithuania and Poland joining the EU – turned into an overlapping and shared, that is postmodern, space. It has therefore also been forced to admit that the standard approaches, such as strict application of the logic underlying the Schengen rules, do not fully apply. It has had to admit that policies are called for which are better in tune with the quite exceptional challenges posed by Kaliningrad's unavoidably border-transcending nature.

The EU has thus been increasingly prepared to approach the oblast as a special case and to admit that it calls for arrangements and solutions beyond the ordinary. It has accepted, although somewhat reluctantly, that Kaliningrad has to be approached in a proactive manner. It has accepted this despite the fact that it also allows Russia to assert influence in questions that are in some ways internal to the Union. The issues involved have to be dealt with, even if they blur the boundary between the Union's interior, which is seen as postmodern, and the exterior, which is viewed as modern in nature, a boundary line crucial for the EU's self-understanding and secure sense of being.

The shift in approach means it has become quite conceivable that the Union aspires to coin policies that are quite Kaliningrad-specific in nature. Among other things, they have implemented arrangements aimed at reducing the region's spatial isolation by allowing land travel (by train or automobile) between mainland Russia and the oblast through acquisition of a so-called Facilitated Transit Document (FTD).

Another arrangement making it possible for Kaliningrad to serve as a bridge and a gateway instead of remaining as a dead end is the establishment of of the visa-free zone comprising Kaliningrad and the Polish voivodeships of Warmia-Mazury plus Gdansk, Gdynia and Sopot (Misiunas 2004, pp. 400-406; Diener and Hagen 2011, pp. 578-581. More on this in Żęgota's and Schmidt-Felzmann's's papers). In addition, a variety of region-specific and border-transcending local arrangements have been put in place (Yann et al. 2015). Before being abrogated by Poland in 2016, the visa-free arrangement was not just important in reducing Kaliningrad's isolation and nature as a mere object of policies designed elsewhere but also in providing it with the option of influencing its nearby environment. The oblast may increasingly link into the Baltic Rim by partaking in the various political, economic and cultural arrangements premised on networking and border-transcending cooperation. Or to express it in somewhat more abstract terms: Kalingrad may convert its postmodern being, one frequently seen as a source to its problems, into an asset.

Problematizing Russia's being

The oblast has stood out, with regard to Russia's self-understanding, as something inherently problematic in at least two different ways. Firstly, its post-Cold War position has added to the spatial discontinuity that was there already during the Soviet period but has become far more pronounced with the demise of the Soviet Union and Kaliningrad's transformation into an enclave/exclave. Secondly, a rather profound question pertaining to Russia's sovereign being has emerged. This is because the region may at least potentially be as much influenced by the policies of the EU as those of Russia itself. Or seen from a somewhat different perspective: does Kaliningrad's nature as an entity at the interface between Russia and the EU amount to a dangerous breach of Russia's territorial integrity and more generally the country's still quite modern identity? Or does it instead stand out as a resource in the sense of forming a bridge that allows Russia to link in with the rather integrated, spatially blurred and postmodern EU?

And more broadly: is Russia able to coin an identity that is in tune with Europe at large? A positive answer would be significant as it would add to Russia's ability to deal proactively with an overlapping case such as that of the Kaliningrad region. It would not just remain as an object unavoidably exposed to and impacted by Europe's increasingly postmodern nature. It could also – due to an altered self-understanding – be able to position itself as a subject willing to contribute to the unfolding of a distinctly postmodern Europe. It could at least in some ways join the European project of togetherness with peace as the unifying signifier.

This is to say that the nature of the Oblast as a both/and type of entity unavoidably raises some rather profound and problematic questions. They have not been easy to address and it has been at least as difficult for Russia as for the EU to provide durable answers (Morozov 2010). It has to be noted, however, that the challenges faced by these two entities have been of a quite different nature. This is because there has been a temporal difference present. The Union already has a postmodern identity – with Kaliningrad then depicted as a deviation that may pollute the EU's being if allowed to move from the exterior towards the interior. In the case of Russia the reading has been a quite different one. The oblast, as an issue to be settled jointly with the EU, calls for adding postmodern elements into Russia's still rather modern being.

Overall, the oblast may be comprehended as an issue that is bound to undermine Russia's predominantly modern being and facilitate the country's move in a postmodern direction. This has to take place if Russia wants to be in tune with the more general European developments. Yet the Oblast may also be utilized in Russian efforts to stay with a modern self-understanding. This would be done by comprehending Kaliningrad's being as something border-breaking and presenting the region as being unduly exposed to some rather problematic influences. These

influences would be problematic not just by endangering the region's position as an integral part of the country but even more so by unsettling Russia's self-understanding. Thus, the efforts to sort out Kaliningrad, as an entity beyond the ordinary and an actor that does not easily fit in, have made it mandatory to address questions that reach far beyond the region as such and pertain to Russia's being as a whole.

Notably, these identity-related discourses at least initially facilitated rather than hampered the adoption of a distinctively cooperative approach, one premised on Russia viewing itself as an integral part of Europe and firmly European in essence. Such an understanding then allowed for aspiring to the position of an increasingly central actor in European decision-making and, in consequence, also reaching out for some 'actorness', positioning Kaliningrad within a distinctly postmodern Europe. This agency has, however, diminished over time with Russia increasingly defining itself as a kind of Russian Russia, an 'authentic' entity largely detached from Europe if not overly anti-European in nature.

The key discourses pertaining to Russia's essence and presence on the national scene have been outlined as either liberal, centrist, or conservative in essence (Hopf 2016, p. 229). Initially the liberal discourse became quite influential, although not dominant in any exclusive manner during the early years of post-Soviet Russia. It had to compete with a conservative discourse within a rather polarized setting. Quite rapidly, however, it lost its standing, providing the centrist discourse with the option of turning hegemonic. Importantly, the dominance of the centrist discourse was cemented by incorporating quite a number of elements and themes initially part of the liberal as well as conservative discourses (More on this in Sergunin's paper).

What is relevant in view of Kaliningrad is that the liberal discourse contained at least some elements potentially applicable in efforts to outline a pro-active and integration-based Russian policy. A core idea advanced by the Liberals was that Russia – in order to remain a major actor on the international scene – had to become an integral part of Europe and more generally the West. Their efforts of reaching out, particularly in economic matters, also implied that the position of the oblast at the interface of Russia and the EU could be conceived as an asset. It could be exploited in the various efforts of linking up with the rest of Europe.

Arguably, the initial strength of the Liberals meant that policies related to hard security to some extent lost their standing, in the view of the oblast as well as other areas. There was less emphasis on Kaliningrad as a military outpost and more preparedness to reach out towards the environment on terms basically set by the EU. The Russian political leadership was even able to take initiatives of its own rather than merely reacting to proposals made by other European actors. It could outline visions pertaining to an increasingly de-bordered Europe with Kaliningrad as a focal point for such policies. This was exemplified by the proposal for a 'Baltic Schengen' which was made by the former Prime Minister Chernomyrdin in 1998. The aim of such proposals was to reduce the restrictive impact of borders in the area through different and more relaxed visa procedures.

Still another move in the same direction consisted of Russia's approval of the placing of issues pertaining to Kaliningrad on the EU's agenda. These efforts helped make it possible to admit that the region stood out as an issue that had to be tackled through joint efforts. Kaliningrad could also, in calling for special attention due to its nature as an entity located at the interface between the Union and Russia, be turned into a 'pilot region'. The special arrangements pertaining to it could then – if they proved to be successful – be extended to cover Russia's north-western parts more generally (Joenniemi 2000, pp. 162-163).

More broadly, the liberal view that Russia belonged to the European space provided them with the option of taking the lead, at least on some occasions. They did so by outlining measures and suggesting solutions to the Kaliningrad puzzle premised on rather postmodern thinking. They

could hence somewhat paradoxically challenge the Union's rather modernist understanding of its exterior.

However, the preconditions for the pursuit of proactive policies were already quite feeble to start with. Quite soon, they were undermined by the internal political struggles in Russia as well as the Union's basically dismissive approach. The liberal dominance was quite short-lived and restrained from the very start by the paradigmatically quite different and inherently modern self-understanding advocated above all by the conservatives. The Liberals were discredited early on by the rather harsh realities pertaining to Russia's economic collapse and ills such as rising crime and rampant corruption. The demise of the Liberals then implied that the Centrists could take over and they did so by reducing significantly not only the impact of the Liberals on foreign affairs but also that of the Conservatives (Hopf 2016. More on this in Sergunin's paper).

As such, the aspirations of the centrist forces were at least initially pro-European in essence, although with Europeanness conceived in a rather cautious way based on quite modern paradigms. Russia has been depicted as a rather traditional great power. The fact that it has failed to anchor itself as a partner in the construction of an increasingly postmodern Europe has amounted to a pursuit of policies that are in a number of ways anti-European in essence. With the economic problems left over from the more liberal period remaining to some extent unsolved, more emphasis has been placed on hard security. In short, the Russia of the centrist forces is an entity seen as exposed to many unwarranted influences from abroad and constantly threatened by external actors. The changes in self-understanding – including a far stronger reliance on some aspects of the Soviet legacy – have then implied that issues pertaining to hard security have increased in priority.

The emphasis on hard security in the efforts of anchoring Russia spatially in a rather modern manner has then amounted to the employment of military means in Ukraine, including Crimea. This has also undermined the prospects for any further progress regarding Kaliningrad. The sanctions imposed among others by the EU, as well as the increasingly critical views prevalent in Lithuania and Poland concerning Russia's policies, have unavoidably reduced the prospects of making use of Kaliningrad's special qualities in any positive manner (Oldberg 2015).

It is also worth noting that Russia's quite modernist approach with an increased emphasis on hard security, strict bordering, and turning away from Europe has not been conducive to the emergence of a cleavage between the oblast and mainland Russia. Europeanness appears to be in decline, whereas Russianness has been on the increase. This is also the case with the self-understanding of the Kaliningraders. The inhabitants seem to have moved in the very same direction as Russia at large. Arguably, the increased impact of not just of the centrist but also the conservative discourse in the way in which the Kaliningraders construct the region's identity contributes to policies based on bordering rather than de-bordering. They too increasingly aspire to stay aloof instead of linking in to their nearby environment in order to shield themselves against influences generated in the immediate exterior, or for that matter, in Europe at large (Klemeshev et al 2017). Rather than capitalizing on their in some ways unavoidably postmodern being, they have increasingly associated themselves with the conflictual and oppositional departures which are part of the general development in Russia.

Concluding reflections

We are, in a way, back to the past. Kaliningrad is being increasingly slotted into a quite conventional and polarized either -- or frame and conceptualized as an issue related predominantly to concerns pertaining to hard security. Visions of the region developing into

some kind border-blurring entity have been undermined by the employment of impeccably modern images such as those of a 'battle-station' (Sukhankin 2017).

The aspirations for old-fashioned modern clarity are in some sense back, with issues such as sovereignty, territorial integrity and border-drawing high on the agendas and increasingly constitutive in impact. As a consequence: Kaliningrad is again seen as a problem, although now predominantly as a quite traditional military one.

This certainly makes life easier for Russia in identity terms, since the danger-infused discourse allows for a return to its traditional being. It reduces pressures of moving over to an identity better in tune with a co-operation-based, integrated and basically postmodern Europe. Somewhat ironically, the EU may also be at home with the fact that Kaliningrad can now be slotted in the category of rather modern problems and no longer stands out as clearly as it used to as a deviant case in the Union's exterior.

One may, however, also argue on good grounds that the current state of relief is not there to stay. The political landscape is turning increasingly postmodern, and it does so despite considerable resistance in Europe as well elsewhere in the world. For sure, there may be serious issues pertaining to security involved but they tend to be postmodern rather than modern in essence. Remedies are certainly called for but they have to be of a postmodern rather than modern kind in order to work. It may thus be argued that the current dominance of rather modern approaches, on the part of the EU as well, is far from durable. The fact remains that Kaliningrad basically figures as a postmodern issue. Durable solutions can only be found if this is fully recognized, however difficult this is in view of the identity-related challenges encountered both by the EU and Russia in trying to sort out the Oblast.

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Kaliningrad – A Danger Zone for EU-Russia Relations

Lars Grönbjerg

Introduction - the problem with en- and exclaves

The focus of this article is on transit issues, not on economic and military matters. The issue is seen from Brussels (For a Lithuanian perspective, see Lopata 2006). The following definitions are used: An enclave exists when a country falls in two parts so that traffic *over land* between them requires passage through another sovereign country. The word exclave is used when an enclave is considered from the perspective of the mother country.

The main problems with en/exclaves in the modern world are:

- Passage across another sovereign state may cause problems if political relations are poor.
- The mother country may have difficulties maintaining economic and political control over the exclave, especially if the distance is significant.

The following are a few exceptions to the compact-state normality. The list should convince anyone that ex/enclaves can be problematic.

STATE	Territory that can only be reached overland through another state
Azerbaijan	Nakhichevan
USA	Alaska
Oman	Musandam
Russia	Kaliningrad
Armenia	Nagorno-Karabakh

Going back to the 20th century, we find some additional enclaves:

Pakistan	East Pakistan, now Bangladesh
Germany	East Prussia
Germany	West Berlin

Impressive research has been done by Vinokurov (2007) who has identified almost 300 enclaves. Many of them are small but may nevertheless lead to political problems. En/exclaves may be costly and cause trouble but they are not easy to eliminate by peaceful means. Mother countries are generally reluctant to give up control over even small exclaves.

Problematic en/exclaves are found in Central Asia and along the India-Bangladesh border. Alaska is a positive example. It has existed for about 150 years, which proves that exclaves can become old and live peacefully if the mother country and the transit country trust each other enough to find solutions to practical problems that easily arise. Lack of trust spells danger.

Europe has a number of en/exclaves, several of which serve as touristic curiosities, such as those along the Dutch–Belgian frontier. Kaliningrad Oblast is the only one of significant size and with potential political problems. Research has given rise to a large number of definitions

of doubtful value. A useful theory of enclaves will not be easy to develop. West Berlin was no doubt the most dangerous exclave in recent history, but it is also the only such entity which has been eliminated by peaceful means. Definitions and theories of en/exclaves can hardly help explain the timing and result of this development.

EU-Russia relations and the Kaliningrad en/exclave

To understand the seriousness of the problems related to en/exclaves, it is useful to look at the issues that were brought up during the 2002-04 EU-Russia negotiations about the Kaliningrad transit. Transit of people was the most difficult problem. The core of the problem was a clash of sovereignties, which cannot be solved in theory. There cannot be overlapping sovereignties. The initial positions were wide apart.

1. The Russian position

President Putin was personally engaged in the negotiations and raised the matter bilaterally with European leaders. He appointed as his personal representative the head of the Duma committee for foreign relations Dmitrii Rogozin.

The Russian side started by demanding the right for any Russian citizen to move freely inside Russia. Free movement of Russian citizens between Kaliningrad and other parts of Russia was (according to the Russian interpretation) a human right guaranteed by the European Convention on Human Rights (Art. 2). A denial of this right would be a violation of Russia's territorial integrity.

The concept of a visa (and flexibility of visa rules) played a role in the negotiations but it should be noted that it is irrelevant in theoretical terms. A visa is a petty-bureaucratic thing which allows a country to sort visitors before they arrive at the border. A visa does not give the traveller any rights. The state can always reject entry. This was clear for the Russian side from the beginning. Therefore, the preferred solution was a corridor under Russian sovereignty through Lithuania. This would give rights to Russian citizens and detract from the rights of Lithuania, which would not be allowed to conduct any control of the travellers. At the summit meeting of the Council of the Baltic Sea States in 2002 President Putin pointed to the Berlin corridor as a model (Ministry of Foreign Affairs, 10 June 2002). German Chancellor Gerhard Schröder objected quickly and publicly to this idea.

Although it was later denied, Russian diplomacy also proposed a corridor modelled on the "Polish Corridor" set out in the Versailles Treaty. This gave Germany freedom of transit to East Prussia with most favoured nation status. This meant a considerable reduction of Polish sovereignty on its own territory. In the run-up to the Second World War, the German government additionally demanded a train and Autobahn corridor under full German sovereignty. This demand served to add justification to the German attack on Poland on 1 September 1939 (Internet archive).

For the Russian side, it proved counterproductive to present these corridor proposals. They revealed a lack of historical understanding in Russian diplomacy, since they had very negative connotations in Europe. The first was associated with the start of the Second World War and the second with the risk of a third world war. No EU country could be expected to support these models. Rogozin realized this and shortly after his appointment, he made clear that Russia did not seek a Berlin or Polish corridor.

Still, the Russian presentation of the corridor model made clear to the EU that the Kaliningrad issue was a real danger and required the highest attention. The focus in Brussels shifted from finding a flexible solution to avoiding a corridor and a reduction of Lithuanian sovereignty. The

EU position formulated in September 2002 contains almost as a slogan "No corridor!" (European Commission, 2002).

After the firm rejection by the EU of any subtraction from full Lithuanian participation in Schengen, the Russian side made several different proposals for flexible rules, including a continuation of the existing de facto visa-free travel regime through Lithuania. However, these proposals were rejected, since they would not allow Lithuania to join the Schengen agreement.[4]

The EU position

The EU wanted to secure Lithuania's ability to become a full member of the Schengen area. This required that Lithuania would be able to fully control its border vis-à-vis third countries, including the right to refuse entry for any non-EU citizen. This allowed only very limited flexibility regarding border control vis-à-vis Russia.

Denmark held the EU Council presidency during the second half of 2002 and led the negotiations together with the European commissioners for external relations, enlargement and legal affairs. Denmark (also for domestic political reasons) had defined as its objective that the Baltic countries could join the EU as full members without reservations. This position left practically no room for "flexible solutions" regarding Schengen rules. Other EU countries, especially France and Italy, were more willing to consider flexibilities following contact with President Putin.

EU-Russian relations were negatively influenced by the war in Chechnya, which spilled over into the Kaliningrad negotiations. Danish-Russian relations reached a low point shortly before the final negotiations. Russia strongly objected to a Chechen conference held in Copenhagen on 30 October 2002. It demanded that the Danish government cancel the conference and arrest and expel a Chechen leader, Akhmed Zakayev, to Russia. This coincided with the Chechen terrorist attack on the ***Dubrovka Theatre in Moscow***. At short notice, President Putin cancelled his state visit to Denmark. The EU-Russia summit on 11 November 2002 was moved to Brussels. The atmosphere at the summit was negative as can be seen from aggressive press statements by President Putin who tried to renegotiate the compromise during the meeting (President of Russia 2002).

2. The compromise

The compromise reached on 11 November did not give Russia freedom of transit. It maintained full Lithuanian sovereignty and required a visa regime that met all EU regulations. The compromise consisted in renaming "visa" to "Facilitated Rail Transit Document" (FRTD) and using an innovative procedure for processing this document (European Union Joint Statement 2002). The FRTD uses a special feature of the Russian ticket system, which registers a ticket order electronically, including the personal information of the traveller. This allows the ticket request to be sent quickly to the Lithuanian consulate, which can use it as a visa application. The consulate could transmit a visa refusal to the Russian ticket office which would then not issue the ticket. In Brussels it was welcomed that Rogozin used his considerable rhetorical skills to present the compromise as a Russian victory, since it gave hope that Russia would not request changes to the compromise. This expectation was not completely fulfilled, as Russia continued to press for more flexibility during the following negotiations. However, the compromise was eventually accepted in time for the EU enlargement. Some Russian experts, especially Sergei Karaganov, saw the compromise as a Russian diplomatic humiliation (Karabeshkin and

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[4] For a comprehensive account of the political and economic context of the negotiations as well as the various Russian proposals, see Oldberg 2001, pp 44-47, and recently Maass 2017).

Wellmann 2004, p. 88). The transit arrangement did not function perfectly from the start. Some time after its introduction, a number of Russian citizens were forced by Lithuanian border guards to leave the train because their documents were not in order. This gave rise to negative reports in the Russian press (Rostoks 2003), but the Russian authorities were apparently determined to keep the problems under the lid.

Transit of goods

Transit of goods also presents problems of both a principle and a practical nature. Russian transit goods should not be taxed in Lithuania and there had to be arrangements to prevent that such goods could be diverted customs-free to buyers in Lithuania. A special issue was transit of live animals. Transported animals could be a danger to animal health in the EU if they escaped from the transport inside the EU. It took quite a long time to solve these practical problems and a solution was only found in 2004. Here it should also be emphasized that legal solutions do not guarantee that practical problems will not arise.

3. A very fast train

The word "corridor" is not found in the compromise Joint Statement of 11 November 2002, but the idea was not quite given up on the Russian side. Paragraph 10 notes a proposal for a "closed high-speed non-stop train" that would allow free transit.

High-speed and closed wagons were considered necessary to avoid illegal immigration into the EU. The brutal question was: how fast must a train travel to make it clear for any traveller that jumping off would result in certain death? As later experience elsewhere has shown, immigrants may be ready to take high risks and many die on the journey to their chosen host country. A too slow train would invite illegal immigrants.

The Commission asked a consultant to estimate the costs at three different speeds: 160 km/h, 200 km/h, and 250 km/h. The costs were €100 million, €340 million, and €341 million respectively (the last option included a new railway) (European Commission & Cowi 2004). It was clear that these costs could not be justified and the project was not pursued.

The chosen solution was a daily, low-speed train from Moscow through Lithuania. It was locked so the passengers could not leave. It stopped for border controls for up to three hours in each direction. The train was under GPS surveillance and the Lithuanian police were ready for urgent action if the train had to stop for any reason. It was a strange animal in modern Europe, but it fulfilled its purpose. In the years up until 2006, no illegal immigration to the EU had been noted (European Commission 2006, p. 8).

Economic integration – in the mother country or in the transit country?

The economic integration problem that arises with en/exclaves is related to the cost of transport (Vinokurov 2007). A business in Kaliningrad can sell products in Russia, but it has a competitive *dis*advantage compared to producers closer to the main Russian markets. The distance from Kaliningrad city to the closest Russian regional centre is 800 km, which is significant for most physical products.

Alternatively, Kaliningrad producers can try the closer markets of Vilnius, Riga or Warsaw. The choice will have consequences over time for where Kaliningrad will integrate, whether it will integrate more into the EU or into Russia. A producer focusing on the EU market will have to adjust to EU norms, standards, fashions etc. This is a choice with possible political consequences, if the interest of businesses and people in general in being part of Russia weakens.

Local Border Traffic and Cross-Border Cooperation

Polish-Russian regional cooperation gained a new dimension on the 27th of July 2012 when the Local Border Traffic (LBT) agreement entered into force allowing visa-free border crossing between Kaliningrad and Polish areas near the border. It had considerable effects on trade, tourism and people-to-people contacts. The arrangement became popular both in Kaliningrad and in the adjacent Polish regions. Fear of increased crime and other problems did not materialise (Dudzińska and Dyner 2013).

Nevertheless, the agreement was suspended by the Polish government on 4 July 2016 for security reasons related to the NATO Summit in Warsaw on the 8 and 9 July 2016. It has not been reintroduced. No local border traffic agreement has been concluded between Russia and Lithuania.

The cooling of EU-Russia relations since 2013 has had some negative effects on political relations in the Baltic Sea Region. These have included the cancellation of ministerial meetings in the Council of the Baltic Sea States. However, on the positive side, it can be noted that cross-border cooperation is continuing in the framework of the EU Strategy for the Baltic Sea Region. High expectations are linked to the Poland-Russia Cross-Border Cooperation Programme 2014-2020. This may create a basis for deepening bilateral collaboration and become a starting point for expanded cooperation once the political situation improves. Another hopeful sign is that, for the first time since 2013, a meeting of foreign ministers took place in the Council of the Baltic Sea States in June 2017[. This is a possible sign that practical cooperation in the Baltic Sea region may continue in some form despite the current political conflicts.

The danger of trivial problems

The danger of the enclave issue has been evident in connection with the EU-Russia disagreements since the second half of 2013. During the Lithuanian EU presidency, Russia introduced restrictions on import of Lithuanian food products claiming that they did not meet Russian sanitary standards. Russia tightened customs checks, leading to long delays at the border. Russia also put pressure on the Lithuanian presidency of the Eastern Partnership Summit in November 2013, seeking to prevent closer Ukrainian integration in the EU. Russia pressed Lithuania to withdraw its claim concerning discriminatory gas prices from the Stockholm Arbitration Tribunal. These issues were not part of the en/exclave issue.

Nevertheless, the Lithuanian foreign minister took up the enclave issue. Asked whether Vilnius might retaliate, Foreign Minister Linas Linkevičius said:

> "We could also apply the same measures…. As you know, the Kaliningrad region is isolated, geographically isolated, so we could apply some measures also to cut something," … "Transport, we could cut off trains, but not only trains, also the supply of goods, whatever. It is theoretically possible. It was not discussed, it is not our way of thinking, it is not our methods," (Lithuanian Ministry of Foreign Affairs, Reuters, 2 October 2013)

EU policy towards Kaliningrad

The EU policy aims are formulated as follows (Delegation of the European Union to Russia 2016):

- To promote the sustainable development of Kaliningrad as an integral part of both Russia and the Baltic Sea region;

- To help ensure efficient transit of persons and goods between Kaliningrad and the rest of Russia and to solve practical problems that may arise as a result of the region's enclave position;
- To help protect the environment in Kaliningrad and the Baltic Sea region;
- To make Kaliningrad a positive example of cooperation between the EU and Russia.

It is in accordance with the argument of this article that the formulation of the EU aims highlights the readiness to "solve practical problems" related to transit. It is a recognition that practical problems can arise and that a danger exists if the political will to solve them is absent, for example because of general political problems in EU-Russia relations.

Conclusions

Denial of transit for a Russian citizen can happen any day. A provocation related to the transit rules could easily be arranged. So far, the parties have accepted the transit arrangement and practical problems have been small in number. It is crucial that the readiness to solve practical problems can be preserved. Lack of will to solve trivial problems can quickly create problems when political relations are worsening. This could place Kaliningrad in the group of enclaves that are not strangers to conflict (including military conflict).

Here is a strong argument for finding a way out of the current EU-Russia stalemate and costly sanctions regime. It is called conflict prevention. Important elements are continued cross-border cooperation and easy passage of the borders.

This leads to some hypotheses.

- Enclaves are rare because they create problems for modern states, in particular with respect to transit and possible integration into transit states leading to concerns about mother state control.
- Enclaves are short-lived unless supported by cooperation between the relevant states. History shows that, where trust is lacking, ex/enclaves may cause serious conflicts.

The current arrangement for transit between Russia and Kaliningrad can only survive if the EU and Russia maintain a minimum of trust related to the practical issues that can arise in the context of transit and cross-border cooperation. It is a worrying fact that trust has declined due to the worsening of EU–Russia relations which has occurred since 2013.

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The Kaliningrad Oblast: An Area of Cooperation and Conflict of Interests between the Russian Federation and the West

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Introduction

The political upheavals in Central-East Europe after 1989 and the advancing processes of integration have boosted the importance of the Kaliningrad oblast of the Russian Federation for stability in this part of Europe. They have increased the oblast's importance in two ways: the Kaliningrad oblast provides a unique example of and "laboratory" for cooperation between the European Union (and the West) and Russia. It also plays a crucial geopolitical role in the southern part of Baltic Sea basin (More on this in Żęgota 2016). The Kaliningrad Oblast has entered into interactions with various entities from the EU member states. It has become involved, to some extent, in the network of relations with the EU. This has occurred through integration of local governments, universities, non-government organizations and various cross-border cooperation programmes.

Nevertheless, the Kaliningrad oblast, as a part of the Russian Federation, is also participating in the great integration process carried out by Moscow in the post-Soviet area. This process has been marked by former Soviet republics entering into agreements of a political, military and economic nature. The crowning achievement amongst these agreements seems to be the initiation of the Eurasian Economic Union in 2015. The Kaliningrad oblast is thus an area where two great integration processes are intersecting. One aim of this article is to present key conditions for the security of Central-East Europe in relation to the Kaliningrad oblast. It also seeks to analyse the importance of this Russian region in the context of past (and potential) cooperation between Russia and the West.

Specificity of the Kaliningrad oblast as a subject of the Russian Federation

A key characteristic of the Kaliningrad oblast is its geographical location: the region is an enclave, "squeezed in" between Poland and Lithuania, territorially disconnected from the main part of the Russian Federation. The peripheral nature of this region in relation to other Russian territories is accompanied by its geographical proximity to Central-East European states, which has an influence on the opportunities for establishing economic and social contacts on various levels.

The region is an area with less than 70 years of history. No social or political structure of a similar territorial shape or national identity existed here before. It was created as a result of decisions made by the allied powers at the end of World War II, mainly for geopolitical and geostrategic, not for historical or demographic reasons (Kretinin, Briushkin and Galtsov 2002, p. 452). As a consequence, after the war the demographic and material setup of the region was not rooted in any previous history or tradition. The legal formation the oblast and the establishment of its borders took place during the period 1945-1957. The year 1946 marks the formal establishment of this area as part of the USSR and, currently, the Russian Federation.

The Kaliningrad oblast was meant to become – according to the intentions of its creators – a model Soviet community. The national diversity of the region reflects, to some extent, the multi-national character of the Soviet Union and, later, the Russian Federation. It has Russians as the majority of the population (86%), Belarusians and Ukrainians (3% each), Lithuanians and Armenians (1% each) plus peoples from the Caucasus and Central Asia. A significant element determining the character of the oblast community is also the clash of two opposing

tendencies related, on one hand, to the drive for closer integration of the region with "big" Russia and, on the other, with the desire to gain special autonomous status within the Russian Federation (Kronenfeld 2010, p. 159-161). In recent years, federal authorities have undertaken a series of initiatives aimed at tightening cooperation between Russia and the region. Amongst these, the most important were a procedure introduced in 2004 concerning the appointment by Moscow of governors of the federal regions (revoked in 2012) and the implementation in 2006 of a programme for relocating Russians from former Soviet republics to the oblast (Rogoża, Wierzbowska-Miazga, Wiśniewska 2012, p. 10-11).

The Kaliningrad oblast in Russian security policy

The approach of Russian authorities towards the Kaliningrad oblast is based on the fact that it is an integral and significant part of the Russian Federation, particularly from the point of view of national defence and security. This has also been recognized by the Polish authorities (Chełminiak 2009, p. 152). All discussions held over the last dozen years or so concerning the special status of the region or the need to introduce economic privileges must take into account the inseparability of relations between the region and "big" Russia.

The significant dependence of the region on federal authorities has political and systemic dimensions. Currently, the decision-making ability of the oblast government is highly limited. Most decisions concerning the social and economic development of the region are taken at the central level. Both the Constitution and a series of other legal regulations at the federal and regional level make the oblast only a tool in Russian policy, depriving it of any major importance as an autonomous political and spatial entity.

The Kaliningrad Oblast is one of the 83 subjects of the Russian Federation, and its political system is thus to a large extent determined by the structural system and the political scene of Russia. An important means of keeping federal control of the region is also its military character. The region is part of the North-West Federal District and the Western Military District of Russia. It is an important component of the Baltic naval zone, the objective of which is to maintain Russian military presence in the Baltic Sea basin. The region is characterized by a developed military infrastructure, based on a system of land, air, and naval military bases. A significant element of this infrastructure is the Russian Baltic Fleet, with naval bases in Baltiisk, Primorsk and Kaliningrad (Sakson 2014, p. 114). Ground forces in the oblast include infantry, missile, artillery and motor brigades stationed in Baltiisk, Kaliningrad, Gusev and Cherniakhovsk. Major combat units of the air force are located at the bases in Chkalovsk and Cherniakhovsk and a helicopter regiment is located in Donskoe and Liubino. To complete the picture, it should be added that the Kaliningrad oblast is also an area where several reconnaissance and anti-aircraft units are located. The main centres are Pereslavskoe (radio-technical regiment), Gvardeisk and Znamensk (missile defence regiments) (Ciechanowski 2014. See Sergunin's paper).

After 1991, the number of troops garrisoned in the region was estimated to be between 40,000 and 100,000 soldiers and sailors (Abramov 1998, p. 27, Galtsov 1996, p. 210). Although these numbers were gradually reduced in the 1990s, the region still plays a significant role in Russian military strategy (Sakson 1997, p. 247, Szymański 1999, p. 143-149). The Russian government has supported the need to maintain the military nature of the region in view of its strategic importance. According to this concept, it was a vital interest of the Russian Federation to keep significant ground and naval forces in the region. Despite the clear reduction of military potential in the region in the 1990s, it should be expected that the Russian side will not refrain from taking advantage – at least in political rhetoric – of this potential. This is exemplified by

its repeatedly announcing the deployment of short- and medium-range missiles (Szeligowski 2013, Oldberg 2015, p. 8-9. More on this in Sergunin's paper).

The Kaliningrad oblast in relations between Russia and the West

The process of European and Euro-Atlantic integration has also involved the Kaliningrad regionand its neighbours. With the enlargement of the European Union and NATO between 1999 and 2004, Kaliningrad has become an area bordering on member states of both structures. Thereby, the region has become one of the key issues in EU–Russian and NATO–Russian relations. To a certain extent the region had defined common operations at the level of central institutions and in bilateral relations between Russia and Poland, Lithuania, Germany and Nordic states – serving as a benchmark as regards the temperature and quality of those relations.

Issues related directly and indirectly to the Kaliningrad Oblast have been addressed in numerous policy papers on EU-Russian relations which were elaborated and adopted at EU-Russia fora. The first paper was the Common Strategy of the European Union on Russia, which was approved at the summit of the European Council in Cologne on 4 June 1999. One of the key intentions contained in the paper, and related to the Kaliningrad Oblast, was to enhance Europe's cohesion through regional and cross-border cooperation (Dziewulski, Hyskawy 1999, p. 1-7). Another important document for EU-Russian relations and cooperation on the Kaliningrad Oblast was the Medium-Term Strategy for the Development of Relations between the Russian Federation and the EU (2000-2010), which was published in October 1999 (Menkiszak 2006, p. 3-32). The Kaliningrad issue was also addressed in other documents and discussed at numerous events that constituted a part of EU-Russian relations. The European Commission report "The EU and Kaliningrad", which was published in January 2001, identified a number of risks and benefits for the Kaliningrad Oblast of European Union enlargement eastwards (Gemziak 2008, p. 347). In turn, the Communication from the Commission to the Council and the European Parliament on relations with Russia (February 2004) emphasized the need to establish friendly relations with the Russian Federation, in particular through the creation and development of cross-border cooperation. The document also envisaged liberalization of the visa policy towards Russia and its border areas depending on progress in the modernisation of the economic and political systems (Menkiszak 2006, p. 28-29. See also Schmidt-Felzmann's paper).

The enlargement of the European Union and NATO to the east, and the involvement of the Kaliningrad Oblast in European cooperation, became the basis for concerns expressed in some Russian circles about the growth of separatism in the region. According to those opinions, various initiatives carried out by western states, related to deepening cooperation with the Kaliningrad oblast, aimed to promote the awareness in the region of its distinct character as "the westernmost" outpost of Russia. However, the separatist tendencies in the region were actually marginal. The Russian side was even suspicious of proposals from western states to establish social, economic and political contacts with the oblast.

At the same time, it should be emphasized that the Kaliningrad region will continue to be one of the key issue areas in EU-Russian and NATO-Russian relations. The oblast, as part of the Russian Federation, is also an element of the great Russian project of reintegrating the post-Soviet area that has been pursued since the beginning of the 21st century. The region is to form a natural zone of Russian interests in Central-East Europe, thus posing a threat to the Baltic States and Poland. The region is a key means in the Russian Federation's geo-strategy as it serves to cut the Baltic States off from their NATO allies in case of a military conflict. For that reason, the Kaliningrad oblast has been a crucial element of Russian military manoeuvres in recent years (Norberg 2015, p. 65-74, Zdanavičius, Czekaj 2015, Rosyjsko-białoruskie

ćwiczenia 2015). Measures by NATO and the United States to install elements of more permanent military infrastructure in Poland and the Baltic States are perceived as serious threats to the Kaliningrad oblast and Russia at large, justifying Russian countermeasures (Oldberg 2015, p. 9. See also Sergunin's paper).

However, Kaliningrad's role can also be analysed at the regional level, looking at its bilateral relations with its EU and NATO neighbours in the economic and social-cultural fields. The most advanced cooperation is observed vis-à-vis Poland. A significant achievement was the introduction in 2012 of local border traffic without visas between the whole of the Kaliningrad Oblast and the adjoining Warmia-Mazury and Pomorze regions. This also served as a tool for engaging the oblast in the network of European cooperation and allowing it to play a role as a laboratory of cooperation between Russia and the West. The relatively short term operation of the mechanism showed that the local border traffic at the Polish-Russian border created a number of tangible advantages for the residents of the border areas, strengthening social and cultural contacts. Local border traffic also facilitated the development of tourism in the northern part of Poland and the Kaliningrad oblast. It contributed to the economic development of the regions and was a laboratory for change in the visa procedure for Russian citizens.

However, the agreement was suspended by Poland in 2016. reasons for maintaining it were undermined by growing Russian hostility towards Poland and the West as a result of their support for Ukraine and opposition to Russia's military intervention there. After the suspension of the border traffic agreement there was a significant drop in the number of Russians crossing the border. In July 2015, the number of Russian's crossing the border was over 300 000, while in the same period of 2016, the number amounted to 199 000 (Osobowy ruch graniczny 2016, p.1).

According to many experts and observers, the decision to suspend the local border traffic was primarily political. Polish authorities emphasized that the mechanism was mainly used for smuggling activities, which resulted in significant losses for the Polish state budget. Yet, after a few months, a resurgence of border traffic across the Polish-Russian border was observed, which suggests that the negative impact of the suspension of visa-free regime on the development of Polish-Russian cross-border cooperation was not so large.

Conclusions

The arguments for defining the role of the Kaliningrad oblast in relations between the Russian Federation and the West can be summarized as follows. The geographical location of the region means it is predestined to play the role of a specific safeguard of Russian interests in Central-East Europe. Although the size of its area, population, and economic structure do not play an important role in the federal structures of Russia, the region is assigned a special role in Russian strategic documents and in Russian military manoeuvres. These manoeuvres have recently been of an increasingly expansive (and not defensive) character. Secondly, the actions by the Russian authorities in the international arena, notably in Georgia, Ukraine and Syria, in addition to the ambitions of Russian foreign policy concerning post-Soviet area reintegration, indicate that Kaliningrad will continue to be used as an important tool for implementing Russian interests in the Baltic Sea region.

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Kaliningrad in EU-Russia Relations
– The Neglected Enclave by the Baltic Sea.

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Introduction

The place of the *oblast* Kaliningrad in the EU-Russian relationship has shifted over the past twenty-five years. It has shifted between that of an international, high profile problem case to that of a neglected geographic space. While from the mid-1990s until today the Russian exclave has remained part of the EU's regional policy and cooperation frameworks, its visibility and salience in the EU has fluctuated dramatically (see Gänzle and Müntel 2011). From being a focal point of attention, seen as a hotbed of security threats and a laboratory for cross-border integration projects in the heart of the Southern Baltic Sea area, the Russian exclave has fallen into a state of neglect by Moscow, Brussels and the national governments in the region. During the early 2000s, after a decade of concerted political efforts to establish new cooperation formats to address a range of grave and pressing soft security threats in the Russian exclave, the responsibility for addressing continuing challenges with the oblast shifted into the hands of local actors.

The trajectory of the Kaliningrad oblast's move into a state of relative neglect has surprised observers and dismayed many actors in the region that are directly affected by and concerned with the exclave's future, prospects and potential. A couple of years after the 2004 accession of Poland, Estonia, Latvia and Lithuania to the EU, at a roundtable discussion held at Glasgow University in Scotland (see University of Glasgow 2007; CRCEES 2007), we were preoccupied with the question of why Kaliningrad had seemingly vanished from the EU's agenda and what consequences this had. We also discussed whether and how a revival of interest in Brussels and in the national capitals of the states in the region might be possible to achieve. Frustration concerned not just the limited interest in far-away Moscow, but also the loss of high-level interest in the fate of Kaliningrad in Copenhagen, Stockholm and Berlin, that is, in the capitals of those states in the Baltic Sea area that had traditionally been keen supporters and promoters of cooperation projects with Kaliningrad.

This contribution revisits the question of why, more than a decade later, Kaliningrad continues to receive very little political attention from Brussels and Moscow – and why not even the EU member states in the Baltic Sea region keep the Russian enclave on the domestic and regional agenda. It asks also what the prospects are for Kaliningrad in the EU-Russian relationship and how the oblast is affected by the conflict that has resulted from the Russian violation of Ukraine's sovereignty and territorial integrity since 2014. The discussion is structured as follows: the first part addresses the background conditions that have contributed to Kaliningrad's peripheral status in the contemporary EU-Russian relationship. The second part reviews the place of Kaliningrad in the EU's strategies and regional policy frameworks targeting challenges in the Baltic Sea area. The third and final part reflects upon the contemporary developments in the Baltic Sea region and the EU-Russian relationship in order to draw conclusions about the prospects for Kaliningrad beyond 2018.

Kaliningrad's peripheral status in EU-Russia relations

With the restoration of the Baltic states' independence and the emergence of Kaliningrad as a Russian exclave in 1991, the oblast also became an issue of concern for the EU. As the preparations for accession to the EU of the three Baltic states and Poland progressed, the

Russian exclave also occupied more space in the EU-Russian negotiations. Kaliningrad was still a high profile issue during the Danish chairmanship of the EU in 2002 (see Gronbjerg's paper). However, after this, for roughly a decade from May 2004 to February 2014, the absence of military conflict and of any high profile disputes regarding Kaliningrad led to a loss of salience on the EU's agenda. Even the national governments of the states located in its proximity, notably Denmark, Germany and Sweden, but even Poland (see Żęgota's paper) shifted their attention away from the Russian exclave and towards Moscow and Brussels (and even Washington). At the risk of oversimplifying, once an agreement had been reached between the EU and Russia on the single most controversial issue – the transit for Russians travelling from the mainland through Lithuania to the exclave, and vice versa – Kaliningrad fell into oblivion in Brussels. This was also illustrated by the absence of the issue from the biannual EU-Russia summit meetings that continued until late January 2014.

Instead, local business and social exchanges defined the practical engagement of the surrounding border areas with the enclave. Despite, or perhaps precisely because of the limited attention paid to Kaliningrad by national governments, practical projects progressed at the local level. An unprecedented arrangement started to work in 2012 facilitating the movement between Kaliningrad and the border regions of Poland that went beyond the Schengen rules and transit agreement of 2002 (see Żęgota's and Sergunin's papers). However, the freedoms granted to the Russian exclave were progressively curtailed with the imposition of stricter control from Moscow as part of a general move towards greater centralisation (Remington 2008; see also Gänzle & Müntel 2011 and Joenniemi's paper).

As Sukhankin (2016) has argued, the successful implementation of the initiative to develop a *Euroregion Kaliningrad*, which sought to foster economic growth through Kaliningrad's integration into the surrounding Baltic Sea region, was hindered by the Russian government. In particular, this was blocked by the Russian government's reluctance to allow the region a greater level of autonomy.

In this context it is necessary to consider the fact that the EU's modus operandi and motivation underpinning its engagement with Russia stood in stark contrast to that of decision-makers in Moscow (for a detailed analysis, see Schmidt-Felzmann 2016). In fact, from the 2000s onwards, the Russian leadership emphasized its 'newly acquired foreign policy independence' and the utility of the EU as a 'powerful geopolitical factor' that could serve as a tool for Russia to enhance its position in Europe and international affairs (MFA of Russia 2007). The interest in Moscow was thus not in resolving joint problems in Kaliningrad, but in restoring Russia's status as a global power. The successive appointment of governors from Moscow strengthened the Russian government's grip over the exclave (see Wisniewska et al 2016). At the same time, the Oblast's dependence on subsidies and supplies from other parts of Russia has been a major factor hampering its economic development. As a result, rather than benefitting from its status as an enclave, surrounded by more prosperous states engaged in reforms promoting economic development, Kaliningrad has suffered from its status as an exclave.

The exclave's – or enclave's – peripheral geographic location from both Brussels and Moscow is another reason why it became neglected (see, e.g., Sanchez Nieto 2011). What is more, for both Poland (see Żęgota's paper) and Germany, which are the two largest states in the region besides Russia itselfthe Baltic Sea area is a rather peripheral space. Despite Germany having an extended Baltic coastline stretching from the Danish border in Schleswig-Holstein across Mecklenburg-Vorpommern to Poland, Berlin has its eyes more fixed on Western Europe, the Mediterranean, and across the Atlantic. True, during the German CBSS Chairmanships and while hosting the EU's Strategy for the Baltic Sea Region (EUSBSR) forum in 2017 (see Auswärtiges Amt 2017), Berlin certainly paid closer attention to the Baltic Sea, including

Kaliningrad (See e.g. Oldberg 2014). However, this has not amounted to a real, lasting increase in high-level attention during the past fifteen years.

In that sense, the rapidly waning role of Kaliningrad in the EU-Russian relationship from 2004 onwards has much to do also with the loss of importance of the Baltic Sea region as a whole (see Browning & Joenniemi 2004). The neglect of the Russian oblast is in that sense not so much a reflection of a conscious choice, but a consequence of the changing conditions and national priorities in the region. This is despite the acknowledgement of serious soft security challenges originating from the Russian enclave, affecting the EU. The European Parliament stated in November 2006 that:

> "the Kaliningrad Oblast is still an enclave plagued with many social, economic and ecological problems, such as the significant ecological risk posed by the presence of the military bases and weapons in the region, the substantial health risk and the high levels of organised crime and drug addiction" (European Parliament 2006, 22.).

It is noteworthy that the military bases and weapons in Kaliningrad region were described as an ecological risk rather than a hard security threat.

The dramatic shift that took place between 2004 and 2014 can be illustrated by the stark contrast between this European Parliament assessment in 2006 and the assessment by neighbouring Lithuania in its National Security Strategy of January 2017 which emphasizes that:

> "the main threat for the security of the Republic of Lithuania is posed by aggressive actions of the Russian Federation […] the concentration of modern military equipment […], large scale offensive capabilities and exercises near the borders of […] Lithuania and other states, especially in Kaliningrad Region (Karaliaučius) (2017, p.5, section 8). […] Having carefully examined the potential risks, a decision will be taken regarding a possibility to co-operate with Kaliningrad Region of the Russian Federation in implementing the European and regional projects" (2017, p. 11, section 18.5.7).

On the other side of the Baltic Sea, Sweden's 2018 foreign policy statement expressed the need for cooperation with Russia, but emphasized at the same time that:

> "[the] flagrant violations of international law [by Russia] are the most serious threat to the European security order since the end of the Cold War" and that "[d]omestic political developments in Russia are also negative" (Swedish Government 2018, pp. 2-3).

Similarly, Latvia's most recent National Defence Concept of 2016 notes that Latvia, as a country in the Baltic Sea area, is negatively affected by the Russian development of military infrastructure and the demonstrations of Russia's military power in the direct vicinity of Latvia's border (Latvian Ministry of Defence 2016, p.3, sections 8-9).

After the quick Russian annexation of Crimea in early 2014, the Baltic Sea region shifted into the international spotlight, as fears of an impending military confrontation between Russia and NATO member states arose in the Southern Baltic rim (Hooker Jr 2015; Shirreff 2017; Thornton & Karagiannis 2016). This fundamentally challenged the perception of the Baltic Sea area as a region characterized by cooperation, rather than confrontation, with Russia.

However, while much international attention has been paid to hard security threats from Kaliningrad, as these are issues that have traditionally been excluded from the EU's agenda with Russia, the sudden attention paid to Kaliningrad has not changed the attitude of neglect in the EU and within the EU's Baltic Sea area. The important role of Kaliningrad in Russia's national security and defence system is undeniable – both due to its central geographic location in the Baltic Sea area and its status and associated logistics problems as an exclave (see Wisniewska et al. 2016 and Żęgota's paper). The Russian military bases, the Russian Baltic Sea

fleet deployment, the Iskander ballistic missile system and nuclear -capable Kalibr cruise missiles (see e.g. Persson et al. 2017; Sanchez Nieto 2011) have received much attention. This has been to the detriment of the Kaliningrad oblast itself, since numerous serious soft security challenges still hamper its development and pose a threat to the surrounding EU neighbours. More significantly, after the Russian aggression of 2014, strict limits were imposed by the Polish government on the participation of Polish border regions in projects with Kaliningrad (see Gronbjerg's and Żęgota's papers).

Clearly, the security concerns felt by Kaliningrad's immediate neighbours after the Russian aggression against Ukraine have created almost insurmountable problems for the pursuit of effective cooperation concerning the soft security problems in the enclave. The Russian reluctance to allow any EU interference in its regions has reinforced the problem. What is more, the Russian emphasis on promoting the development of the Eurasian Economic Union as a counterweight to the European Union at the same time reduces the remaining room for mutually beneficial deeper cooperation between the EU member states in the Baltic Sea region and Kaliningrad. The Kremlin has tried to stop Ukraine, Georgia and Moldova, which have developed closer trade and political relations with the EU, from deepening this cooperation and to (re)integrate them into the Russian-managed Eurasian Economic Union (Krickovic 2014, Roberts and Moshes 2016). This also has consequences for the development of the EU-Russian Common Economic Space (Schmidt-Felzmann 2016) to the benefit of the Eurasian flank, where the exclave is losing out on its competitive advantage. Kaliningrad has no real role to play in the Eurasian trade system and hardly obtains any tangible benefits from the Eurasian Union.

The place of Kaliningrad in the EU's strategies and policy frameworks

The initially high salience of Kaliningrad and its problems in the EU-Russian relationship from the early 1990s onwards found a reflection in the attention paid to the oblast in the different EU-Russian cooperation frameworks. With the central location of Kaliningrad between two EU candidate states it was self-evident that the Russian exclave would play an important role in negotiations on EU accession, but also in the development of closer political relations with the Russian Federation.

Throughout the 1990s and until the present day, the overriding concerns for the EU have been combatting transboundary security challenges and promoting Kaliningrad's ability to take advantage of shared socio-economic opportunities rather than hard, military threats (as seen above). This reflects also the EU's own orientation in external affairs towards non-military tools in promoting stability and peace on the European continent (Schmidt-Felzmann 2014). The exclave's special administrative status significantly exacerbated the economic and social welfare problems that have also been experienced in other parts of Russia and in the Polish and Lithuanian local communities surrounding Kaliningrad.

From its launch in 1997, the *Northern Dimension* (ND) initiative, pushed by Finland and especially supported by Sweden and Denmark, became the EU's main policy framework for dealing with Kaliningrad (for details, see Haglund-Morissey 2008; Aalto et al 2003:7-13; Haukkala 2010, ch.9). It was designed to facilitate the shift from the intense Cold War conflict between the Eastern and the Western bloc towards inclusive cross-regional working practices. The expectation was that it would help promote a close interaction with, and eventual integration of, Kaliningrad and North-West Russia into the EU's regional partnerships (Haglund-Morissey 2008; see also Aalto et al. 2003, pp.7-13).

The most immediate practical concern for the EU and the candidate countries of the southern Baltic Sea rim was to combat the trafficking of drugs and stolen cars to Kaliningrad, illegal migration, and money laundering (Council of the EU 2002, p. 29). In addition, severe problems

with the spread of communicable diseases in the oblast created fears of a spill-over into the EU. As the EU's 2002 report on the Northern Dimension Action Plan noted:

> "The Russian Oblast of Kaliningrad presents particular challenges. Some 50% of the region's population are estimated to live below the poverty line with real unemployment being an average 25% across the Oblast. The region's military status plays a key role in Kaliningrad's situation. Kaliningrad is currently facing a number of serious security problems that should be urgently addressed." (Council of the EU 2002, p. 29).[5]

But it was then already clear that the EU's vision of cooperation with Russia on Kaliningrad diverged from that held by the Russian government. While the EU's focus was on organized crime, environmental problems, diseases and transport, as mentioned above, the Russian interest was first and foremost to obtain visa facilitation (See also Schmidt-Felzmann 2016).

After the implementation of two action plans (2000-2003 and 2004-2006), the Northern Dimension policy framework retained its function as an umbrella for cross-regional partnerships (see Haglund-Morissey 2008; Haukkala 2010). However, the development of the EU's first macro-regional Strategy for the Baltic Sea Region (EUSBSR) pushed the Northern Dimension into oblivion. The Strategy is an intra-EU macro-regional framework, quite in contrast to the more open and inclusive ND. The EUSBSR therefore cemented, from the Russian point of view, the preponderance of the EU in the Baltic Sea region while excluding Russia from its benefits. Russian scholars have raised concerns about these changes, arguing that the EUSBSR prevents Russia's participation in the region and falls short of respecting Russia as an equal partner (Makarychev and Sergunin 2017). The Kremlin's overall extremely negative attitude towards regional integration with the EU has, however, been the main stumbling block. This has reduced the EU's ability to implement transnational projects with Kaliningrad, as Russian federal policies frequently undermined the initiatives supported by the local Russian actors (Makarychev and Sergunin 2017).

While the EUSBSR has drawn more attention to itself since 2009 (see European Commission 2009:2), its value for Kaliningrad is not obvious today. As a more (geographically) narrowly focused follow-on from the ND initiatives, the EUSBSR could again have elevated the whole Baltic Sea region to greater prominence on the EU's agenda. This would have drawn political attention back to the situation of Kaliningrad. But, to start with, and quite in contrast to the ND partnerships, the EUSBSR was largely formulated by the Nordic-Baltic cluster of states, after the European Parliament had requested the drafting of the strategy (see Rūse 2014, pp.237-239). As a result, the EU's Baltic Sea Strategy does not take into account the continuing and future challenges emerging from Kaliningrad. In fact, the Russian oblast, by virtue of being non-EU territory, receives no mention whatsoever in the EU's Action Plan for the EUSBSR, nor in the regular implementation reports (see European Commission 2009; 2012, 2017). What is more, the ND itself became invisible in the shadow of the Baltic Sea Region Strategy, while

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[5] The particular challenges for EU-Russian cooperation in Kaliningrad oblast included: Tackling the spread of tuberculosis and HIV/Aids, counteracting the decline in life expectancy, combatting organized crime and the spread of illegal drug use as well as the trafficking in human beings – in addition to dealing with the environmental situation in Kaliningrad, improving solid waste management and waste water treatment as well as increasing the quality of drinking water supplies, Kaliningrad port development, improvement of transport links from and with Kaliningrad (notably the main road border crossing with Poland and the road border crossing between Kaliningrad and Lithuania and the rest of the Russian Federation via Belarus), enhanced energy cooperation in the Baltic Sea region and improving energy efficiency in Kaliningrad as part of both the EU-Russian Energy Dialogue and the ND policy framework (Council of the EU 2002).

the CBSS maintains a marginal role and profile in the region, despite the high level of activity that the Council is engaged in across the region (Oldberg 2014).

This shift in attention and change of EU policy had created a real challenge for the Kaliningrad enclave and its immediate neighbours long before the annexation of Crimea created additional obstacles to EU-Russian cooperation. The ND partnerships continue to run, but since the mid-2000s they have failed to obtain any high level political attention. The EUSBSR, which has gained a certain level of political support, ignores Kaliningrad by virtue of its status and the difficulties experienced by EU actors in their attempts to develop effective cooperation with Russia at a regional level. It is clear that a well-functioning regime with Russia, to foster economic growth, facilitate investments, cross-border trade and to protect the people and environment, is an absolutely vital precondition for reaching full effect. However, over the past decade, the work of local actors in and around Kaliningrad has been a real struggle.

The Russian re-centralization of power vis-à-vis Kaliningrad (and other regions) that took place from the 2000s onwards (Remington 2008) can in part explain the transition of Kaliningrad from being a focal point of high political attention in the Baltic Sea region towards almost complete neglect. Müntel (2008) has argued that many opportunities for mutually beneficial practical cooperation were wasted in Kaliningrad due to the resistance from Moscow. However, even the Polish government in Warsaw and the German government in first Bonn and then Berlin treated the Baltic Sea as a marginal space, leaving it primarily up to the directly affected sub-state actors to pursue regional cooperation projects with partners across the region (Lehti 2003).

Another factor to consider is that more than two decades of cross-regional cooperation hardly had any positive impact on Russian perceptions of, and behaviour towards, the Baltic Sea area, or towards the EU and its role in supporting Kaliningrad's development (see also Diener and Hagen 2011). Instead, hard military security threats have drawn international attention towards the Russian exclave. Indeed, Morozov (2004) found that in the early 2000s the Russian elites were already wedded to a zero-sum view of regional cooperation in the Baltic Sea with direct consequences for Kaliningrad. Kratochvíl (2008), in turn, found that any Europeanisation process – including in the Baltic Sea – had met significant obstacles, because Russian elites sought to prevent a decentralization of the Federation, which they feared might result from a strengthening of trans-border cooperation with the EU's member states (Remington 2008; see also Gänzle & Müntel 2011). Moreover, the Russian government, while not allowing Kaliningrad to develop into an independent entity (Holtom 2003; Gänzle and Müntel 2011), never placed the Baltic Sea particularly high on its foreign policy agenda (Sanchez 2011; Makarychev and Sergunin 2017).

Future Prospects for Kaliningrad, post-2014

Looking ahead, the prospects for Kaliningrad's development within the EU-Russian framework are bleak. The Northern Dimension's main aims had been to

> "promote […] cooperation, strengthen stability, well-being and intensified economic cooperation, promote economic integration, competitiveness and sustainable development in Northern Europe" (EEAS 2016).

The EU Strategy for the Baltic Sea Region that was designed to strengthen cooperation within the ND framework completely neglects Kaliningrad. This neglect has been reinforced by the lack of high-level attention from both Moscow and Brussels, and even the capitals of the Baltic Sea region states. Due to the marginalized role of the CBSS and the Baltic Sea area itself, the interest of the governments in the Baltic Sea area in Kaliningrad has remained low.

While the initial stages of neglect could be regarded as benign neglect, resulting from a decrease in military tensions and a relaxation of the security environment, there is now a growing risk that the resurgence of military threat perceptions regarding Kaliningrad will prevent any progress on the range of pressing soft security challenges that continue to trouble Kaliningrad. The substantial transformation that the Baltic Sea region has undergone during the preceding three decades has changed the patterns of cooperation in the Baltic Sea area with many positive consequences for the EU's member states and Western partners. However, for Kaliningrad itself, as both an EU enclave and a Russian exclave, the benefits reaped from the post-Cold War period have been severely limited by the strong central control that the Russian government has exerted over Kaliningrad from the mid-2000s onwards.

Fifteen years ago, Paul Holtom (2003) went as far as to provocatively suggest that Kaliningrad might develop into an independent "fourth Baltic Republic". This detachment of Kaliningrad was, as he himself acknowledged, never a realistic scenario. The idea that Kaliningrad could instead become a 'pilot region' for Russian cooperation and integration with the EU, and even turn into a modern Baltic Hong Kong (Sukhankin 2017) was much more plausible in the 2000s. Nevertheless, after the EU's enlargement in 2004, it was already becoming clear that the conditions were detrimental to the realization of this scenario. In 2014, ten years after becoming an EU enclave, the development of Kaliningrad within the EU-Russian relationship became virtually impossible, as hard, military threat scenarios (see Renz 2018) started to preoccupy national decision-makers in the EU. The conditions for Kaliningrad's development are likely to deteriorate further.

Practical cooperation with Russia is to a large degree frozen due to the systematic Russian violations of Ukraine's territorial integrity (see European Commission 2017, p. 8). The future prospects regarding the extent and depth of EU-Russian cooperation in the Baltic Sea area are uncertain.

The EU's decision to suspend the biannual EU-Russia summits (with the last summit taking place in January 2014), and the suspension of regional, bilateral projects and programmes, including different types of financial aid to the Russian Federation, makes a rapprochement between the EU and Russia on Kaliningrad highly unlikely for the time being. EU support for projects dealing exclusively with cross-border cooperation and civil society is being maintained, but so is Kaliningrad's status as a strategically important military stronghold of the Russian Federation (Oldberg 2015; see also Sergunin's paper). It is also noteworthy that the Baltic Sea area received no attention whatsoever in the EU's European Global Strategy (EGS) published in June 2016 (EEAS 2016).

A shared EU-Russian vision for common action in Kaliningrad is unlikely to develop in the short and medium term. This is especially in view of Moscow's own ambitions of maintaining strong control over the oblast. The European Global Strategy speaks of the possibility of "selective engagement" that "could take place over matters of European interest" with Russia. It states that this "engagement should also include deeper societal ties through facilitated travel for students, civil society and business" (EEAS 2016). However, the Baltic states' serious hard security concerns regarding the Russian military bases in Kaliningrad prevent any rapprochement. In addition, the Russian leaders' confrontational rhetoric and steadily deteriorating political relationships with Russia's neighbours in Northern Europe present further obstacles.

The lackluster response from Russia and the other Baltic Sea region states to the German Foreign Ministry's attempts in June 2017 to revive the role of the CBSS as a key forum to promote better relations between Russia and its EU neighbours (Auswärtiges Amt 2017; CBSS 2017) leaves little room for hope for the future of Kaliningrad.

Far from becoming a Baltic Hong Kong, it appears that Kaliningrad is condemned to neglect and under the current circumstances to retain its status as a marginalized region. It will remain a source of insecurity for its neighbours, being excluded from the benefits it could reap from its central geographic location and its proximity to the economically prosperous states of Northern Europe and Germany. Much of the blame for this sorry state of affairs falls on the Russian government.

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Kaliningrad: From One Puzzle to Another?

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Introduction

In the 1990s and early 2000s, it was popular to depict Kaliningrad as a 'puzzle', which was difficult to settle, or even to view it as a 'black hole' with quite a dim future (Grönik et al. 2001; Joenniemi et al. 2000). In general, the question was whether the region would turn into Russia's isolated outpost or instead would become a bridge, a sort of a 'pilot region' facilitating the development of relations with its neighbouring EU member-states as well as the broader international environment.

In the 2000s, with the improvement of EU-Russian relations, it became evident that most of the initial uncertainty felt about Kaliningrad, about Russian politics at large, neighbouring countries, and about the international environment more generally, had vanished. Rather than being in some sense exceptional in character, Kaliningrad in general gained a rather established/normal position within Russia as well as in the sphere of EU-Russia relations, including relations with Lithuania and Poland. This period brought a considerable dose of normalization, and with the past uncertainty and openness radically reduced, it was possible to portray Kaliningrad's status in far more precise and stable terms than was previously the case (Joenniemi and Sergunin 2012 and 2013; Makarychev and Sergunin 2013). It seemed that major problems inside and around the region had been settled and that it had found its proper niche in the regional environment.

However, such a trend towards the 'normalization' of the Kaliningrad 'question' was rudely interrupted by the Ukrainian crisis in 2014. With the introduction of the western sanctions against Russia, and Moscow's counter-sanctions, as well as the remilitarization of the Kaliningrad Region (KR) and the entire Baltic Sea region (BSR), and the general growth of tensions between EU/NATO and Russia, the current and future status of Kaliningrad became uncertain again. The old dilemma/puzzle - whether the Kaliningrad will be able to retain its role as a 'bridge' between Russia and Europe or will be transformed into a Soviet-type isolated military outpost – is on the Baltic Sea region agenda once again (Oldberg 2015; Sukhankin 2017).

This study aims to examine three main research questions: First, what is the Russian discourse on Kaliningrad? Second, what is the socioeconomic situation in the Kaliningrad region in the context of the western sanctions and systemic economic crisis in Russia? Finally, what is the Kaliningrad region's role in Moscow's military strategy in the Baltic Sea region (first and foremost in its relations with NATO)?

The Russian Discourse on Kaliningrad

From the very beginning, the Russian post-Soviet debate on Kaliningrad included two extreme schools/approaches. One school consisted of *neoliberals* and *globalists*. This 'optimistic' approach was based on the assumption that the military significance of the Kaliningrad region decreased in the post-Cold War period and the region was unable to play the role of Russian military outpost any longer.

The 'optimists' believed that globalization and regionalization were worldwide processes and that Russia could not avoid them. According to this school, Kaliningrad was a place where these two tendencies were intertwined (Zhdanov 2000). On the one hand, Kaliningrad was a subject

of a dialogue between two global players – the EU and Russia. On the other hand, there was a clear tendency to see a new international region – the Baltic Sea region – where Kaliningrad could find a mission of its own.

The 'optimists' hoped that Kaliningrad could be further opened up for international cooperation and become a sort of a Russian/Baltic Hong-Kong, a 'gate-way' region that could help Russia to gradually integrate into the European multilateral institutions (Ginsburg 2000; Matochkin 1995; Songal 2000, p. 100-101). They believed that due to its unique geo-economic location Kaliningrad had a chance to be a 'pilot' Russian region to be included to the regional and subregional cooperation. They thought that priority should be given to the issues that unite rather than disunite regional players, such as trade, cross-border cooperation, transport, environment, healthcare, people-to-people contacts. In this respect, they viewed the EU Northern Dimension project (2000) and the EU-Russian Roadmap to Four Common Spaces (2005) as helpful frameworks for such cooperation (Leshukov 2000a and 2000b; Tkachenko 2000). The neoliberals and globalists were sure that if mutual trust was developed, technical problems such as visa regimes and border controls could be easily solved.

The 'optimists' believed that the Kaliningrad Region should be given a special status in the EU-Russian relations. Some of them even thought that "integration will not be possible if Russia keeps full sovereignty over Kaliningrad" (Johnson's Russia List, no. 4527, 20 September 2000).

In line with their vision of Kaliningrad as an exception, the neoliberals and globalists called for the EU to implement a 'two-track' approach to cooperation with Russian regions. Along with some other 'pilot' regions, Kaliningrad could be put on a 'fast track' in terms of a further cooperation with the EU. Particularly, they hoped that the region could be a part of the European Free Trade Area or even become associate partners of the European Union. They also suggested establishing EU technical and environmental standards and a visa-free regime in Kaliningrad. They insisted on the feasibility of this model by referring to some North European countries such as Finland and Denmark where some territories had a special status with regard to relations with the EU (the Åland Islands, Greenland and the Faroe Islands, respectively).

Because the neoliberal and globalist schools were quite influential in the 1990s and early 2000s, they were able to affect governmental policies on the Kaliningrad. The region was substantially demilitarized to the extent that neighbouring countries stopped perceiving of it as a source of hard security threats. The Free Economic Zone (FEZ) 'Amber' was established in the region in 1991. In 1996 it was reorganized into a Special Economic Zone (SEZ) which exists – with some revisions in 2006 and 2017 – to the present day.

By 1999 the idea of Kaliningrad as a 'pilot region' was floated at Russia's top level, including then prime-minister Vladimir Putin. Russia's medium term strategy for the development of its relations with the EU (2000-2010) underlined the possibilities regarding Kaliningrad as a pilot region for the EU/Russia relationship and a test case for this relationship in connection with the EU enlargement (The Government of the Russian Federation 1999). It mentioned the option of a special arrangement for Kaliningrad in view of enlargement, and it hinted that cooperation could in the future cover, if Kaliningrad turns out to be a successful test case, Northwest Russia at large.

Moscow has allowed the Kaliningrad region to maintain a rather liberal visa regime with Poland and Lithuania since the collapse of the Soviet Union. Development clearly pointed towards increased openness and resulted in an agreement signed in December 2011 between Poland and Russia on a visa-free regime for the residents of the region and two Polish border regions (Warmian-Mazurian and Pomeranian *voivodeships*). Interestingly, this agreement was seen by Russian and European experts as a model – with Kaliningrad serving as an experimental region and a pilot case in this area − to be replicated in other border regions.

Another extreme school/approach was the Russian *political realists* and *geopoliticians*. Similar to the neoliberals and globalists these groupings perceived Kaliningrad as an exceptional case but in a different sense. The 'alarmist' school viewed Kaliningrad (and the Baltic Sea region at large) as a manifestation of an eternal geopolitical rivalry between Russia and the West. In contrast with the past, in the post-Cold War era the West preferred economic rather than military instruments for putting pressure on Russia. According to these paradigms, the aim of the EU policies was to secure Russia's status as the West's 'younger partner' and a source of cheap natural resources and labour (Khlopetskii 2000, p. 111; Smorodinskaia et al. 1999). They believed that the Kaliningrad FEZ/SEZ (in its early versions) was detrimental to Russia's economic security and served only as a camouflage for smugglers and corrupted officials. According to this school, the West was not interested in the revival of the local economy and planned to make Kaliningrad a mere transit point in communications between the Baltic States and the 'mainland' part of the EU. This meant that foreign investment would go only to developing a transport infrastructure rather than to the modernization of local industry and agriculture.

Some realists believed that the EU was only a vehicle for German geopolitical ambitions: Berlin dreamed about returning the former East Prussia into a 'new German empire'. As the first step of this geopolitical plan, a sort of a German economic protectorate over Kaliningrad could be established (Bubenets 2001, p.3; Velichenkov and Chichkin 2001, p. 2). These fears were widespread in the region in early 2001 when rumours arose that Germany could forgive a part of Russian debts in exchange for securities of Russian companies (including the Kaliningrad-based firms). There was a series of rallies in Kaliningrad where the local residents appealed to the President to confirm or deny these rumours (Nuyakshev 2001, p. 7).

Other radical versions of realism and geopolitics believed that the final goal of the West was to disintegrate Russia and separate Kaliningrad from the country (the "fourth Baltic republic" concept) (The Baltic Independent, 4-10 Nov. 1994: 5; Alksnis and Ivanova, 2001, p. 4). Realists thought that Kaliningrad should retain its strategic importance and criticised the government for the premature dismantling of a formidable military infrastructure in the region. They recommended tightening governmental control over the region in order to prevent its potential drift to the West. They believed that, in case of 'Western encroachments' on Kaliningrad, Moscow should make the region an 'unsinkable carrier', including the deployment of nuclear weapons (Alksnis and Ivanova, 2001, p. 4). They also favoured military cooperation with Belarus to counter-balance the NATO's eastward extension and even make the Baltic States an 'exclave' in a strategic sense (Bubenets, 2001: 3). Geopoliticians suggested providing Russia with the freedom of civilian and military transit *via* Lithuania similar to those that Germany had in the case of East Prussia after World War I. If Vilnius disagreed, they suggested questioning the territorial integrity of Lithuania, which had gained some Polish, Belorussian and German territories as a result of the Molotov-Ribbenthrop Pact and World War II (Alksnis and Ivanova, 2001, p. 4).

Since the realists and geopoliticians were the dominant schools in Russia the Kremlin had to take into account their authority (at least at the level of public rhetoric). For this reason, along with the Kremlin's readiness to make Kaliningrad a 'pilot' region, Russia's official documents and statements in the late 1990s and early 2000s always stressed Moscow's sovereignty over Kaliningrad.

It should be noted, however, that the worst expectations of the 'alarmist' school clearly did not materialize. The region was far from isolated and there was considerable socioeconomic development during the 2000s that reduced the gap between Kaliningrad and the neighbouring countries. In addition, Russia was gradually able to coin policies that normalized the position

of Kaliningrad amongst various Russian regions and sorted out most of the issues which were creating doubt and bringing about uncertainty.

By the mid-2000s a sort of compromise between the 'optimists' and 'alarmists' was reached on the basis of the perception of Kaliningrad as a 'normal' rather than an exceptional Russian region. On the one hand, the idea of Kaliningrad as a 'pilot' region did not disappear completely, but it was transformed to a more moderate version. Some elements of exceptionality were still kept, such as the SEZ and the facilitated visa arrangement with Poland from 2012 but the region's's general status, domestic and international, did not differ radically from other Russian regions. On the other hand, the 'alarmists' acknowledged the fact that most of their security concerns, such as the possibility of either 'hostile encirclement' of the region or of Kaliningrad separatism had basically vanished. Some residual security concerns remained, related for example to the U.S. air defence systems' deployment in Poland or the Baltic States' reluctance to join the Conventional Forces in Europe (CFE) Treaty. However, these concerns did not challenge the generally rather benign international environment in the Baltic Sea area.

The situation radically changed with the start of the Ukrainian conflict, the timing of which coincided with an economic crisis in Russia provoked by the drastic drop of the world oil prices. The Baltic States and Poland accused Moscow of having aggressive plans not only in Ukraine but in the Baltic Sea region as well. In response to their security concerns the U.S. launched the European Reassurance Initiative (ERI) and the Readiness Action Plan, formally introduced at NATO's Summit in Wales in September 2014. It was no surprise that the U.S./NATO military build-up in East Europe, and particularly in the Baltic Sea region, evoked a very negative reaction from Russia (see the section below on Moscow's military strategy in the region). The region's NATO member-states are now again perceived by the Russian strategists as an external source of security threats.

In addition, the Kremlin's fears regarding Kaliningrad separatism revived. This was because the implications of the EU economic sanctions and Russia's new economic crisis were especially hard for the Kaliningrad region, which was heavily dependent on foreign trade. Moscow suspects the Baltic States, Poland and Germany of encouraging the separatist forces in the region and tries to tighten its control over the region.

As a result of these dramatic perceptional changes the 'alarmist' school re-emerged, while the 'optimist' one became rather marginal. The 'alarmists' believe that the Kaliningrad should return to its status as Russia's military outpost in Europe so as to contain NATO and prevent its further eastward expansion. They insist on increasing Russia's military presence in Kaliningrad and the Baltic Sea region at large in response to the NATO military build-up (Kaleidoskop 2017; Kholodov 2015). In addition, the 'alarmists' call for the Russian federal and regional authorities to limit the 'subversive' activities of both Western cultural/education institutions and Russian NGOs funded by the West in the oblast.

The neoliberals and globalists, critical about Putin's policies which led to the Ukrainian crisis and Russian-Western tensions, understand that it is impossible to return to the pre-crisis situation and think about Kaliningrad as a potential bridge between Russia and Europe (at least for the time-being) (Sukhankin 2017). They suggest developing horizontal, network-type relations between Kaliningrad, municipalities, and non-state actors to save the positive experiences obtained in the earlier period. The 'optimists' also suggest identifying those sectors of EU-Kaliningrad economic relations, which are not affected by mutual sanctions. They also hope that the EU-Russia conflict will not last forever and that cooperation on Kaliningrad will resume sooner or later.

The above threat perception dynamics were reflected in Russia's new military and national security doctrines in the post-Ukrainian era. For example, the 2014 Russian military doctrine

highlights 'NATO's military build-up' and the bloc's expansion toward the Russian borders as being the main external dangers to Russia's security. Other threats mentioned in the document include the development and deployment of the U.S. strategic missile defence systems, the implementation of the 'global strike' doctrine, plans to place weapons in space, deployment of high-precision conventional weapons systems as well as evolving forms of warfare such as, for example, information warfare (Putin 2014).

The doctrine shows increased Russian interest in improving its own ability to use precision conventional weapons. For the first time, the concept of non-nuclear deterrence was introduced in the document. This became a reflection of the fact that most of the military threats that Russia faces now are of non-nuclear character and can be successfully met with conventional means. But the central question of when Moscow might feel compelled to use nuclear weapons seems unchanged from the position laid out in the previous military doctrine of 2010. In general, the new version of the military doctrine retains its defensive nature.

Among the domestic sources of danger, the doctrine identifies internal threats as being activities aimed at destabilizing the situation in the country, terrorist activities to harm the sovereignty and territorial integrity of Russia, fuelling inter-ethnic and religious conflicts as well as actions involving anti-Russian and antipatriotic propaganda (especially among young people).

The new doctrine differs from the previous one in treating internal threats to the country as military ones. The 2010 strategy merely referred to "attempts at violent change of the Russian Federation's constitutional order," undermining sovereignty, violation of unity and territorial integrity" (Medvedev 2010) while the new document adds that

> "the destabilization of the domestic political and social situation in the nation" and even "information-related activity aimed at influencing the population, primarily the country's young citizens, with the goal of undermining the historical, spiritual and patriotic traditions in the area of defending the Fatherland" (Putin 2014).

Some Western experts believe that such a broad interpretation of internal threats may lead to perceptions of any political opposition as an activity requiring a military response (Global Security 2015).

The 2015 National Security Strategy (NSS-2015) on the one hand noted that Moscow was interested in cooperation with the EU and NATO as well as in shaping a collective security system in Europe. On the other hand, however, it accused the West of causing the Ukrainian crisis, fomenting 'colour revolutions', destroying "traditional Russian religious and moral values," "creating seas of tension in the Eurasian region," and pursuing "multifarious and interconnected" threats to Russian national security (Putin 2015).

The NSS-2015 underlined that "Russia's independent foreign and domestic policy" has been met with counteraction by the US and its allies, the US "seeking to maintain its dominance in world affairs." It also declared that Russia has demonstrated the ability, "to protect the rights of compatriots abroad" (Putin 2015).

The doctrine got a hostile reaction from the western expert community. According to one account,

> "The 2015 NSS is a blueprint for Moscow's reestablishment of a militaristic, authoritarian state that gains it legitimacy through the blatant promotion internally of nationalism and fear of an imminent western military threat. Confrontation with the West is now the order of the day as Russia seeks to reassert its "great power" dominion over the former states of the Soviet Union and divert domestic attention away from a declining economy" (Payne and Schneider 2016).

The western analysts also fear that protecting the rights of Russian ethnic minorities abroad can include military invasion and territorial annexation, as, they believe, Moscow has demonstrated in Georgia and Ukraine.

In other words, the NSS-2015 marks the culmination of a rather long process of deteriorating relations between Moscow and the West and of how the Russian security elite perceives security threats and challenges. On the other hand, Russia's 2015 national security doctrine signals that Moscow is still open to cooperation with its western and other foreign partners.

The 2016 Russian Foreign Policy Concept repeats the threat assessments of the two previous documents. The document does not identify the Baltic Sea region as a separate region among Moscow's geographic priorities, preferring to include it in the Euro-Atlantic area. The Concept mentions the Council of the Baltic Sea States (CBSS) *in passim* along with other regional and sub-regional institutions and programmes (Putin 2016). As compared to the military and national security doctrines, the 2016 foreign policy strategy is less alarmist and more cooperative in its spirit.

To sum up, the Russian debate on the Kaliningrad problem represents a mixture of different perceptions that range from cooperative to confrontational. Given the current crisis in Russia's relations with the West there is an obvious shift towards the confrontational way of thinking on the Kaliningrad question.

The Socioeconomic Situation in the Region

In the post-Soviet era, Kaliningrad has, rather than remaining detached and isolated (like a typical exclave), been integrated with its environs. It is not just well connected with the rest of Russia, but has also been linked up with international economic developments at large. Notably, this has had a considerable number of positive, but also some negative, effects. While in the 2000s the region's economy has in general developed quite favourably, preventing the emergence of any clearly discernible gap in development between the Kaliningrad region and neighbouring countries, it has also become vulnerable to various fluctuations. It has, as an indication of increasing connectedness, suffered from economic declines related to the global financial-economic crisis of 2008-10, western economic sanctions, and Russia's subsequent economic crisis of 2014-16 (similar to other Russian regions).

For example, in 2015 the Kaliningrad region's gross regional product (GRP) fell compared to the previous year. Between 2011 and 2014, however, there was a stable growth of the GRP. The manufacturing and extractive industries, wholesale and retail trade, operations with real estate and renting, public administration and social security sectors, investment suffered most of all. The same year, unemployment growth was 105.9% while wages fell to 90.8% of their levels the previous year (see table 1).

However, some branches of the regional economy were unaffected by the western sanctions and the financial crises. In fact, sectors such as agriculture, fishery, energy and water production and distribution, transport and communications, and finance grew in 2015 (See table 1). This can be explained by the regional (and national) policies, which aimed at import substitution and the support of the local /national economy.

The decline in the regional economy was temporary. Since 2016 it has started to slowly recover. While the extractive industries and wages were still in decline and unemployment continued to grow in 2016, the manufacturing industries, energy and water production, as well as investment, all started to recover. The same trends continued in 2017. The extractive industries slumped while the manufacturing industries, energy and water production, as well as agriculture, saw modest rises (See table below).

Kaliningrad GRP index by the type of economic activity (as a percentage of the previous year)

	2011	2012	2013	2014	2015	2016	2017
Gross regional product	104.6	104.7	101.0	104.6	98.5	100.6	100.4-100.9*
Agriculture, hunting and forestry	99.1	103.8	103.1	109.5	113.9	-	111.8
Fishery	97.3	99.1	74.8	121.9	130.1	-	-
Extractive industries	97.8	82.0	92.5	90.2	97.0	92.4	94.3
Manufacturing industries	114.4	110.2	106.7	113.7	95.7	101.3	102.1
Energy and water production and distribution	138.8	93.7	104.5	93.9	102.3	106.5	107.1
Construction	109.4	113.2	78.1	100.0	101.7	-	-
Wholesale and retail trade	97.7	95.8	112.9	115.9	92.2	-	-
Hotel and restaurant business	109,0	100,5	90,0	109,7	101,5	-	-
Transport and telecommunications	94.4	121.5	116.1	106.8	105.7	-	-
Financial activities	98.5	295.6	79.2	90.6	105.6	-	-
Operations with real estate and renting	116.4	110.3	92.5	90.3	95.8	-	-
Public administration and social security	100.2	97.7	100.0	99.9	96.4	-	-
Education	102.5	97.1	100.4	101.2	99.1	-	-
Healthcare	100.6	102.1	98.4	102.5	99.3	-	-
Other communal, social and personal services	89.6	103.3	107.4	100.1	100.4	-	-
Investment	-	106.3	88.9	89.1	96.3	100.9	-
Unemployment	-	81.3	76.4	97.0	105.9	103.3	-
Wages	-	103.2	109.0	97.4	90.8	97.1	-

* Estimate

Sources: Aleksandrova 2017, pp. 13, 69; Institute for Complex Strategic Studies 2017, p. 3; The Kaliningrad Region's Government 2017a and 2017b; The Kaliningrad Region's Ministry of Industrial Policies, Development of Entrepreneurship and Commerce 2017.

The structure of Kaliningrad's GRP is gradually improving. Several drivers of the regional economy can be identified:

- Car-building industry. This branch was created from scratch in the late 1990s and, for the time being, the Kaliningrad region is one of the Russian automobile industry's leaders. Similar to other branches, the peak of the crisis in the car-building industry passed in 2015. By 2016, the branch's production had increased by 2.3% and it continued to grow in 2017. In 2015 and 2016, the automobile industry's share of the regional manufacturing industry increased from 34.5% to 35.4%. The Kaliningrad-based car-building enterprise AVTOTOR is the largest taxpayer in the region, contributing 47.1% of the VAT in 2016 (AVTOTOR 2017).

- Ship-building industry. The region is home to 27 ship-building and ship-repair/dockyard companies. The "Yantar" (Amber) shipyard is the largest one. First and foremost, it is famous for its production for the Russian navy. "Yantar" builds major anti-submarine warfare ships, major amphibious assault ships, frigates, corvettes, patrol crafts, reconnaissance ships for not only Russia's navy but also foreign navies (for example that of India). Over the past few years, the shipyard has built two major amphibious assault ships and six frigates for the Russian navy as well as three frigates for India (Yantar 2018). Over the last five years, the shipyard's civilian production has included three research ships and one rescue ship as well as three trawlers.

- Fishery industry. In 2016, the volume of fish production in the Kaliningrad region amounted to 4.7 per cent of the total Russian volume of production. There are 15 fish processing and six aquaculture enterprises in the region (The Kaliningrad Region's Fishery Agency 2018). As mentioned above, the fishery industry was unaffected by the recent economic crisis and grew to 121.9% and 130.1% of its previous year's levels in 2014 and 2015 (Aleksandrova 2017, p. 69).

Despite the western economic sanctions, and the expectations that the Kaliningrad SEZ will be soon abolished because of Russia joining the WTO, the zone is developing in a rather dynamic way. Initially, in accordance with the 2006 SEZ legislation, the zone was established until 2031. However, in 2017 a revised federal law was signed by President Putin, which prolonged the SEZ until 2045. Moreover, SEZ residents were provided with some new privileges. For example, insurance premiums for new SEZ resident enterprises were reduced to 7.6%, if they create new jobs. For certain categories of imported vehicles, the recycling fee was abolished. From 2019 onwards, 8-day electronic visas will be issued for foreigners dealing with the SEZ. The validity period of the profit tax exemption of the organization starts to be calculated from the moment the resident enterprise receives its first profit. The minimum investment threshold for health projects has been reduced to 10 million roubles and, for the IT and R&D spheres, it has been reduced to a million roubles (Administration of the Kaliningrad Region SEZ 2018).

As a result of federal support, the SEZ has significantly expanded its activities in recent years. The number of SEZ resident enterprises increased to 141 by 2018. The SEZ-based enterprises had 12,500 employees in 2016 and the value of the SEZ's projects totalled 106.1 billion roubles (1.52 billion euro) (Administration of the Kaliningrad Region SEZ 2017).

At the same time, some negative trends should be mentioned. For example, there has been a dramatic drop in the Kaliningrad region's foreign trade, which fell from $19,362.8 million in

2014 to $10,708.8 million in 2015, and then fell further to $7044.9 million in 2016 (Aleksandrova 2017, pp. 139). The only positive trend in the foreign trade sphere was the decrease of the trade deficit. This declined from $12196.4 million in 2014 to $4568.3 million in 2016.

To sum up, the Kaliningrad region has on the one hand managed to overcome most of the negative consequences of both the western sanctions and the Russian economic crisis. However, on the other hand, Kaliningrad's chances to become a 'bridge' between Russia and Europe have become doubtful. The idea of Kaliningrad as a 'pilot' region has been suspended again. The regional's economy has been further reoriented to the Russian domestic rather than European markets, a trend that began a decade ago.

Russia's Military Strategies in the BSR

Despite the generally benign international atmosphere around Kaliningrad in the 2000s, some security concerns lingered in the region even prior to the Ukrainian crisis. First of all, Moscow was discontent with the U.S. plans to deploy components of a ballistic missile defence (BMD) system in the Baltic Sea region's vicinity. In particular, the Kremlin was irritated by the 2011 deployment of several Patriot air defence batteries in northern Poland, just 100km away from Kaliningrad.

In his November 2010 state of the nation address, then President Dmitry Medvedev warned that if talks on missile defence fail within a decade, "a new round of arms race will start". He said Russia will "have to adopt decisions on the deployment of new strategic weapons." Prime Minister Vladimir Putin echoed his successor in December 2010, saying Russia will beef up and modernize its nuclear forces if it cannot reach a deal with NATO on missile defence (Saradzhyan 2011). In December 2011 a new Voronezh-DM phased array VHF-band early-warning missile defence radar station was made operational. In 2012, the battalion of the S-400 Triumph air defence missiles with a range of 450 km was deployed in the Kaliningrad region (Global Security 2012 and 2016; Majumdar 2016).

Russia was also discontent with the Baltic States' reluctance to join the CFE Treaty although they had recently become NATO members. Since none of the NATO member-states ratified the CFE agreement,[6] President Putin decided to suspend the Treaty in 2007 and, subsequently, to abrogate it in 2015.

In June 2014, President Barak Obama announced the European Reassurance Initiative (ERI). which was established in the 2015 budget as a one-year, $1 billion emergency response to the Ukrainian crisis. ERI was intended to "reassure allies of the U.S. commitment to their security and territorial integrity as members of the NATO Alliance." It supported increased U.S. investment across five categories: (1) presence; (2) training and exercises; (3) infrastructure; (4) prepositioned equipment; and (5) building partner capacity (Cancian 2016).

To expand presence across the region, the U.S. began periodic rotations of armoured and airborne brigades to Poland and the Baltic States; the Air Force added additional F-15s to NATO's Baltic Air Policing mission (from four to sixteen aircraft in 2014-15); and the Navy continuously cycled ships through the Black Sea. The U.S. spent $250 million to improve bases in Europe. The U.S. military enhanced existing equipment sets in Europe and began adding sets of training equipment in the Baltic States.

It was stated that ERI would be a one-year effort, but the president's budget for the fiscal year 2016 requested $789 million for ERI, also in war funding. This ERI funding continued the

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[6] The 1999 adapted CFE Treaty was ratified only by Belarus, Kazakhstan, Russia and Ukraine.

forward deployments and exercises begun in the previous year. The initiative had increased in appropriation from a $1 billion operation to $3.4 billion by 2017. In May 2017, U.S. President Donald Trump proposed adding another $1.4 billion (+40%) to the appropriation (Herszenhorn 2017).

In 2017, the NATO deployed four battle groups (battalion-size) in the Baltic States with 4000-4000 servicemen. NATO also launched a number of military exercises in the Baltic Sea region, including the largest ones, such as 2016 Anaconda (31,000 servicemen) and regular Sabre Strike (about 10,000 troops).

Western experts insist that ERI is not provocative in a military sense (Cancian 2016). The new measures are defensive in nature and demonstrate U.S. preparedness to respond, not invade. The U.S. is not moving forward any deep strike weapons that could attack the Russian homeland, they say.

The Russian political and military leadership has a different opinion on the U.S./NATO military build-up in the Baltic Sea region. For Russian strategists, Kaliningrad matters because it represents an important component in Russian perimeter defence in the Western military theatre. In particular, the region forms part of a protective arc, spanning from the Arctic and Barents Sea *via* the Baltic Sea to Transnistria,[7] Crimea and the Black Sea. As some experts maintain, in the event of a conflict with NATO, Kaliningrad is key to the northern flank, particularly as Russia so far lacks bases in Belarus (except some air defence units) (Kaleidoskop 2017; Westerlund 2017).

Kaliningrad is home to the Russian Baltic Fleet with an ice-free port in Baltiisk. The Kaliningrad-based early warning system is an important component of Russia's ballistic missile defence. An important shipbuilding enterprise "Yantar" (Amber) is located in the region. In peacetime and crisis, Kaliningrad provides a forward position for intelligence data collection and surveillance (Kaleidoskop 2017). Moreover, it serves as a platform for strategic deterrence, coercion and containment. In the event of war, forces in Kaliningrad allow for forward air defence of the Russian mainland and for disabling threatening NATO infrastructure, such as, for example, the U.S. BMD site in Poland.

Additionally, the Russian armed forces in Kaliningrad deny NATO unrestricted use of the Baltic Sea area, by disputing naval and air operations in the southern parts of the Baltic Sea as well as threatening access through the Baltic Straits and NATO ground forces' operations with missile strikes.

Kaliningrad is primarily of military-strategic importance for Moscow, but political-economic interests are also significant. The Baltic Sea is an important transport route for Russia, primarily for cargo ships, but the air routes and the underwater pipelines and cables also matter. This demonstrates new missions of military power in the present-day world: now the protection of not only geostrategic but also economic interests of international players are equally important.

With the start of the Ukrainian crisis and the growing tensions with NATO, Russia's available military assets in the Baltic Sea region have continued to increase. In the Kaliningrad, unit manning levels have improved, increasing the capability to exercise joint inter-service combat operations. Almost all Russian military units are now fully combat-capable by Russian Ministry of Defence's (MoD) standards. By 2017 Russia's ground forces in Kaliningrad included three fully manned combat brigades –one elite naval infantry brigade and two motor rifle brigades. Those mechanized infantry forces were backed up by an artillery brigade armed with as many as 54 large-calibre guns and the 152th rocket brigade, which was initially armed with the tactical

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[7] Moldova's breakaway pro-Russian region sandwiched between Moldova and Ukraine.

missiles Tochka-U (before the deployment of the *Iskander* missiles). Air power was provided by the 7054th Air Base –which hosted a variety of fighters, strike aircraft and helicopter gunships. The total complement was more than 10,000 troops (Areshev 2016; Majumdar 2016).

According to the Russian Defence Minister Sergei Shoigu, in order to respond to the NATO military build-up in the Baltic Sea region, 20 new military units will be formed and deployed in 40 cantonments in the Western Military District, including Kaliningrad, by 2018 (Petrov 2017).

Along with the improvement of the force levels, more sophisticated weapon systems are being deployed in the region. The deployment of the P-800 *Oniks* anti-ship cruise missiles in August 2016 was followed in the same year by the deployment of additional S-400 *Triumph* surface-to-air missile system, *Iskander* missiles (that can destroy targets within a 500 km range) and *Buyan-M*-class corvettes carrying the *Kalibr* land-attack cruise missile (Kaleidoskop 2017; RIA-Novosti 2018). Since the *Iskander*, *Kalibr* and *Oniks* missiles are all nuclear-weapon capable, western experts believe that these new capabilities strengthen Russia's strategic deterrence and offensive potential in the Baltic Sea region (Westerlund 2017).

It should be noted, however, that along with the region's strategic importance, Kaliningrad has also remained a liability for Russia. As some military analysts emphasize, the vulnerability of the region is often overlooked in the West (Westerlund 2017). Becoming an exclave after the break-up of the Soviet Union, it was always difficult to defend. It is not large enough to provide operational depth for the forces deployed there and reinforcements need to cross two other countries. The number of advance routes for larger reinforcements is limited and the air and sea lanes will be unreliable in the event of an armed conflict. Thus, the region is surrounded by NATO member-states and it is becoming more exposed, due to the enhanced NATO and U.S. forces' presence in the Baltic States and Poland as a result of NATO's ERI and Readiness Action Plan initiatives. The so-called Suwałki gap[8] is as much a headache for Russian reinforcements to the region as it is for NATO reinforcements to the Baltic States.

Given the current situation, which is characterized by the lack of trust between Russia and NATO, further military build-up and actions to improve the force structure in the Kaliningrad oblast can be expected. In turn, this may trigger additional NATO deployments. The potential outcome from this renewed military confrontation is that we can face a classical security dilemma with regard to Kaliningrad.

Conclusions

Several conclusions emerge from the above analysis. First of all, in the aftermath of the Ukrainian crisis, western sanctions and the recent Russian economic crisis, Kaliningrad is perceived by both its residents and Moscow as a problem/puzzle again rather than a 'bridge' between Russia and Europe or a 'pilot' region. Once again, instead of being a 'normal' Russian region, Kaliningrad now is viewed as aspecial case, which requires exceptional approaches and solutions.

However, in contrast with the Cold War era, Moscow sees the region as more than only its military outpost in Europe. The Kremlin still believes that the region can be an important transit point in the Baltic Sea region and a contact area, where intensive economic/trade interaction between Russia and the EU could take place. Moscow hopes that with the end of the confrontation between Russia and the West, Kaliningrad can again become a 'pilot' region.

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[8] A 100 km land corridor of Polish and Lithuanian territory between Belarus and Kaliningrad.

Such ambiguous perceptions have resulted in a rather contradictory approach to the Kaliningrad problem. On the one hand, Moscow has encouraged Kaliningrad to take measures for import substitution and self-reliance as well as tried to reorient the local economy to mainland Russia rather than to the EU. On the other hand, Russia has tried to develop the Kaliningrad SEZ and attract foreign investment to the regional economy.

At the same time, given the current tensions between Russia and the West, Moscow has increased its military presence and assets in the region to deter and contain NATO. In response to the NATO build-up in the Baltic Sea region, the Kremlin has not only increased the force level but also provided Russian troops with more sophisticated weapon systems. This may lead to additional NATO deployments and finally degenerate into a Cold War-type arms race and military confrontation in the region.

An intensive, multilevel and open dialogue between the main European players is needed to unravel the Kaliningrad puzzle. A chance to make this Russian region a platform for cooperation rather than confrontation is still available.

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