

The Baltic Reborn: Challenges of Transition

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Each society's security depends on domestic as well as external fitness. The coherence of state and society is the ultimate buttress against external foes, especially for small countries with little economic or military clout. Fitness is the capacity to deal with complex challenges at home and abroad without resorting to a rigid, authoritarian rule or lapsing into chaos. It is a product not only of evolution, but co-evolution, as each entity develops in relation to its neighbors and their shared habitat.¹

Like other countries emerging from the shadows of the Soviet empire, Estonia, Latvia, and Lithuania have faced a daunting task in the 1990s: to transform a society repressed for generations by an imperial dictatorship and its local vassals into a civil society—one with intermediate institutions that shield individuals from unbridled government and raw market forces. Having regained the independence lost in 1940, each Baltic republic must move from the rigid order of the old regime toward a creative adaptation to complexity without falling into anarchy—as in Russia, the Caucasus, or Tajikistan.²

Successful adaptation to new conditions has pressed Balts to face complex challenges at home and abroad: First, they had to reestablish sovereignty and independent statehood. That required them to achieve the withdrawal of imperial armies, to negotiate agreed borders and secure them, to neutralize potential fifth columns, and to reduce economic dependence on the former hegemon. Second, each Baltic republic had to build or rebuild a healthy polity, a civic society imbued with public spirit; generate a new economic system able to lift living standards for most people while promoting long-term growth; and forge a national identity while dealing with Russian and other settlers who did not speak the official language. Third, they had to bolster external security and, if possible, establish cooperative relations with neighbors in Europe and to the east.

Let us survey how Balts have dealt with these challenges, bearing in mind that each Baltic country—indeed, each region, locality, and individual—is in some ways unique, each with its particular assets and liabilities.

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A broad sketch of three countries along many dimensions over nearly a decade calls for book-length treatment. The present sketch can be read as a series of propositions meant to stimulate debate and generate more detailed analysis. The facts behind each proposition are fairly well established, and their assessment here reflects a body of expert opinion.³ Still, a balanced perspective might require knowledge and evaluation of additional facts. Each proposition, of course, needs to be adjusted to match the many co-evolving realities.

Establishing Independence

Undermining Soviet Imperial Control

The Soviet empire collapsed primarily because of internal weaknesses. But Estonians, Latvians, and Lithuanians—like three Davids—helped topple Goliath. Elites in each Baltic republic (not only anti-Soviet dissidents but “popular fronts to support perestroika”) were joined by large numbers of the public in demands for “sovereignty,” the primacy of local law over Soviet laws, and ultimately independence. Balts inspired and helped mobilize similar demands in Russia and some other Soviet republics. To meet those demands, Soviet President Mikhail Gorbachev offered to transform the Soviet Union into a confederation. This project, however, triggered a coup d’état against Gorbachev in August 1991. The *putschists* failed to win power, but they undermined Gorbachev and facilitated the breakup of the Soviet system. Even before the USSR perished in December 1991, however, the Soviet State Council recognized the independence of Estonia, Latvia, and Lithuania on 6 September.⁴

Achieving Withdrawal of Imperial Armies

Most military forces of the former USSR departed the Baltic republics in 1993–94, thanks in part to Western and Baltic offers to build housing for them in Russia and to a variety of U.S. financial inducements. Moscow withdrew these forces despite less than optimal Baltic diplomacy: Tallinn, Riga, and Vilnius failed to form a united front. Nor did they link troop withdrawals to a broad package of related issues, such as possible reparations for human and other losses due to Soviet rule.⁵

Defining Borders

Even after the former imperial armies withdrew, the three Baltic republics faced many unresolved issues with Moscow, including the definition of their borders.

Estonia and Latvia maintain that their 1920 treaties with Russia are still valid and take precedence over any arrangements instituted between 1940 and 1991. Tallinn and Riga have argued that their 1920 borders—altered to Russia’s benefit in the 1940s—should be restored. Against this line of thought, Russian negotiators have maintained that the previous treaties were voided when their signatories joined the USSR.⁶ For the sake of an overall settlement, both Tallinn and Riga seemed ready in the late 1990s to renounce their borderlands incorporated into Russia, but tensions over citizenship and NATO expansion obstructed a formal accord. Estonia accepted a border agreement with Russia in November 1996 that did not mention the 1920 treaty and accepted the borders established in Sovi-

et times. But then the Kremlin backed away and raised new issues.⁷ Moscow gains leverage from the reality that as long as the Baltic countries have border disputes they are unlikely to be admitted into the European Union (EU) or NATO.

Not only do the Baltic countries' borders with Russia await definition, they also await dependable controls. In many places they are poorly monitored and porous, permitting smuggling.⁸

Lithuania does not border Russia in the east but in the west, where it faces Kaliningrad Oblast. The region is heavily armed, economically impoverished, and dependent on land supply routes that cross Lithuania. Kaliningrad represents a geopolitical anomaly that presents many problems for Russia and its neighbors. Kaliningrad's isolation—it is cut off from Russia but not part of Europe—facilitates drug trafficking.

Vilnius and Moscow have conflicting claims to the Baltic Sea shelf adjacent to Kaliningrad and Lithuania. Vilnius objected to a 1995 agreement between Russian and German oil companies to exploit the shelf near Lithuania, contending that no mining agreement should be signed until borders are settled. Vilnius also protested live-fire military exercises by Russian forces in March 1996 in a disputed area of the Baltic Sea, maneuvers carried out without consulting or even informing Lithuania beforehand.

Vytautas Landsbergis, leader of Lithuania's Homeland Union Party, denounces the heavy Russian military presence in Kaliningrad as unnatural in today's Europe. He complains that it has no defensive purpose and can serve only to pressure neighboring countries. The 1945 Potsdam Conference, he argues, permitted the USSR to administer the former East Prussia but did not draw any final boundaries. Since that time, however, the USSR has disappeared—leaving Lithuania between Belarus-Russia and an isolated Russian garrison.⁹

Some Kaliningrad residents hope that Germany will reestablish control of what used to be East Prussia. An easier pill for Moscow to swallow would be to make Kaliningrad into a demilitarized free city on the model of British-governed Hong Kong. But this outcome is unlikely if Russia perceives a heightened threat to its security from NATO expansion into the Baltic region.

Coping with Potential Fifth Columns

The post-Soviet Kremlin has argued that Russia has special interests, rights, and duties in Russia's "near abroad"—the former Soviet border republics that include Estonia, Latvia, and Lithuania. If Moscow wishes to play this card, it can call on former Soviet military personnel and KGB agents who still live in the Baltic republics, openly or under cover. Many former Soviet operatives would not wish to return to active duty; it is likely, however, that some would be willing to agitate and mobilize the Slavic residents of the Baltic, many of whom feel disadvantaged by Baltic independence. In short, there are potential leaders and some people ready to be led.

Although they have not mobilized wide, active resistance to Baltic independence, some former Soviet operatives may have contributed to organized crime, corruption, and serious bank failures in Estonia, Latvia, and Lithuania.

With but limited lustration, former Communists are free to take part in Baltic politics.¹⁰ Indeed, they have won important electoral victories.¹¹ But none has openly acted to shortchange national interests. Rather, many have wrapped themselves in a nationalist cloak. One reason for the “red return,” as Samuel P. Huntington has suggested, is simply that the same persons who showed an aptitude for politics before 1991 have continued to do so.¹² A second reason is that, especially in Lithuania, Baltic voters trusted that ex-Communists would make pragmatic compromises with Moscow rather than needlessly provoke Russian tempers. A third factor is that the former Communists offer poor, older, and rural voters a social program less austere than do free marketeers.

Balts have gotten advice from specialists on nonviolent techniques to prevent a putsch.¹³ Some Baltic leaders say that they have also learned from CIA instructors how to infiltrate, control, and weaken organizations bent on weakening the existing government. Whatever the reason—cooptation, resignation, infiltration—neither mass nor conspiratorial movements have seriously challenged Baltic governments since 1991.

Building a Healthy Polity

Raising Living Standards and Promoting Economic Growth

Of the former Soviet republics, the three Baltic states had the highest living standards in the 1980s. Attempting a transition to a market economy in the 1990s, however, Balts confronted both spiritual and material problems, legacies of a half century of sovietization. Many Balts were not ready for free enterprise economics. Some saw investment as too risky, private profits as immoral, payment of taxes as silly. Many observers doubted that the spirit of capitalism—the drive to work, save, and invest—could still be alive in traditionally Protestant Estonia and Latvia, and expected it to be even weaker in Catholic Lithuania.

Despite many obstacles, the three Baltic republics experienced less economic decline than any other ex-Soviet republics after the disintegration of the Soviet empire. In the mid-1990s each Baltic republic seemed to hit bottom and begin economic advance. Of the three economies, Estonia’s performed best in the 1990s.¹⁴ But Latvia and Lithuania were also developing rapidly in the late 1990s. Latvia led the three in net receipt of foreign direct investment per capita.¹⁵ Estonia was the only Baltic country singled out at the EU summit in December 1997 as a likely candidate for an expanded EU membership—along with the Czech Republic, Hungary, Poland, Slovenia, and Cyprus. Estonia’s GDP grew at 10 percent in 1997 and was expected to grow in 1998 at 7.5 percent; Latvia’s, at 3.3 percent in 1997 and 6.5 percent in 1998; Lithuania’s, at 6 percent in 1997 and between 5 and 7 percent in 1998.¹⁶

In the 1990s, the composition of each Baltic GDP became far more oriented toward civilian demand than in the old days when each republic and firm fulfilled Moscow-set quotas unrelated to human wants. But opportunities are not equal. Most investment and economic growth takes place in urban centers. The gap between urban living standards and those in the countryside is widening in many Baltic regions.

The living conditions of most Balts have become more difficult in the 1990s. Public health has deteriorated. Only a minority of Balts live more comfortably than before independence. Public opinion polls in the mid-1990s showed declining support for market reforms in the Baltic republics. Still, support in Estonia was higher than in ten other former socialist countries. Asked whether their country was developing in the right direction, 57 percent of Estonians polled said yes, but only 35 percent of Latvians and 19 percent of Lithuanians thought so.¹⁷

Soviet life did not prepare Balts to pay taxes or contribute to the common good. Corruption in each Baltic republic is rife. Some estimates place Estonia's shadow economy at 30 to 40 percent of GDP.¹⁸ Taxes go unpaid. In many cases, profits that should be taxed in

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Tallinn, Riga, or Vilnius are instead recorded in Liechtenstein or another tax haven.¹⁹

The Baltic also has become a conduit for Russian money launderers.²⁰ Millions of dollars pass from Moscow to Riga to Zurich.²¹

Criminal elements come from many backgrounds—aggressive youth, graduates of

Soviet prisons, and the old nomenklatura. They have exploited the lack of accountability in the newly freed economies. The drug trade from Central Asian poppy fields to Baltic ports to Europe makes the criminally rich even richer. Traders also exploit porous borders to smuggle oil, spirits, tobacco, and seekers of asylum to Sweden.

Cultivating Foreign Partners

From the thirteenth until the mid-seventeenth century Hansa traders made the Baltic Sea a network of economic interdependence stretching from London, Boston, Bruges, and Bergen to Lübeck, Gotland, Danzig, Riga, Reval, Novgorod, and Pskov. Most of these entities were city-states—merchant democracies—although some paid obeisance to distant kings or dukes. Today's Baltic republics would like again to trade with all parties and bridge Europe with Russia. Security and prestige as well as profits are at stake. For the ninth year, Riga celebrated “Hansa Business Days” in 1998 while Estonia marked the 800th anniversary of Lübeck Law in Tallinn.

In the 1990s, Balts managed to separate themselves from the unstable ruble zone. The Baltic states are the only former Soviet republics to achieve financial stability, keeping their currencies at parity with Western currencies. Finland, Scandinavia, and Germany replaced Russia as the Balts' major trading partners. Balts removed the most egregious *dependencia* relationships of the Soviet imperial system.²²

But Balts made only limited progress in achieving energy independence from

Russia.²³ In the Baltic states, as in Central Asia and the Caucasus, Russia wants to control not only energy production but refining and distribution.²⁴

A healthy and benign Russia integrated in the First World would be good for Baltic interests. Such a Russia would not menace the Balts but would buy their goods, use their ports, and supply energy and other goods at reasonable prices. Improvement in Russia's living standards depends heavily on imports of foodstuffs and technology and exports of energy and raw materials.

But Russian authorities have tried to block free trade with the Baltic and bring Balts to their knees. The Duma has balked at ratifying treaties to eliminate or lower tariffs with Baltic countries. In 1996, Russian authorities stopped Estonian trucks at the border and charged \$1,200 a day while searching them for contraband. The bright side for Balts is that Russia's economic warfare has forced them to compete and survive in Western markets.

Balts depend on Russia for much of their oil and gas needs, giving Russia leverage—especially when Balts fail to pay their fuel bills on time or when Moscow objects to their domestic or foreign policies. But energy dependence is not a one-way street. Lithuania has its own oil wells and the only refinery in the Baltic region; it also exports nuclear generated electricity to Latvia, Belarus, and Russia. Latvia has the Baltic region's largest port, specially geared to oil exports. Estonia has oil shale and produces hydroelectric power that it sells to Russia. The Russian town of Ivangorod depends on Estonia for heating and water. In 1996, Ivangorod was in heavy debt for electric power and water to the Baltic Power Station, the Kreenholm Holding Company, and the Narva water utility. To deal with this problem, Estonia made a "humanitarian" grant to Ivangorod.

Hoping to punish Baltic political intransigence, Russians in the 1990s tried to minimize their use of Baltic ports.²⁵ Despite the proximity and other advantages of Ventspils in Latvia and other Baltic ports, Russian exporters have tried to ship their goods from St. Petersburg (clogged with rusty cranes) and southern Finland; Russians have considered building new ports near St. Petersburg (sure to be expensive and slow to construct).²⁶ Even with limited use by Russia, transit trade probably accounted for 30 percent of Baltic GDP in the mid-1990s, a share that could rise to 50 percent by the year 2000. Politicians and entrepreneurs expect a great future for Baltic ports.

Coping with Ethnic Diversity

A statue of Johann Gottfried von Herder in Riga reminds Balts of the Prussian linguist who worked in Latvia as pastor and teacher in 1764–69 and who taught that the spirit of every nation, imprinted in its culture and song, has value.²⁷ National spirit may mobilize a people's energies, but it can also be a divisive force—within as well as between states.

In 1991, nearly half of Latvia's population, two-fifths of Estonia's, and one-fifth of Lithuania's consisted of persons whose first language and cultural identity were Slavic. Many felt closer to Russia, Ukraine, Belarus, Poland, or elsewhere than to Latvia, Estonia, or Lithuania. Some Slavic speakers settled in the Baltic long before Soviet rule, but most arrived after Soviet annexation of the

Baltic republics—many in the 1980s. Many just followed orders, but some chose to come.

Some Slavic speakers in the Baltic are highly educated—engineers, military officers, scientists, lawyers—but many are poorly educated. Especially in north-eastern Estonia, some have criminal backgrounds—persons released from Russian jails and denied a residence permit for St. Petersburg or Moscow.

The Russian government often complains that the Latvian and Estonian governments violate the human rights of Slavic speakers. Few voices have risen among Russians in the Baltic to say, “Nationalist-imperialists in Moscow do not speak for us.” But many Balts whose native tongue is Slavic seek positive forms of coexistence with native Balts. Some reject any kind of hard line or divide-and-conquer tactics by Moscow.²⁸ Several Russian-language newspapers in the Baltic virtually ignore citizenship issues and focus on how to make money, win at the lottery, outfit a new flat, go abroad on holiday, and find personal pleasure.²⁹ Looking at relatively prosperous Narva from across the river and feeling deprived, some 500 Russians in Ivangorod in 1998 petitioned Moscow to allow their city to secede and join Estonia.³⁰

How can/should/do the indigenous Balts and Slavic settlers interact? Under Soviet rule, Balts had to decide how far they would go along with a culture imposed from outside. Since 1991, by contrast, Russians and other Slavs must consider how to relate to Balts. Slavs have four basic choices, as sketched in figure 1; Balts must decide which orientation they wish to encourage.

Slavs in Estonia have adapted differently depending on gender and age. Women are twice as likely as men to integrate; younger people are twice as likely as the elderly to do so. Some 20 percent of the elderly lean toward separation, but few (2 percent) young or middle aged (5 percent) Slavs do so. Adaptation also varies from one city to another. Integration is nearly twice as common in the uni-

FIGURE 1. Options for Slavic Speakers in the Baltic: Four Models of Adaptation

		Important to preserve Slavic culture?	
		No	Yes
Seek close contact with Balts?	Yes	Assimilation—merge with Balts, losing Slavic culture.	Integration—use Baltic language in public and Slavic at home.
	No	Marginalization—lose contact with Slavic culture and fail to learn Baltic.	Separation—minimal interaction with Balts.

Source: Adapted from Tiit Tammaru, “Regional’nye razlichiiia adaptatsii russkikh i faktory, vliiaushchie na adaptatsiiu,” *Raduga* 1 (1998): 121–36 at 121.

versity city of Tartu as in Lasnamäe, whereas marginalization is twice as common in Lasnamäe as in Tartu. On most counts, the town of Pärnu lies between the poles. Not surprisingly, the unemployed and persons dissatisfied with their work or living standards are more marginalized.³¹

Assimilation and integration become easier as society becomes more individualized—less dominated by group consciousness. Successful adaptation can occur quickly for young people but may require generations for entire societies.³²

Confident that more than 80 percent of its population is Lithuanian, Vilnius immediately granted citizenship to all residents.³³ The Estonian and Latvian governments, by contrast, are worried lest their cultures disappear in a Slavic sea. Therefore, they have established procedures for citizenship that require a period of residency, some knowledge of the local language, and some familiarity with the constitution. These requirements are much easier to satisfy than similar provisions in Switzerland or even in Germany. But critics—especially in Moscow—say that they are too severe. The Estonian and Latvian governments counter that respect for human rights does not necessarily entail a grant of citizenship.

Most West European observers concur that no Baltic country violates the human rights of its residents, except perhaps for Latvia's refusal until 1998 to grant citizenship to children born there after 1991. The International Helsinki Federation for Human Rights, for example, submitted a report, "Protection of Ethnic Minorities," to the UN Commission on Human Rights in 1998. The following is what it said about Estonia and Latvia.

Estonia: As of 1997, there were 412,000 ethnic Russians residing in Estonia—about 30 percent of the total population. In addition, 97,000 residents belonged to other ethnic groups. The status of residents who arrived before 1940 is relatively unproblematic. Estonia's citizenship laws, however, left some half million non-Estonians with the status of non-citizens. They had either to apply for Estonian citizenship through naturalization or opt for the citizenship of their country of origin. At the beginning of 1998, more than 107,000 non-citizens had applied for Estonian citizenship through naturalization, of whom 95,000 had been naturalized.³⁴

Since 1997, the Estonian government has pursued an integration policy aimed at accelerating naturalization of non-citizens. The program aims to raise children born in Estonia as Estonian citizens regardless of their nationality.³⁵ It seeks to promote a multicultural environment and enhance the economic development of northeastern Estonia to reduce the isolation of Slavic speakers there.³⁶

Non-citizens of Estonia can express their concerns at a presidential round table on ethnic affairs and in local round tables. Unlike Latvia, Estonia permits non-citizens to vote in local elections. But the Estonian government has rejected demands from some Russians in Narva for self-government without supervision from Tallinn.

Latvia: The International Helsinki Federation found ethnic problems in Latvia to be more problematic. Two-thirds of Latvia's minorities are not Latvian citizens. In 1997, there were 687,000 registered non-citizens of Latvia constituting

28 percent of the population. By the end of 1997, only 7,500 non-citizens had been naturalized in Latvia, but then few had applied.

Naturalization requires that applicants pass language and history examinations geared to different age brackets. This timetable or “window system” has been criticized as unnecessarily slow, especially since relatively few non-citizens have attempted the exams.

Why don't more non-citizens seek Latvian citizenship?³⁷ The UN Development Program listed several reasons.³⁸ Only one in ten non-citizens reports being able to write and speak Latvian freely. Many non-Balts despair of learning even the rudiments of a Baltic tongue and complain that language instruction is poor; language exams are thought to be difficult. Many non-citizens are unfamiliar with the naturalization law. Some balk at the naturalization fee—about \$53. Many non-citizens are content to use their old Soviet passports as a kind of ersatz Russian passport, with no need to obtain a visa for travel to Russia. For men, military service is another consideration. Non-citizens may enroll in universities immediately after secondary school, unlike Latvian men, who are required to serve twelve months in the army.³⁹

In 1997–98, the Latvian government sought to amend its laws on citizenship to meet criticisms by European human right groups. Thus, Max Van der Stoep, high commissioner on national minorities of the Organization for Security and Cooperation in Europe (OSCE), urged Latvia to drop its “window system,” grant citizenship to children of non-Latvians born in Latvia after August 1991, and simplify the citizenship examinations on Latvia's constitution and history. On 17 July 1998, the commissioner said he was satisfied with the amendments and would make no more suggestions.

But the ruling “For Fatherland and Freedom” party launched a petition drive in summer 1998 for a referendum that would give Latvians an opportunity to vote on the recently passed amendments. The EU commissioner for foreign relations on 20 July 1998 praised the amendments but worried that the referendum might scupper them. Still, social integration might benefit from a process in which Latvian citizens could vote whether or not to liberalize citizenship requirements.

More and more young Russians consider proficiency in the Estonian language a precondition for economic and social success.⁴⁰ But exit remains an option for non-citizens, though jobs and housing are not readily available for those who return to Russia. Still, a sizable number of Slavic-speakers have departed Estonia and Latvia—enough to raise the native element in Estonia's population from 61 percent in 1991 to 64 percent in 1996, and in Latvia from about 52 to 56 percent.

Despite difficulties, there has been little open conflict between indigenous Balts and Slavic speakers since 1991—nothing like the violence that has shattered the Caucasus and parts of Central Asia (not to mention Basque country, Northern Ireland, the Congo, and—on occasion—the inner cities of the United States). Gradually the non-native elements in the Baltic are being co-opted rather than repressed or driven out. Their ranks are divided by education and age as children and younger Slavic-speakers opt to learn the local tongue, if only to get ahead.

Cultivate Good Government and Mutual Trust

One-party rule promptly gave way in the 1990s to a multiparty democracy in each Baltic state. Compared to the United States, the political scene in each Baltic republic has been highly unstable. Baltic politics is even more chaotic than in postwar Italy where, despite many parties, a single party dominated elections for generations. Multiple parties contest in the Baltic, sometimes forging fragile coalitions that dominate and then lose control of parliament. Parties are internally divided.⁴¹ Voters flip-flop, compelling prime ministers and their appointees to come and go. Former Communists now dressed as social democrats face bitter anti-Communists, each disparaging the other's ultimate agenda. There are wild cards—émigrés such as University of California professor Rein Taagepera and Chicago EPA administrator Valdas Adamkus who return from abroad to compete in national elections. In Latvia and Estonia many residents have no vote in national politics; many cannot even understand the official language.

Baltic politics in the 1990s resemble the fledgling democracies of the Czech Republic, Poland, or Hungary—not Russia or other former Soviet Union republics. No strongman has dominated any Baltic country since 1991; no congeries of bankers or entrepreneurs have achieved great political influence; no armed battles have taken place between president and parliament. The Baltic media are much freer than in Russia—Lithuania's press may be the freest in the former Soviet realm. The Latvian paper *Diena* (daily except Sunday) gives well-balanced political news—local, regional, and international—in a Russian as well as a Latvian edition.⁴²

The Estonian parliament (*Riigikogu*) meets in the refurbished Toompea Castle. In June 1998, I watched representatives of many parties conduct a civilized debate in the *Riigikogu* on Estonia's relations with Europe, each speaker keeping to his allotted time. A few days later in Vilnius I watched the government juggle a visit on the same day from the president of Iceland, a supporter of NATO expansion, and the Russian foreign minister, an opponent.⁴³

Each Baltic state has made large strides in building institutions of civil society. Still, the legacy of the past cannot easily be undone. In Latvia, for example, there is still little separation of powers. The executive sometimes abuses its ability to dominate both the legislative system and the judiciary.⁴⁴ Latvia experienced a corruption scandal in 1997 that forced the government to resign.⁴⁵ Business and financial interests seek to shape policy in every Baltic state, but that occurs in Western democracies too.

Public opinion polls show wide suspicion that government officials are enriching themselves from the public trough.⁴⁶ The gaps between nouveaux riches and have-nots and between those who circumvent laws and those who obey them are huge.⁴⁷

Top Lithuanian leaders express concern about the political apathy of the country's population, including its youth. Since the heady days of 1990–91, popular enthusiasm for public causes has declined. Why? Possible causes include the problems of transition aggravated by blockades and a fall in living standards. Brazauskas asked in 1996 if there is a flaw in the political training within fami-

lies and in schools.⁴⁸ But Landsbergis sees a deeper issue—the mass psychology of selfishness and dependency left over from Soviet times. “Many people think in a collectivist manner. They subordinate themselves to authority. They expect authority to distribute goods to them and are angry if this does not happen.” This pattern, Landsbergis believes, “has taken place not only in the Baltic but in much of Eastern Europe and in Russia itself.”

Landsbergis says that “young people did not vote against our party, Sajudis, in 1992.” Still, few “take an active role in politics now. Many think: ‘Let the politicians decide.’” Landsbergis rejects comparisons of Baltic quiescence with youthful energies in Latin America or the Middle East. “There,” says Professor Landsbergis, “politics is by physical demonstrations. Our politics is by voting and by other intellectual acts.”

“Some Russian nationalists and strategists call for reassertion of Russia’s geopolitical interests in a long rivalry with Berlin over the Baltic.”

In the Baltic, as in Russia, many young people endorse free markets. Whether they will transcend greedy hedonism and cultivate a more communal spirit is an open question.⁴⁹ The contrast between the high life in the city centers of St. Petersburg,

Tallinn, Riga, and Vilnius and the depressed conditions in city slums and much of the countryside is vivid.

Society and the Body Politic

While there is more political independence and a surer basis for economic development, the personal well-being of most Balts has declined. A social malaise is reflected in the fact that Balts are not reproducing themselves. Fertility rates—especially in Latvia and Estonia—were low before independence and have dropped since. If Balts do not replace their present numbers, their culture will weaken and could disappear. In 1912, the populations of Latvia and Norway were about the same—roughly 2.5 million. Latvia’s population is still about this size, thanks to wars, deportations, and emigration, while Norway’s has nearly doubled.⁵⁰

In Latvia, the fertility rate in the mid-1990s was 1.25;⁵¹ in Estonia it was 1.32—down from 2.26 in 1988.⁵² Even in traditionally Catholic Lithuania, the fertility rate has fallen from 2 babies per woman in 1990 to 1.43.⁵³ The Baltic demographic picture differs from that in Western Europe, where fertility is also low, in that life expectancy in the new Baltic states has also declined.⁵⁴ As in Russia, Baltic couples are producing fewer babies, and males—even in their twenties—are dying in ever larger numbers from accidents, poisoning, self-inflicted injuries, or murder.⁵⁵ Declining fertility reflects pessimism about present conditions—jobs, prices, housing. Crude death rates declined somewhat after 1995, but public health problems remain severe—especially for those with limited means

for medical care.⁵⁶ The already small populations of the Baltic lands will get smaller before they get larger.⁵⁷ Pensions, meanwhile, are not extravagant—after a recent raise, an average pension is \$88 per month in Latvia.⁵⁸ The question arises: Might not Baltic fitness gain more from greater investments in people rather than in arms?

External Security and Cooperation with Neighbors

Is There a Threat?

Balts face no foreseeable military threat except from the former hegemon, a now weakened Russia.⁵⁹ Balts look west and north for security—not south and certainly not east. Of the former union-republics, only the Balts have refused to join the Russian-dominated Commonwealth of Independent States (CIS). They have bristled at every hint from Moscow that Russia has special rights in its “near abroad.”

Some of the most sober Russian political thinkers and strategists understand Baltic anxieties and believe that the best interests of Russia and the Balts require cooperation—not dictation.⁶⁰ But some Russian nationalists and strategists call for reassertion of Russia’s geopolitical interests in a long rivalry with Berlin over the Baltic.⁶¹ Thus, Anton Surikov, a researcher at the Russian Defense Research Institute (a “private” think tank supported by the Ministry of Defense) commented in April 1996 on an institute study warning that Russia may need to fight in the Baltic in the near future. Surikov explained to an Estonian reporter that Russia will reoccupy the Baltic states only if they join NATO or launch an extermination or massive expulsion of Russian speakers. He ranked Estonia’s defensive capability as very low—nothing like that of the Chechens or Armenians. “Your problem is that, when the Russian troops come in, instantly your society will divide between the two larger ethnic groups. Russians simply do not have anywhere to go other than to pick up a weapon and to fight against you.” If a larger country such as Poland joined NATO, Russia would not invade, but Moscow might increase military cooperation with Iran or provoke anti-American conflicts in Asia or the Middle East.

Surikov expected a weak world response if Russia invades the Baltic. Washington would do no more than cancel airplane flights or boycott some sport competition. Universal sanctions are impossible. Germany would never give up the oil and gas it gets from Russia. Neither China nor India nor even Turkey would join in sanctions. If sanctioned, however, Russia might send rocket technology all over the world. The West would do nothing more because it would mean a nuclear war. If Russia itself were invaded, Moscow would respond in less than an hour with nuclear weapons.⁶²

Even stronger words have come from the Russian nationalist Vladimir Zhirinovskii. He has declared: “I am doing everything to liquidate the Baltic states.” He predicted that Russian speakers in Estonia will “begin to eliminate [Estonia] as a subject of international relations. You feel that you are independent, but this will end for you with your own blood.” He said that Russia would not attack Estonia directly but unleash prisoners in Russian jails. “I’ll tell them: You’ll get your

freedom if you make some moves in Tallinn. . . . They'll burn some streets." He predicted that Estonia, Latvia, and Lithuania will disappear completely and finally from the world political map when the inevitable war breaks out between Russia and the West between 2001 and 2011. He forecast that the Soviet-era Estonian President Arnold Rüütel or an Estonian Communist sent from Moscow would then rule Estonia. "You small nations," he concluded, "are like small change" in the struggle for power by big nations.⁶³

Two Russian defense experts in 1998 listed sixteen cases of armed intervention within the USSR and the post-Soviet space—from the crushing of demonstrations in Kazakhstan in December 1986 through the Chechnya war of 1994–96. They opined that most of these interventions were fully or partially successful; only three failed outright—Tbilisi in April 1989; Vilnius in January 1991; and Chechnya, 1994–96. To decide whether an intervention was "justified," the authors rated its success in stopping riots, lowering tensions, resolving a problem, or localizing a conflict.⁶⁴

Russian diplomats coyly say that such views are private opinions to be expected in a "democracy" and not shared by the Yeltsin government. But Yeltsin has not disowned them.

Direct Approaches

Self-Defense Forces and Civilian Defense. If Russian forces again menace, could Balts put up a fight? Many Balts recall with pride how they repulsed the Red Army in 1918–20.⁶⁵ They are determined to avoid another supine surrender like the one that took place in 1940. Some recall how "forest brethren" guerrillas fought the Soviet occupation forces from 1944 until 1956.⁶⁶ The historian and former Estonian prime minister Mart Laar has said that some members of the Estonian resistance in the 1980s were preparing to wage guerrilla war against Soviet occupiers. They did not agree with those who believed that a "singing revolution" could break the reins of a superpower.⁶⁷ Few of Maar's associates expected a nonviolent denouement to the liberation struggle.⁶⁸

But Balts' military preparedness is hampered by many problems—lack of funds and hardware, tradition, leadership, experience, and fighting spirit; there is a sense of futility.⁶⁹ Not only is there a shortage of equipment, but existing weapons derive from three different standards. Some arms are hand-me-down Soviet; some, NATO-standard; some, Israeli.

Paradox prevailed in the late 1990s: Of the three Baltic republics, Latvia had the most serious problems with Russia but spent the least on defense—less than 1 percent of GDP; Lithuania had the best relations with Russia but spent the most on defense—slightly more than 2 percent of GDP.⁷⁰ Some small states, if threatened by large neighbors, pay out from 10 to 25 percent of GDP for defense. But the three Baltic republics spend less on defense than the United States or most other NATO partners. Although Lithuania spends more on defense than its two neighbors, Vilnius sought in the late 1990s to pick up Soviet-brand arms on the cheap from Eastern Europe or Russia. Latvia and Estonia, on the other hand, looked to the West for new arms.⁷¹ As of 1997, despite aspirations to join NATO,

Lithuania had no combat aircraft; Estonia had one air defense battalion within its army; Latvia had four small planes and seven helicopters.

Military morale is low throughout the Baltics. Many young people are apolitical and materialistic. They feel little motivation to serve. Discipline within the Latvian army was criticized by President Guntis Ulmanis on 22 March 1996. Official Latvian statistics showed that nearly every officer breached discipline in 1995. There was much drinking and much aggressive hazing in Estonian as well as Latvian forces.

In 1997, Estonia had a regular army of 3,500 plus 2,800 border guards; Latvia's regular forces numbered 4,500 plus 3,600 border and coast guards; Lithuania's total armed forces numbered 5,250, along with 4,800 border guards. Roughly half the regular troops in each Baltic republic were conscripts, serving for only twelve months. The small per capita strength of these forces is suggested by comparison with Macedonia, a country with a population comparable to Latvia's, which possessed more active forces (15,400) than all three Baltic republics combined.⁷²

Balts hoped, of course, that today's conscripts would contribute to larger reservoirs of trained reservists. Besides regular forces and border guards, Estonia has a 7,500-strong volunteer Defense League able to carry out both combat and non-combat missions. Estonia's military commander, Colonel Johannes Kert, envisions a nation in arms—regular army, the paramilitary Defense League, border guards, and reserves—backed by a patriotic citizenry. Kert says that Chechens have shown that a small population can resist the erstwhile superpower. "It's possible to beat an army," says Kert, "but not an entire nation."⁷³

For better or worse, however, a Swiss-style militia is probably not in the cards. The Baltic countries are deeply divided ethnically. To arm all residents could invite a civil war, while discrimination against one group could heighten divisions.

The Nordic countries are providing wide-ranging training for Baltic officers. By 1996, more than a hundred Estonian officers had received training in Finland, and Finland planned to send advisers to Estonia.⁷⁴ The three Baltic states put together a combined Baltic Battalion (BALTBAT) for peacekeeping. By 1998, some 200 peacekeepers from Estonia and from Latvia and more than 400 from Lithuania were serving in such missions. Peacekeepers from all three states serve in Bosnia; Estonians and Latvians serve also in Croatia, and Estonian troops serve also with Norwegians in Lebanon. Lithuania and Poland are creating their own combined peacekeeping battalion. Meanwhile, a working group of Western, Nordic, and Baltic military leaders meets every six weeks or so to analyze progress of the BALTBAT.

Plans are under way for joint mine sweeping and aerospace surveillance. The three Baltic navies, aided by Western partners, are setting up a joint mine sweeper squadron (BALTRON) based in the former Soviet base at Paldiski, Estonia. In 1998, German ships worked out of Riga as they swept the Baltic for mines laid in World War II. The United States in 1998 gave a credit of \$5.8 million to Estonia to set up and equip an Air Sovereignty Operations Center to service all three Baltic countries.⁷⁵

An International Defense Advisory Board for the Baltic States, founded by General Sir Garry Johnson, former commander, Allied Forces North Europe, consists of retired NATO officers who help Baltic leaders to sift their security options.

Alliances versus Neutrality. Russia's many weaknesses in the 1990s reduced for the time being any active external threat to Baltic security but did not remove it. Thus, Russian forces near Pskov, just east of Estonia, were strengthened in the mid-1990s—probably in violation of the flank limits set by the 1990 Conventional Forces in Europe Treaty, later loosened with Western approval to accommodate Moscow.

Balts were denied admission in the first wave of NATO expansion in the late 1990s but lobby for admission in the next wave. Some Balts complain that they are like high-risk applicants for insurance—suspected of having a preexisting condition or being in remission. Those who most need insurance are denied coverage.⁷⁶

Both Lithuanian President Algirdas Brazauskas, a former Communist, and the anti-Communist Landsbergis, call for Lithuania's membership in NATO and advise Moscow to accept the fact that NATO will extend to Russia's border. They say that Europe should not have any "gray zone" or security vacuum. Estonian and Latvian leaders also plead for early admission to NATO.

Iceland supports admission to NATO for the Baltic states in a second wave of expansion. Iceland's president, Olafur Ragnar Grimsson, and his foreign minister toured the Baltic republics in June 1998.⁷⁷

But NATO expansion—with or without Baltic participation—may undermine rather than bolster the security of states in the former Soviet sphere. Any state wishing to join NATO will have to modernize its armed forces, probably siphoning funds needed for economic and social development. Equally or more important, NATO enlargement could prove to be a self-fulfilling prophecy—a fillip to Russian nationalism and militarism, bolstering a threat that had diminished when the USSR collapsed.

More paradox: An expanded NATO might help shield the Balts from a resurgent Russian imperialism. But if NATO's defense perimeter excludes the Baltic states, Moscow might infer that it enjoyed a free hand. If Poland joins NATO but the Baltic lands do not, Lithuania will be squeezed between heavily militarized Russian Kaliningrad and Belarus-Russia—both of them bordering a new member of the Western alliance. Even if the Balts are admitted to NATO, the original NATO partners might not be ready to risk Brussels for Tartu—especially if Baltic forces are weak and no Western forces are based in the region.⁷⁸

Despite these problems, Western and Baltic governments strive to improve their readiness for admission into NATO. Baltic cadets study at U.S. and other Western military academies. Officers are polishing their English. Western arms sellers hype their wares, even though it remains unclear who would foot the bill for new planes and tanks.

Joint training exercises take place. Russia's Baltic Fleet took part in a search-and-rescue maneuver with NATO and Baltic navies in June 1997 but declined to take part in the Baltic Challenge exercise a month later. That exercise involved

the navies of eight states. It demonstrated that NATO and associated states could ship military materiel across the Baltic Sea from nonaligned Sweden to Estonia.⁷⁹

Having decided to expand NATO, Western governments seek to square the circle. They hope to soften the blow by encouraging Russian troops work with U.S. peacekeepers in Bosnia. One RAND Corporation study recommends letting Russia reassert its leadership in its border regions—in the south and southeast if not the west.⁸⁰ But nothing can mask or cushion the reality that an ancient foe plans to encamp close to or on Russia's borders. Even countries without NATO membership may be assisted by NATO. The Western allies have conducted maneuvers on Russia's doorstep—on the Baltic coast, adjacent to the Crimea, and even in Kazakstan—demonstrating the ability of Western forces to assist countries on Russia's borders.

As an alternative to bringing the Baltic countries soon into NATO membership, two RAND analysts suggest a package of measures that focus on Estonia: They would elevate Estonia to full membership in the EU, partial membership in the West European Union, and expanded cooperation with NATO under the Partnership for Peace. These arrangements would spur Latvia and Lithuania to speed reforms needed to make them eligible for similar treatment. Sober Russians, these analysts say, might find this arrangement acceptable.⁸¹

Another alternative would declare the entire region between NATO and Russia a neutral zone—its neutrality formally recognized by Russia as well as by the West.⁸² Neutrality need not exclude Partnership for Peace cooperation and joint military exercises with NATO but would bar foreign bases on neutral soil.⁸³ Balts might opt for an Austrian model of lightly armed neutrality; Poland and Ukraine might choose heavily armed neutrality *à la suisse*. Insecurities would remain, but no country enjoys absolute security. Neutralization would exploit Moscow's interest in being treated as a partner with the West rather than as a foe.

Indirect Approaches

Regional Cooperation. Elites and common people of the three republics collaborated in many ways in the 1980s run-up to independence. Since 1991, however, regional cooperation has languished.

The three Baltic economies are complementary in some ways, but they often compete for trade, investment, and transit business.⁸⁴ Nearly a decade after independence, Balts still have no intra-Baltic customs union.

The three republics also have border disputes with one another. Lithuania has unresolved borders at sea not only with Russian Kaliningrad but with Latvia. Estonia and Latvia reached an accord on a common border at sea but only after sever-

“Unity with Western Europe has been a far higher priority for the three Baltic republics than unity or even cooperation with one another.”

al incidents at sea;⁸⁵ in 1998, the Estonian and Latvian foreign ministers debated the border where an Estonian minority lives in a town with a Latvian majority.

Representatives of all three states in the Baltic Council and Baltic Assembly seek common positions. In 1998, Lithuania and Estonia stood faithfully by Latvia when the latter suffered an upsurge in Russian pressures. Military from the three republics cooperate in peacekeeping, in air surveillance, in mine sweeping, and in setting up a Joint Baltic Defense College in Tartu.

Still, many observers see a growing gap between the three countries—perhaps a rising spirit of “every man for himself.” Or, as Mart Laar put it, “We used to be friends; now we are rivals.” But these generalizations oversimplify. They ignore, for example, that Estonia invests far more per capita in Eastern and Central Europe than any other country, with half of this investment in Latvia and Lithuania.⁸⁶

Economic and Other Ties with Europe. Unity with Western Europe has been a far higher priority for the three Baltic republics than unity or even cooperation with one another. Each Baltic republic seeks to join the EU and NATO. Before that happens, each makes the most of its associate status in the EU, achieved in 1995, and its role in the Partnership for Peace.

Balts hope that EU membership will enlarge their trade opportunities not only with Europe but with the world and will encourage both domestic and foreign investment in the Baltic countries. EU membership, Estonia’s foreign minister has noted, would constrain arbitrary trade and indirect tax policy changes, lock in well-defined property rights, bolster competition policy and legal norms, and generate EU aid. Small economies need larger markets. But the rest of the EU would be stimulated by the rapid growth expected in the Baltic countries.⁸⁷

Despite a lack of experience and trained personnel, the diplomacy of Estonia, Latvia, and Lithuania has been articulate and generally effective in campaigning for entry into the economic, political, and security institutions of the West.⁸⁸

Baltic governments have gradually made their laws converge with those of the EU. In 1996, Estonia acceded to the European Human Rights Convention, setting the stage for Estonia’s foreign minister on 3 May 1996 to take over the rotating six-month chairmanship of the Committee of Ministers of the Council of Europe.⁸⁹

But mice can also roar: Estonian representatives to the Council of Europe set out standards for Russian membership. After Russia joined, they pointed to gaps between Moscow’s commitments to the council and its performance.⁹⁰ One Estonian parliamentarian believes that the quality of the council has suffered from Russia’s participation.⁹¹

Balts also urge the West to oppose all signs that Russia intends to reassert a heavy hand in its former borderlands. Estonia and Latvia prodded the West to condemn Russian behavior in Chechnya.

The Balts get some indirect security benefit from their associate membership in the EU. They gain not only from the collapse of Russia’s military power but from Russia’s economic dependence upon the West—at risk if Moscow should attack its Western neighbors. Since 1990–91, Balts have also learned to appreci-

ate the presence of Cable News Network cameras, ready to display worldwide any evidence of Russian aggression.

Better Relations with Russia. Balts now suffer from a version of the security dilemma: The very steps that they take to improve their own security tend to provoke hard-line responses in Moscow that menace Baltic security.

Paradox: Baltic security has benefited from Russia's weakness and from the Balts' ability to shift their trade relationships from the east to the west. But Baltic fitness could gain still more if Estonia, Latvia, and Lithuania enjoyed good all-round relations with a revitalized Russia—a good neighbor and trade partner rather than an imperialist bogey.

The most effective way to remove an external threat to Baltic security would be for Estonia, Latvia, and Lithuania to consolidate good relations with Russia. For that to happen, of course, all parties must perceive their interdependence and act to create mutual gain rather than pursue unilateral gains.⁹²

Sources of Strength and Weakness

Balts' geopolitical situation and economic resources in the 1990s are far more favorable than what was available to Asia's "Little Tigers" in the 1970s. If Balts use their potential as well as Taiwan and other Tigers have done, they too may grow and prosper. The big question mark is the human factor: Will Balts, like East Asians, have sufficient determination to hold fast, labor, create, save, and invest for the long haul?⁹³

Unlike many persons in some other ex-Soviet republics, Balts feel pride and derive confidence from their past. They have demonstrated an ability to resolve problems pragmatically and peacefully, without the emotion and violence that have characterized the Caucasus and Tajikistan. They have generated much good will, investment, and political support in the West—especially in Nordic countries.

The Baltic republics have been reborn. As in the 1920s, Balts in the 1990s have shown a remarkable ability to slough off past burdens and make a fresh start. Balts have done much to enhance their way of life and make it more secure. Their fitness has improved in many ways relative to other parts of the former Soviet Union. But major issues burn unsolved both at home and in external affairs. Balts have cause for hope but not complacency.

NOTES

1. On complexity theory and fitness, see Stuart A Kauffman, *Origins of Order: Self-Organization and Selection in Evolution* (New York: Oxford University Press, 1993), chap. 6; Walter C. Clemens, Jr., "Baltic Identities in the 1990s: Renewed Fitness," in *National Identity and Ethnicity in Russia and the New States of Eurasia*, Roman Szporluk, ed. (Armonk, NY: M.E. Sharpe, 1994), 185–205; for other applications to political development, see Clemens, *Dynamics of International Relations: Conflict and Mutual Gain in an Era of Global Interdependence* (Lanham, MD: Roman & Littlefield, 1998), chapter 5.

2. "Baltic" countries here means Estonia, Latvia, and Lithuania even though many other countries, including Russia, border the Baltic Sea. Latvian and Lithuanian are "Baltic" languages of the Indo-European family; Estonian is a Finno-Ugric tongue.

3. For comments and suggestions the author wishes to thank Paul Goble, Arvo Kuddo, Anatol Lieven, S. Frederick Starr, and other participants in the conference “Nation-Building in the Baltic States: Progress and Prospects for Reform,” held at the Irving B. Harris Graduate School of Public Policy, University of Chicago, 2–4 May 1996, where an initial version of this article was presented. The conference, sponsored by the U.S. government, heard not only from Baltic and U.S. scholars but from U.S. ambassadors to the Baltic countries and their counterparts in Washington. Officials from the State Department, Defense Department, the CIA, and FBI took part, as did experts from several European countries and from the Russian embassy in Washington. The article also benefits from conversations with officials and other residents—citizens and non-citizens—interviewed during visits to St. Petersburg, Tallinn, Riga, Vilnius, Sovetsk, Kaliningrad, and Gdansk in 1998.

4. Walter C. Clemens, Jr., “Who or What Killed the Soviet Union? How Three Davids Undermined Goliath,” *Nationalism and Ethnic Studies* (Spring 1997): 136–58; Clemens, *Baltic Independence and Russian Empire* (New York: St. Martin’s, 1991); Clemens, “Estonia, a Place to Watch,” *The National Interest* (Fall 1988): 85–92; Anatol Lieven, *The Baltic Revolution: Estonia, Latvia, Lithuania and the Path to Independence* (New Haven: Yale University Press, 1993).

5. On the first moves, see Walter C. Clemens, Jr., “Negotiating a New Life: Burdens of Empire and Independence,” *Nationalities Papers* (Fall 1992): 67–78.

6. Vassili Svirin interview in *Vecherniye vesti*, a Russian daily in Tallinn, reported in *The Baltic Independent*, 15–21 March 1996, 5; also comments of Russian ambassador to Lithuania Konstantin Mozel quoted in *Baltic Times*, 29 January–4 February 1998, 2. Nearly a decade earlier, on 24 December 1989, the USSR Congress of People’s Deputies condemned the secret protocols of the 1939 Molotov-Ribbentrop pact as “legally untenable and invalid from the moment they were signed” (*Vestnik Ministerstva inostrannykh del SSSR*, 2, 31 January 1990, 9–16). But Kremlin spokesmen have consistently argued that incorporation of the Baltic republics in 1940 was legal and did not hinge on any deals with Hitler.

7. Wayne C. Thompson, “Citizenship and Borders: Legacies of Soviet Empire in Estonia,” *Journal of Baltic Studies* 24 (Summer 1998): 109–34 at 127.

8. An EU delegation of law enforcement officials gave a favorable assessment in May 1998 of Latvia’s border check points and border guard training, but stated that Latvia’s borders with Russia and Belarus are practically not demarcated and very porous. *Baltic Times*, 28 May 28–2 Jun 1998, 5.

9. These and other references to Landsbergis’s views are based on an interview on 9 May 1996 when he was in Washington, DC.

10. Dominated by the anti-Communist Home Union Party, the Lithuanian parliament passed a tough lustration law in July 1998 but President Valdas Adamkus vetoed it. He, along with the opposition Democratic Labor Party, proposed that parliament obtain a ruling on its constitutionality from the Constitutional Court.

11. Communist Party leader Anatolijs Gorbunovs was chairman of Latvia’s Supreme Council both before and after independence. The ex-chairman of Estonia’s Supreme Soviet, Arnold Rüütel, got more votes in Estonia’s 1992 presidential election than did Lennart Meri, but Meri won because he was backed by the Estonian parliament. Long-time Communist leader Algirdas Brazauskas was elected Lithuania’s president in October 1992, displacing anti-Communist Vytautas Landsbergis. Rüütel was still a member of the Estonian parliament in 1998, while Brazauskas announced his resignation from politics.

12. Samuel P. Huntington, “Democracy for the Long Haul,” *Journal of Democracy* 7 (April 1996): 3–13 at 8.

13. Gene Sharp’s writings on this topic have been translated into Baltic languages and given serious consideration by some Baltic leaders. See Gene Sharp et al., *Human Rights and Coups d’Etat* (New York: International League for Human Rights, 1994).

14. Estonia benefited initially from receipt of gold stocks held by Western governments since 1940 and then by transshipment of base metals and metal products from Russia to

Scandinavia. But these initial advantages lapsed and Estonia gradually developed its own assets for economic takeoff and steady growth. Base metals made up 8 percent of Estonian exports in 1994 and dropped to 6.8 percent in 1995. See Arvo Kuddo, "Macroeconomic Policy and Financial Stability in Estonia," unpublished paper, 1996, Appendix 8. A demographer who became Estonian minister of labor after independence, Kuddo joined the World Bank in 1996.

15. But Estonia invested heavily abroad. See statistics in *Baltic Times*, 28 May–3 June 1998, 12.

16. See surveys on Estonia in *Financial Times*, 24 February 1998, I and on Latvia on 6 July 1998, I; see estimates for Lithuania by EU Commissioner for External Affairs Hans van den Broek in Vilnius on 21 July 1998 and by the executive directors of the International Monetary Fund as reported by RFE/RL on 23 July 1998.

17. Report on a Central and Eastern Eurobarometer poll by Lya Oll, "Baltic Outlook Clouds Over," *Baltic Times*, 28 March 28–3 April 1996, 2.

18. This causes the state to lose 5–6 billion kroons annually, says Juhan Sillaste, director of the Estonian Socio-Economic Institute. He reported that the number of revenue officers in Estonia in 1996 was only one-fourth that of 1940 and much less on a per capita basis than in most OECD countries.

19. Chris Butler, "Chasing Tax Debts," *Baltic Times*, 4–10 June 1998, 11.

20. A wag in Vilnius claimed to have found a recipe for raising the living standards of all Lithuanians: "Require each citizen to work a month in the customs office."

21. FBI agents working with the Russian Ministry of Internal Affairs counted 8,059 organized gangs in Russia in 1996—up from 785 such gangs in 1990. The ministry estimated that 60 to 80 percent of Russian banks were influenced by local mafias in 1996.

22. In 1990, Estonians could not accept gifts of newsprint from Sweden without getting permission from authorities in Moscow! Baltic banks had few direct links with the capitalist world but depended on the "center" (Moscow) to clear most transactions.

23. *Country Report: Estonia, Latvia, Lithuania, 1st Quarter 1996* (London: The Economist Intelligence Unit, 1996), Appendix 2.

24. For example, Russia's energy and fuel minister in 1996 demanded 30 percent of the capital in Latvia's oil terminal Ventspils Nafta when privatized. If Latvia agreed, Russia pledged not to decrease oil shipments even though it was building a rival terminal at Primorsk.

25. "Russia Won't Drop Own Port Plans," *Baltic Times*, 30 April–6 May 1998, 9.

26. In April 1996, dock workers in some of northern Russia's ports staged a one-hour strike to protest conditions that encouraged Russian exporters to use Baltic and Ukrainian outlets. The Russian Union of Dockers estimated that Russia's ports were being used to only 60 percent of capacity because of high taxes, rail tariffs, and outdated equipment. But anyone who sailed past St. Petersburg's docks in 1998 would see miles of desolation—rusting cranes, mostly idle—quite unlike the more modern, clean, and busy ports of Tallinn or Riga, not to mention Helsinki or Copenhagen.

27. See his *Über den Ursprung der Sprache* (1772) and *Stimmen der Völker in Liedern* (1778–79).

28. Igor Teterin, "O chem stuchat Baltiiskie chasy," *Molodezh Estonii*, 13 January 1998, 2.

29. See, for example, *Kupecheskaia gavan' and Estoniia*, both published in Tallinn, 11 June 1998.

30. Alice Lagnado, "Ivangorod Eyes the 'Good Life' Across the Border," *St. Petersburg Times*, 31 July 1998.

31. Tiit Tammaru, "Regional'nye razlichiiia adaptatsii russkikh i faktory, vliiaushchie na adaptatsiiu," *Raduga* 1 (1998): 121–36 at 124, 128, 132–34.

32. *Ibid.*, 135–36.

33. Vytautas Landsbergis explains that every citizen "must feel in favor of the country." He endorses coexistence (integration)—not assimilation. He and his followers have

backed laws that support schools in the language of every minority, including Jews and Belarusians—if only Sunday schools.

34. “Protection of Ethnic Minorities” at <http://www.wihf-hr.org/reports/9804prot.htm>.

35. Andra Viedemann, minister without portfolio, presented a detailed draft policy document on integration to the Estonian parliament on 6 May 1998. See *Baltic Times*, 21–27 May 1998, 4.

36. The U.S. embassy in Tallinn worries that social decay may get worse in Russian-speaking parts of Estonia. One of Europe’s largest textile mills in Narva has been purchased by a foreign manufacturer intent on the bottom line and determined to replace many employees. Greater efficiency can mean fewer jobs, at least in the short run.

37. For background, see Rasma Karklins, *Ethnopolitics and Transition to Democracy: The Collapse of the USSR and Latvia* (Washington, DC: Woodrow Wilson Center Press, and Baltimore: The Johns Hopkins University Press, 1994). Some evaluations of Latvia in this paper are influenced by conversations with Dr. Karklins in 1996 as she ended a long research tour in Latvia.

38. See *Latvia Human Development Report 1997* [hereafter *Latvia HDR 1997*] (Riga: UN Development Programme, 1997), 55.

39. In 1998, a well dressed, strong looking law student in his early twenties whom I met in Riga told me that he knows Latvian but has not sought naturalization because that would lead to conscription.

40. Asked in 1998 about their knowledge of Estonian, three Russian teenage girls in Tallinn said they had been studying the language since age eight. Did they have Estonian friends? “Yes,” all replied. One added that Estonian girls are easier to get along with than Russians, because they are less “jealous.”

41. For conflict between the president and prime minister of Lithuania, see “Intra-party Dispute Threatens Conservatives’ Stability,” *Baltic Times*, 18 June–2 July 1998.

42. It publishes the Russian edition (in color) even though demand justifies a run of only 9,553 copies compared to 85,466 in Latvian (figures given in the edition of 12 June 1998).

43. On recent elections and foreign policy shifts in Lithuania, see essays by Terry D. Clark and Christopher Marsh in *Journal of Baltic Studies* 29 (Summer 1998): 135–64.

44. The legal profession and legal codes are weakly developed in the Baltic states. American advisers have sometimes neglected the traditions of Continental systems and have even tried to import exotic ideas such as legalizing abortion in Catholic Lithuania.

45. The scandal concerned violations of the anti-corruption law regarding conflict of interest rather than abuse of public power by ministers. See *Latvia HDR 1997*, 44–45.

46. *Latvia HDR 1997*, 44.

47. School children in Bauska told a German visitor that the only way to get rich in Latvia is by stealing. Reinhard Krumm, “People Need Trust,” *Baltic Times*, 21–23 March 1996, 21. On the importance of trust, see Francis Fukuyama, *Trust: The Social Virtues and the Creation of Prosperity* (New York: The Free Press, 1995).

48. Annual Report by President Algirdas Brazauskas, 1996, quoted in *Lithuanian Human Development Report 1997* [hereafter *Lithuanian HDR 1997*] (Vilnius: UN Development Programme, 1997), 120.

49. For guarded optimism on Russia, see Taylor E Dark, “No Illusions—Russia’s Student Generation,” *The National Interest* 43 (Spring 1996): 78–85.

50. Rasma Karklins, “The People of Latvia in This Century,” *Baltic Studies Newsletter* 86 (June 1998): 2–3.

51. *Latvia HDR 1997*, 42.

52. Arvo Kuddo, “Determinants of Demographic Change in Estonia,” *Nationalities Papers* 25 (December 1997): 625–42 at 626, 635.

53. *Lithuanian HDR 1997*, 13.

54. Average life expectancy in Latvia in 1995 was 69 compared to 79 in Sweden (*Latvian HDR 1997*, 42); life expectancy for males in Estonia dropped from 64.6 in 1990 to

61.7 in 1995, while for women it declined only from 74.6 to 74.3 (Kuddo, "Determinants," 626); in Lithuania the crude death rate for men increased from 11.7 in 1990 to 14.4 in 1994 (*Lithuanian HDR 1997*, 26).

55. Two 50-year-old Russian speakers in Riga told me in 1998 that their problem is not citizenship but employment. Even though each has important skills (one was a master mason), they said, employers want younger workers. Meanwhile, they would not get a pension until age 55. One told how a friend of his, sleeping outside in the winter, suffered frostbite. Since this man could not pay for more sophisticated treatment, doctors simply amputated his leg. Even less able to cope, he froze to death the following winter.

56. *Lithuanian HDR 1997*, 27.

57. On the positive side, some Baltic teams have done well in international competitions. Since 1993, Lithuanians have made their first ascents of Mount Everest, Kilimanjaro, Kosiushko, and Aconcagua, and planted the first Lithuanian flag at the South Pole.

58. *Baltic Times*, 30 April–6 May 1998, 8.

59. The Russian Defense Ministry said in April 1996 that its outlays for food were slashed in 1995 from 35 trillion to 1.7 trillion rubles (about \$350 million at current rates), forcing the Russian army to use emergency food reserves to feed its troops. Many Russian troops, however, are under the Interior and other ministries. And expenditures for new weapons under the State Defense Order (*oboronnyi zakaz*) increased by at least four times from 1994 through 1997. See Richard F. Staar, "Russia's New Blueprint for National Security," *Strategic Review* (Spring 1998): 31–42 at 35.

60. See the long report by Aleksei Arbatov and other members of the Council on Foreign and Defense Policy, "Rossiia i Pribaltika," *Nezavisimaia gazeta*, 28 October 1997, 4–5. Council members included leaders of the State Duma and its relevant committees, the Russian Union of Industrialists and Entrepreneurs, the Association of Russian Bankers, the Federation of Independent Trade Unions, foundations, and many other such institutions.

61. Aleksandr Dugin, *Osnovy geopolitiki: Geopoliticheskoe budushchee Rossii* (Moscow: Arktoreia, 1997)—purportedly a handbook for Russia's policymakers.

62. Interview by Marko Mihkelson with Anton Surikov in Moscow, commenting on an institute report, in *Postimees*, 27 April 1996, translated by the Estonian Foreign Ministry.

63. See Marko Mihkelson interview in Moscow with Vladimir Zhirinovskii in *Postimees*, 26 April 1996, translation by the Estonian Foreign Ministry.

64. Oleg Belosludstev and Vladimir Suvorov, "Ustav dlia brandmeisterov 'goriachikh tochek,'" *Nezavisimoe voennoe obozrenie* 5 (6–12 February 1998): 2, summarized in Staar, "Russia's New Blueprint," 38–39.

65. The family of Vytautas Landsbergis talked about how his father took part in Lithuania's battles against Soviet Russian troops.

66. New memoirs and interviews also reveal how the British turncoat Kim Philby and several Baltic comrades helped Soviet agents to ambush infiltrators dispatched to the Baltic by British and U.S. operatives as the cold war heated up.

67. See Walter C. Clemens, Jr., "Baltic Independence Movements, 1987–1991," in *Protest, Power, and Change: An Encyclopedia of Nonviolent Action from ACT-UP to Women's Suffrage* (New York: Garland, 1997), 35–39.

68. Interview with Laar in Tallinn, 11 June 1998. While helping to organize resistance to Soviet occupation, Laar, a historian in 1988 sent Tartu University students to conduct oral history interviews asking persons of diverse backgrounds how Soviet rule had affected their lives. The project netted rich but voluminous reports that await analysis.

69. Lithuania's first defense minister in the early 1990s was a psychiatrist in his thirties, Audrius Butkevicius, adept at psychological warfare but not conventional military affairs; he was later accused of profiteering on arms purchases. The top Estonian military commander in the mid 1990s was a retired U.S. officer, Alexander Einseln who, interviewed in Chicago on 3 May 1996, blamed his recent ouster on Russian pressures against Estonian President Lennart Meri. Einseln was replaced by Colonel Johannes Kert, a thir-

ty-six-year-old former coach of Greco-Roman wrestling who had served two years as an officer in the Soviet forces in Kaliningrad. Although Kert later took part in several U.S. military training programs, some Estonians asked about his previous ties with the Soviet regime. President Meri sometimes castigated feuding among Estonia's military leaders.

70. See also A. M. Zaccor, "The Lithuanian Army: A Tool for Re-Joining Europe," *European Security* 6 (Spring 1997): 100–13.

71. See four articles in *Baltic Times*, 26 February–4 March 1998, 2 and three more on 18 June–2 July 1997, 7.

72. *The Military Balance 1997/98* (London: International Institute for Strategic Studies, 1997), 82–83.

73. Burton Frierson, "New Defence Commander Takes Over a Tough Position," *Baltic Independent*, 15–21 March 1996, 7.

74. *Baltic Independent*, 15–21 March 1996, 2.

75. See reports in *Baltic Times*, 7–13 May 1998, 7.

76. Many Balts feel that they are living next to a big, unruly family—the Russians. Some family members lean out their windows and yell to Balts: "We'll burn your house down!" Other family members tell Balts not to worry—even as other members burn down houses further afield, as in Chechnya or Georgia.

77. President Grimmson expressed great interest when I pointed out, in a Vilnius memorial church, how a Lithuanian force helped break the Turkish siege of Vienna in 1683.

78. See also Hans Binnendijk and Jeffrey Simon, "Baltic Security and NATO Enlargement," *Strategic Forum* 57 (December 1995).

79. "Kaliningrad's Rising Strategic Importance," *Strategic Comments* 3 (December 1997).

80. Richard Kugler, *Enlarging NATO: The Russian Factor* (Santa Monica: RAND Corporation, May 1996).

81. Ronald D. Asmus and Robert C. Nurick, "NATO Enlargement and the Baltic States," *Survival* 38 (Summer 1996): 121–42.

82. Neutrality is also recommended by Viktor Andreyev, chairman of one of two parties in the Estonian parliament that represent Russian-speakers. See *Baltic Times*, 23–29 April 1998, 4.

83. Walter C. Clemens, Jr., "An Alternative to NATO Expansion," *International Journal* 52 (Spring 1997): 342–65. For ways to strengthen regional neutralization, see Stephen Blank, "Russia and the Baltic: Is There a Threat to European Security?" Strategic Studies Institute, U.S. Army War College, 31 March 1993; see also Walter C. Clemens, Jr., "An Austrian Solution for Eastern Europe," *New York Times*, 10 July 1989, translated and critiqued in *Der Standard* (Vienna), 12 July 1989, and *Sovetskaia Estoniia* (Tallin), 22 November 1989; also Heinz Gärtner, "Case by Case Action and Case by Case Neutrality," Laxenburg: Austrian Institute for International Affairs, unpublished essay, 1996.

84. Professor Mikhail Bronstein warned Estonians in 1996 that improvement of port facilities in Latvia, Lithuania, Finland, and Russia could cost Estonia dearly. He called on Estonia to cultivate an integrated transport strategy like those of its neighbors. Latvia, he noted, aimed to boost transit business with Russia by two or three times by lowering costs of transport operations.

85. On 1 March 1996, the Estonian and Latvian prime ministers expressed optimism about prospects for a border settlement. A few days later, however, an Estonian coast guard ship boarded a Latvian fishing vessel in what the Estonians thought was their economic zone. Soon they recognized a mistake and the Estonian foreign minister apologized.

86. Toomas Hendrik Ilves on "Estonia's Membership in the EU—Effects in Estonia and in Finland," address to a seminar on this topic held in Helsinki, 26 May 1998.

87. *Ibid.*

88. For a time, Latvia even managed to have government-to-government relations with both Taipei and Beijing; compelled to choose, however, Riga opted for formal ties with Beijing.

89. Estonia's foreign minister thanked the council for helping Estonia find acceptable solutions to the issue of citizenship, reorganize its judicial system, and contribute to confidence-building measures on human rights. He said Estonia was working to ratify the Framework Convention for the Protection of National Minorities and the European Convention for the Prevention of Torture and Inhumane or Degrading Treatment or Punishment. He also welcomed Russia as a new Council member.

90. See Parliamentary Assembly of the Council of Europe, Opinion No. 193 (1996) on Russia's request for membership in the Council of Europe. Conditions included bringing to justice those responsible for human rights violations in Chechnya and elsewhere; assistance to Balts deported to Russia and wishing to return to their homelands; improvement in Russia's pre-detention and other jail facilities.

91. First, Russia belongs to the council without having carried out all its reform commitments. Second, Russian ultranationalists such as Vladimir Zhirinovskiy have been allowed to address the council. Third, the Russian presence has led many delegations to close their office doors, which were earlier left open. Interview with Tunne Kelam in Tallinn, 12 June 1998. He had warned of such developments in an opinion piece, "The End of Europe As We Know It?" *Baltic Independent*, 26 January 26–1 February 1996.

92. For analysis of value-claiming versus value-creation, see Clemens, *Dynamics of International Relations*, cited in note 1.

93. Walter C. Clemens, Jr., "Are East Asian Models Relevant to the Baltic?" in *Contemporary China and the Changing International Community*, Bih-jaw Lin, ed. (Taipei: Institute of International Relations, 1993), 369–84.