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This is a peer reviewed annual research publication published by the Military Academy of Lithuania in co-operation with the University of Vilnius and Vytautas Magnus University in Kaunas. The main objective of this publication is to provide readers with a wide-scale analysis and generalization of the changes, both essential and significant, in the national security of Lithuania at the international–systemic, regional, and national levels. The yearbook also aims to give maximum emphasis to the specificity of Lithuanian national security issues and comprehensively present them to a widely interested and concerned audience.
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Preface

The Strategic Research Centre of the General Jonas Žemaitis Military Academy of Lithuania, together with its partners Vilnius University and Vytautas Magnus University, present the tenth volume of the “Lithuanian Annual Strategic Review” devoted to actualities and problems of the security policy of Lithuania, Europe and the world in 2011 – 2012. Continuing the established tradition, we have classified the presented content in four main categories.

The first part, called “The Global International System and Lithuania” is comprised of two articles. Egidijus Gailiūnas, looking from the Lithuanian perspective, discusses one of the most striking political actualities of 2011, the so-called “Arab spring”, its causes, consequences and its possible impact on security interests of the West. The author of the second study, Martynas Zapolskis, making use of the theoretical model of the cooperative security system, analyzes and compares the years 1999 and 2010 of NATO strategic conception, thus attempting to evaluate the most significant changes in the Alliance’s transformation during the last decade.

The second part of the publication – “The Changing European Security Space” – consists of three studies. The first two are meant to discuss Lithuania-related aspects of the activity of European institutions. Tomas Janeliūnas provides the most important dilemmas and lessons of Lithuania’s chairmanship of the Organization for Security and Cooperation in Europe in 2011. The second article deals with a very important aspect of Lithuania’s coming chairmanship of the Council of the European Union in 2013. In this second article Margarita Šešelgytė investigates an interesting and important experience in the area of the EU Common Security and Defense policy of other member states that have chaired the European Union after the Treaty of Lisbon came into force. The third article of this part of the publication – “Perspectives of the Development of Nuclear Energy in the Baltic Region” – was written by Arūnas Molis and Justina Gliebutė. The authors, seeking to evaluate perspectives and the possible benefit of the construction of a new atomic power station in Lithuania, analyze factors determining the development of nuclear energy in Europe and the entire world.

Three original studies make up the third part of the publication, “Lithuania’s Eastern Neighborhood”. Giedrius Česnakas, in the article “Energy Security in the Baltic - Black Sea Region: Energy Insecurity Sources and their Impact upon States”, continues the energy theme and researches energy security problems in the sectors of oil and natural gas of the three Baltic/Black Sea region states – Lithuania, Belarus and Ukraine. Laura Kirvelytė explores the main security dilemma of
Azerbaijan – an important South Caucasian state. On the one hand, for nearly two decades the country has been facing the problem of territorial integrity because of the unresolved territorial conflict with Armenia. On the other hand, Azerbaijan has lately been turning into an ever more significant energy-related player in the entirety of Europe. The third study of this part, “The Third Sector and Political Communication in Belarus: Highlights on the Topic of Social Policies from the Presidential Campaign 2010” was prepared by Irmina Matonytė and Tatsiana Chulitskaya. It aims at demonstrating peculiarities of political communication in the environment of the non-democratic regime of Belarus. To this end, the political communication on social policy issues during the presidential election campaign in 2010 is analyzed.

In the fourth part of this publication, “National Security Issues,” urgent aspects, problems and cases of Lithuanian national security are traditionally analyzed. This time our readers have the opportunity to get acquainted with two studies. Mindaugas Jurkynas and Vilija Gelažauskaite have prepared a study devoted to the evaluation of the impact on Lithuania of a possible no-visa regime between the EU and Russia. Vaidutis Laurėnas in “Political Parties of Lithuania: Canonization of the Fight for Power, Deconstruction of Responsibility and Actualization of Internal Security” analyzes important aspects of the activity of political parties as well as lack of internal security harmony in Lithuania.

We wish our readers a pleasant and productive engagement with the new research results provided here. Please note that previous volumes of the “Lithuanian Annual Strategic Review” are available at the General Jonas Žemaitis Military Academy of Lithuania website at all times. It is also particularly pleasant to note that the circle of partners of the “Lithuanian Annual Strategic Review” is further expanding. Starting from this year, the English electronic coverage of our journal will be published by one of the world’s leading Open Access platforms – Versita Open, which hosts full texts of nearly 200 scholarly journals that currently belong to many societies, universities and research institutes.

*Vilnius, January 2012*

*Editor-in-Chief*
The Global International System and Lithuania
The wave of Arab uprisings (both non-violent and violent) that started in January 2011 is a remarkable phenomenon that has attracted enormous attention from international media outlets. In fact, the Arab world has not experienced such political and social upheaval in decades. It is no coincidence that many Western countries whose security interests have been closely related to these Arab states found themselves confused by the beginning of the uprisings. Most Western security experts at the beginning were silent. A year or even a couple of months ago almost none of them could have predicted that these Arab countries would go through such deep political and social upheavals that would have such deep ramifications on the security situation in these countries, the region, and far beyond it. Caught off-balance by the Arab uprisings, Western security experts rushed to explain what the causes of the uprisings were. Who are the actors and what are the forces behind the uprisings? The important question still remains – what are the possible consequences of the uprisings for Western interests? Is all the change only about the change of a few ruling persons? Or are we witnessing deeper systematic (and revolutionary) changes in some Arab countries that will have a long-term impact on the West? So far, unambiguous answers to these questions are hard to find. However, some insights related to the questions above can already be made. The aim of this article is to analyze the Arab uprisings, their causes and possible effects on Western and Lithuanian security interests. Will Lithuanian national security be affected by the Arab uprisings? Are uprisings in Tunisia, Egypt, Libya, Syria, Bahrain and other Arab countries important for Lithuanian national security? Can Lithuania ignore the events that are happening in regions far away from Lithuania’s borders?

Introduction

Arab countries and the Middle East region are not commonly researched by members of the Lithuanian academic community. For this reason any Lithuanian researcher who intends to analyze an Arab country or countries risks being misunderstood at home. His or her colleagues might think that he or she lacks the basic understanding of local political and geopolitical realities.

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1 In this article North Africa and Persian Gulf are considered to be sub-regions of the Middle East region.
On the other hand, in the age of globalization, it would be unwise for the Lithuanian academic community to stay focused only on the narrow field of scientific research related to domestic policy and political processes in neighboring countries. Actually, the Lithuanian academic community is not focused only on domestic policy and the country’s “near abroad”. Lithuanian researchers perfectly understand that nowadays political processes even in geographically remote regions can very quickly affect the security situation in Lithuania or in the European Union or in NATO. The September 11 terrorist attacks on New York and Washington, as well as Western military interventions in Afghanistan and Iraq already encouraged members of the Lithuanian academic community to focus on new types of threats (e.g. terrorism) and the Middle East region. Therefore, for Lithuanian political scientists and local international relations experts it would be inappropriate to ignore such internationally important events as the Arab uprisings. It is worth mentioning that the Arab uprisings that have been known in recent months as the “Arab Spring”, “Arab revolutions”, “Arab Awakening”, and “intifadas” are widely discussed in Western academic circles.

Arab uprisings are not ordinary events in the international political arena or in the Arab world. The uprisings that started in January 2011 are often compared to the Spring of Nations of 1848, the Fall of the Berlin Wall in 1989, the liberation of Eastern Europe from Communism, and to the so-called “color revolutions” at the beginning of the twenty-first century. However, according to Habib Malik, historical analogies are cute but misleading; the Arab uprisings are indigenous and unique developments.

It could be argued that all were caught by surprise by the wave of uprisings that ran through the Middle East. It seems that even the Arabs themselves did not expect it. Therefore it is not surprising that at the moment there is little available scientific literature about the Arab uprisings. The impact of the uprisings on Western security interests still needs more attention. For now there is almost no analysis of the impact of Arab uprisings on Lithuania’s security interests.

The main aim of this article is to determine the possible impact of the Arab uprisings on Western and Lithuanian security interests. The following questions are raised: How will the Arab uprisings influence Western interests in the Middle East? Are the uprisings in Tunisia, Egypt, Libya, Syria, Bahrain and other Arab countries important for Lithuanian national security? Can Lithuania ignore the events that are happening in regions far away from Lithuania’s borders? The search for the answers to these questions starts from a short review of the Arab uprisings themselves.

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Malik H., “Is It the Arab Spring?”, USA: Johns Hopkins University, 30 03 2011, http://www.sais-jhu.edu/bin/k/i/Is_It_The_Arab_Spring_30-3-11.pdf, 15 04 2011.
1. Anatomy of the Arab Uprisings

It is difficult to begin an analysis of the Arab uprisings and their impact on Western interests without knowing some basic information about the uprisings – their beginning, sequence of events, causes, and possible effects on the Middle East region. Thus, this section is a kind of anatomy of the Arab uprisings. True, this anatomy is not and cannot be complete, since the Arab uprisings are still evolving.

The starting point of the Arab uprisings is generally considered to be December 17, 2010. On that day Mohamed Bouazizi, a resident of the Tunisian town of Sidi Bouzid, decided to set himself on fire in public in order to protest the confiscation of his wares and the harassment he endured from public officials. At first glance, Bouazizi's actions, caused by economic and social grievances, seemed to have little political significance. It was a personal act of desperation. It happened in a relatively small town and not in the capital of Tunisia. In the Middle East and even in Tunisia, it was not the first time that someone chose to immolate himself in the name of protest. These previous acts of self-immolation did not attract a great deal of media attention. Nonetheless, Bouazizi's act of despair unexpectedly led to politically and strategically important and unpredictable events that shook the entire Middle East region. Bouazizi became the symbol of uprisings against Middle Eastern autocratic regimes that prohibit mass protests and political activism in general. Bouazizi's act of resistance led not only to large-scale protests in Tunisia; it also inspired many thousands of Arabs to go to the streets from Mauritania to Oman. Thanks to Bouazizi, after decades of absence the people returned to the Arab political stage.

In January 2011, after Friday prayers, ordinary Arabs in Algeria, Bahrain, the Gaza Strip, Iraq, Yemen, Morocco, Oman, and Syria started to organize the so-called “Days of Rage” – or, popular demonstrations against their governments. In early March, 16 out of the 22 member states of the Arab League experienced different kinds of political unrest. On January 14, 2011, following the mass protests in the country, Tunisian president Zine El Abidine Ben Ali, who had ruled the country for 23 years, was forced to flee. Encouraged by the success of the Tunisian protestors, Egyptians forced President Hosni Mubarak, who had been in power for nearly 30 years, to resign.

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3 Bouazizi died at a hospital on January 4, 2011.
Other dictators in the Middle East were also frightened. Yet, not all of them were forced to end their rule in a way similar to Ben Ali and Mubarak. Political leaders in Iraq, Jordan, Morocco and Oman had no major difficulties in dealing with minor disturbances in their respective countries. Frightened by the Arab uprisings, the ruling Saudi clan also managed to stabilize the situation in the country, at least for a short time. As a means of defense against the protesters, the Saudis used oil dollars, Wahhabi ideology and medieval punishments based on the interpretation of Sharia Law in order to maintain stability. As the uprisings accelerated, the Saudis quickly allocated tens of billions of dollars on housing, unemployment and medical care.

At first, the uprisings in the region were organized by ordinary civilians. Demonstrations usually proceeded peacefully. But this was not always the case. In some countries demonstrations against autocratic rulers turned into violent clashes between protesters and security forces loyal to the respective regimes. In the middle of February, Muammar Gaddafi, who had ruled Libya for more than 40 years, chose not to follow the pattern that was set by Ben Ali and Mubarak (i.e., to relinquish power peacefully). The Libyan dictator decided to get rid of the protesters by force. This decision brought civil war to Libya. Gaddafi’s pattern was followed by Syrian dictator Bashir al-Assad, whose clan has ruled Syria for 40 years. He set army tanks against mainly peaceful protesters. The violent reaction by Gaddafi and Assad might have been influenced by the success achieved by Bahrain’s ruling elite, which consists mainly of Sunnis, in crushing local protesters, who were mainly Shiites.

It is worth noting that the Arab uprisings started to stall in May. Middle Eastern kings, emirs and sultans had begun a quite successful counterattack. Their goal was to prevent political changes similar to those that had happened in Tunisia and Egypt. Besides, the Arab uprisings also started to stall because of the fatigue felt by the protesters. One can notice that protesters more often intend to achieve political changes by violent means. The use of violence is becoming an almost inseparable companion of the new political protests.

It is also worth mentioning that the Arab uprisings had no clear leaders. Most of the uprisings started without any central authority or coherent policy coordination. In many cases, demonstrations against dictators started even without participation by the traditional opposition groups.

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7 Malik H., “Is It the Arab Spring?”, USA: Johns Hopkins University, 30 03 2011, , http://www.sais-jhu.edu/bin/k/i/Is_It_The_Arab_Spring_30-3-11.pdf, 15 04 2011.
8 Joshi S., „Reflections on the Arab Revolutions: Order, Democracy and Western Policy”, The RUSI Journal, 156(2), April/May 2011, p. 64.
Social networking services like Facebook and Twitter played an important role at the beginning of the uprisings. They had a major impact on the intensity and spread of the uprisings in the region. But the impact of Facebook and Twitter on the Arab uprisings should not be overestimated. A significant role in the uprisings was played by information transmitted via mobile phones\(^{10}\) and satellite television channels, such as al-Jazeera and al-Arabiya. It should be noted that the new technologies often proved to be a double-edged sword during the uprisings. Autocratic regimes managed to use mobile phones and Facebook against the protesters as identification and tracking tools.

It is difficult to analyze the Arab uprisings without addressing the protesters themselves. Who are they? Who dared to revolt against the dictators ruling Middle Eastern countries for decades? According to the dictators, their enemies were criminals, fundamentalists, extremists and terrorists. According to experts analyzing the Arab uprisings, the rebels were youth, unemployed people, ordinary workers, trade unionists, sympathizers of Western liberal values, representatives of the middle-class, artists, intellectuals, feminists, farmers, and al-Qaeda linked terrorists. In fact, the rebels are a varied audience. Take for example the Libyan Transitional National Council: it consists of religious conservatives, liberals and social democrats\(^{11}\). In every country each protest movement has its unique core group. In Egypt the core group is comprised of tech-savvy youth; in Bahrain it is local Shiites dissatisfied with the Sunni ruling elite; in Syria it is local Sunni dissatisfied with the ruling of Alawis. Mika Aaltola and Timo Behr describe all the protesters as representatives of a generation raised under squalid conditions and nurtured on a diet of religious radicalism and totalitarianism\(^{12}\).

In one sentence it can be said that the Arab uprisings started due to countless numbers of long-term and short-term social, economic, political and religious factors. Experts analyzing the Arab uprisings highlight various causes. Among the many causes that led to the uprisings researchers (Aaltola, Behr, Cheterian, Johnstone, Mazo and others) mention the growing economic inequality, generational change, global financial and economic crisis, corruption, lack of good governance, failure of political leaders to meet rising expectations of people, political repression, rapid population growth, high unemployment, low wages, rapid increase of prices for food and essential goods, and climate change.

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It is worth noting that problems specific to the Middle East region were well-known long before. In 2002, the UN Arab Human Development Report stated that Arab countries have to deal with many challenges, such as poverty, food shortages, uneven economic growth, water shortages, the negative consequences of climate change, gender inequality, restrictions of political freedoms and the negative consequences of wars. The Report points out that Middle Eastern governments have to strengthen the rule of law, to adhere to the principle of separation of powers, and to seek more active political participation by their citizens.

Actually, common and specific causes that led to the Arab uprisings in the Middle East can be pointed out. One proof that the uprisings had much in common was the rapid spread of protests across the whole region. All countries that have to deal with political unrest have similar features. The average Arab world population is generally young (See Table 1). Among Arab youth unemployment is usually high. In addition, many young Arabs before the uprisings saw no chances to improve their living conditions in the future. According to Aaltola and Behr, the main common causes of the Arab uprisings are three deficits, (i.e. an economic deficit, a political deficit, and a dignity deficit). In this case a deficit of dignity means a lack of respect from political leaders to ordinary citizens and also ambivalence among Arab governments in the international arena. Emmanuel Todd argues that the three main common causes of the Arab uprisings are the rapid increase in literacy, particularly among women; a falling birth-rate; and thirdly, a significant decline in the widespread custom of endogamy, or marriage between first cousins.

Of course, every uprising could be analyzed as a unique process with a special set of causes at its genesis. Such an analysis is easy to justify. The so-called Arab bloc is not homogeneous even if it is often seen as such. Arab countries are different according to various criteria (See Table 1). Some of them are rich (Bah-

rain, Saudi Arabia and Libya), while others are very poor (Yemen). The citizens of some Arab countries have relatively wide political rights and freedoms (Iraq, Morocco and Jordan), while for others (Saudi Arabia, Libya and Syria) it is very limited. In some Arab countries corruption is more widespread (Iraq, Yemen and Libya), while in the others it is less so (Bahrain and Jordan).

Table 1. Features of some Middle Eastern countries

<table>
<thead>
<tr>
<th>Country</th>
<th>Democracy</th>
<th>GNI per capita**</th>
<th>Corruption***</th>
<th>Unemployment****</th>
<th>Median age*****</th>
</tr>
</thead>
<tbody>
<tr>
<td>Algeria</td>
<td>125</td>
<td>8 120</td>
<td>105</td>
<td>10,0</td>
<td>27,6</td>
</tr>
<tr>
<td>Bahrain</td>
<td>122</td>
<td>24 710</td>
<td>48</td>
<td>15,0</td>
<td>30,9</td>
</tr>
<tr>
<td>Egypt</td>
<td>138</td>
<td>6 160</td>
<td>98</td>
<td>9,0</td>
<td>24,3</td>
</tr>
<tr>
<td>Iraq</td>
<td>111</td>
<td>3 350</td>
<td>175</td>
<td>15,3</td>
<td>20,9</td>
</tr>
<tr>
<td>Yemen</td>
<td>146</td>
<td>2 350</td>
<td>146</td>
<td>35,0</td>
<td>18,1</td>
</tr>
<tr>
<td>Jordan</td>
<td>117</td>
<td>5 810</td>
<td>50</td>
<td>12,5</td>
<td>22,1</td>
</tr>
<tr>
<td>Libya</td>
<td>158</td>
<td>16 740</td>
<td>146</td>
<td>30,0</td>
<td>24,5</td>
</tr>
<tr>
<td>Morocco</td>
<td>116</td>
<td>4 620</td>
<td>85</td>
<td>9,1</td>
<td>26,9</td>
</tr>
<tr>
<td>Saudi Arabia</td>
<td>160</td>
<td>22 540</td>
<td>50</td>
<td>10,8</td>
<td>25,3</td>
</tr>
<tr>
<td>Syria</td>
<td>152</td>
<td>5 150</td>
<td>127</td>
<td>8,3</td>
<td>21,9</td>
</tr>
<tr>
<td>Tunisia</td>
<td>144</td>
<td>8 130</td>
<td>59</td>
<td>13,0</td>
<td>30,0</td>
</tr>
</tbody>
</table>

Of all causes that led to the Arab uprisings it is worth focusing on climate change. The Middle East region is especially sensitive to food prices and these are directly affected by climate change. The Middle East region imports more food per capita than any other. The protests in early January in Algeria and Tunisia were caused by rising prices in sugar, milk and bread. As suggested by analysts Sarah Johnstone and Jeffrey Mazo, climate change may not have caused the Arab Spring, but it did make it come earlier.

The outcome of the Arab uprisings is difficult to predict. Every uprising is a process that has its specific features. In addition, the Arab uprisings are still ongoing. One should keep in mind that an uprising, as a process, has at least two players involved. Sometimes it is difficult to understand and explain the actions

of these players. However, it is these actions that determine the ultimate outcome of the uprising. The real consequences of the Arab uprisings are likely to be seen only after a few decades. So far, it is clear that strategically important changes are taking place in the Middle East. These changes affect the political and geopolitical situation in the region.

At first glance, the Arab uprisings might seem reminiscent of the twentieth-century waves of democratization that rolled over Asia, Latin America, Europe and Africa. In fact, many Arab protesters are technology-savvy representatives of the middle class who seek more political rights and freedoms. But it is far too early to claim that the Arab uprisings have brought more democracy to the Middle East. A large part of the Arab protesters are not enthusiastic supporters of Western values, nor are they fans of the international political system created by the Western powers.

Regarding prospects for greater democratization one needs to answer the question – what are the goals that Arab protesters want to achieve? Unfortunately, in most cases there is no answer to this question. The Arab protesters who took to the streets held very different political, economic and social grievances. Some of the protesters wanted to have more democracy and a more liberal regime, while others sought significant economic reforms or social change. In addition, there were those who wanted all of these things mentioned above as well as those who simply wanted change for the sake of change. What are the goals of the protesters in Libya or Syria? Do they fight for more democracy? Today it is hard to give definitive answers.

Many regimes in the Arab countries that were caught by the wave of massive protests still manage to resist demands for change. Even the victories achieved by the protesters in Tunisia and Egypt do not mean that these countries will enjoy more democracy. Changing the political leader does not mean that a deep transformation of the whole regime will follow. The overthrow of the dictator is merely the first step towards greater political changes. Currently, the main actors in the Tunisian and Egyptian political arenas are military men. Generals with political power in their hands are rarely liberals and supporters of a democratic form of government. Weeks after the ouster of Mubarak, the Egyptian army employed arbitrary detention and torture. At the end of March the new political rulers of Egypt passed a law banning all demonstrations.

After the uprisings one could say that there is even less democracy in the Middle East. Member states of the Gulf Cooperation Council (Bahrain, UAE, Qatar, Kuwait, Oman, and Saudi Arabia) are already trying to tighten their control over their societies. In the major cities of these countries new surveillance cameras

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19 Joshi S., „Reflections on the Arab Revolutions: Order, Democracy and Western Policy“, *The RUSI Journal*, 156(2), April/May 2011, p. 64.
Governments are encouraging citizens to notify police about every person who dares to criticize the political leadership or the regime. Moreover, many Middle Eastern governments demonstrate a strong desire to pass stricter controls over internet users and social networking services.

There are at least three scenarios for the uprisings in the Middle East to proceed. One may be called the Tiananmen Square scenario. This scenario is about toppling the protest movement by force. This scenario was chosen by autocratic rulers of Bahrain, Libya, Syria, and in a sense Yemen. This scenario might lead to a civil war. The end of this scenario might be the restoration of a status quo favorable to dictators or deep political changes in the political regime after a victory is achieved by the rebels. A second possible scenario is cosmetic reforms directed from above. According to this scenario, the autocratic rulers will make small concessions, but try to hold onto power. It seems that the political leaders of Algeria, Jordan, Morocco, Oman and Saudi Arabia have chosen this scenario. A third scenario could be called the Turkish approach. Many experts of the Arab uprisings agree that Middle Eastern protesters would like to have a political regime similar to the Turkish one. This means that they want to have a political system with democratic elements. However, they also want to see a strong military with generals as the main decision makers for all strategically important decisions. There is a high probability that Tunisia and Egypt will take the Turkish approach.

In summing up this section, we can say that the various Arab uprisings have similarities to each other, but they also have important differences. The consequences of the uprisings are hard to predict. The most important consequences of the uprisings for the Middle East region will become visible only after several decades. The victories achieved by the protesters in Tunisia and Egypt do not mean that substantial political changes and more democracy will follow. The new political rulers that emerged during the uprisings can be overthrown themselves if long-standing political, economic and social problems are not solved.

2. The Effect of the Arab Uprisings on Western Security Interests

It makes sense to start this chapter with a brief overview of Western (NATO and EU) interests in the Middle East region. According to Samuel P. Huntington, the most important interest of the West is to maintain Western predominance in

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the world\textsuperscript{21}. This is also relevant in the case of the Middle East. In order to maintain its predominance in the world, the West has to control situations in other regions, including the Middle East, so that they will not pose a threat to Western security. Put simply, no Western political leader would like to see history repeat itself in a way similar to the siege of Vienna by the Ottoman army in the sixteenth century.

Of course, Huntington’s theory must be viewed critically. The theory of a clash of civilizations is unable to explain properly the Arab uprisings. However, intentions of the Western powers to manage events and processes in the Middle East are a “public secret”: the British ousted Egyptian premier Ali Mahir in 1942; the CIA was behind coups in Syria in 1949; British and American intelligence services took part in a coup against Iranian prime minister Mohammad Mosaddegh in 1953; British and French military forces took part in the Tripartite Aggression against Egypt in 1956\textsuperscript{22}. In addition, it is worth recalling the fact that from the fall of the Ottoman empire until World War II the Middle East was mainly in full control of the major European countries.

Western security is closely linked to the Middle East for a variety of reasons. One is the geographical proximity of the Middle East to the West. Western countries in Southern Europe have common borders with Middle Eastern countries. Since ancient times the West has been interested in the Middle East for economic reasons and remains interested in the Middle East today because of the region’s energy resources. Arab oil was, and remains, of vital importance for Western economic and commercial wellbeing\textsuperscript{23}. After the Second World War wealthy Middle Eastern states were desired by Westerners as buyers of their arms. The Middle East also attracts the attention of Western political leaders because of the large flow of immigrants from the Middle East relocating to EU member states each year. Over the past decade the Middle East attracted huge Western attention because of so-called War on Terror. The region is the geographic area of origin for many terrorist groups targeting Western interests worldwide. In addition, the West is interested in spreading Western political and economic values in Middle Eastern countries\textsuperscript{24}. The U.S., the most powerful Western country, has a very special interest in the Middle East. Washington is committed to maintaining the security and prosperity of Israel\textsuperscript{25}.

Additionally, one should not forget that during the Cold War the Middle East region was a geopolitically important field of struggle between the two superpowers.

\textsuperscript{22} Halliday F., \textit{The Middle East in International Relations: Power, Politics and Ideology}, US: Cambridge University Press, 2005, p. 70.  
\textsuperscript{24} Huntington S. P., „The Clash of Civilizations?”, \textit{Foreign Affairs}, 72(3), 1993, p. 40.  
In the second half of the twentieth century and in the beginning of the twenty-first century the security interests of the West in the Middle East were protected by Israel, by American soldiers based nearby or in the region itself, and by autocratic Middle Eastern rulers. The West needed Middle Eastern dictators because they were useful. Western countries could use them for implementing their security interests and at the same time to stay less visible as political or military players in the Middle East. For the local population and other interested parties it was problematic to blame the West, because they subtly manipulated local autocratic leaders. So, it is not surprising that before the Arab uprisings Western leaders had closely collaborated with the autocratic regimes for decades\(^{26}\).

According to Joshi, the situation was even more complicated than it appears at first glance. The West always had to deal with a trilemma in the Middle East. They had to balance between the desires to foster democracy, maintain stability yet still encourage pro-Western foreign policy among the nations of the region\(^ {27}\). However, even Joshi has to acknowledge that before the Arab uprisings the West always preferred stability and pro-Western foreign policy over democracy.

In the twentieth century the West had no interest in democratization of the Middle East region. Rashid Khalid claims that the spread of democracy in the Middle East was not a big issue for the West. On the contrary – various manifestations of democratic governance in Middle Eastern countries were often deliberately suppressed by Western powers\(^ {28}\). For the West it was much easier to deal with easily manipulated and predictable autocratic leaders than with democratic ones, who had to take into account public opinion.

In most cases Western strategists were not interested in the domestic politics of the Arab countries. For the sake of stability in the Middle East, it was not a problem for them to close their eyes to the shortcomings of the autocratic regimes. Among these shortcomings were a thriving corruption in ruling circles, various violations of human and civil rights, and the omnipotence of local security and intelligence services. If representatives of civil society in the West had doubts about the ethics of their governments’ cooperation with Middle Eastern dictatorships it was easy to justify such cooperation. Arguments about Islamist threats and the free flow of oil were used by Western governments in such cases\(^ {29}\).


\(^{27}\) Joshi S., “Reflections on the Arab Revolutions: Order, Democracy and Western Policy”, The RUSI Journal, 156(2), April/May 2011, p. 60.


The security interests of the West and the decades-long cooperation with the Middle Eastern autocratic political leaders also explain why many Western political leaders in January 2011 seemed confused. In fact, the leaders of the Western powers even delayed their support for Arab protesters that openly stated that they seek to create a Western-type democracy. Western strategists needed time to rethink the basics in the relationship with the Middle Eastern countries. They had to find an answer to the question: what will happen with the Western security interests if easily manipulated and predictable dictators are replaced with new and unpredictable political actors?

Thus, the silence of officials in Washington, London, Paris and Brussels at the beginning of the uprisings is easy to understand. The fact is that many Middle Eastern dictators had bank accounts in the Western countries. French political leaders maintained close ties with friends of Tunisian dictator Ben Ali. Michele Alliot-Marie, who was the French foreign minister from November 2010 till February 2011, took trips on a private jet belonging to a close associate of Ben Ali. As riots in Tunisia were just starting she offered the support of French security forces to Ben Ali to stem the demonstrations. French Prime Minister Francois Fillon enjoyed free holidays on the Nile as Mubarak’s guest. Before the Arab uprisings France benefited from the sale of weaponry to Libya.

For its part, Great Britain saw no problem in selling weaponry to autocratic Gulf regimes before the uprisings. British Prime Minister David Cameron promoted British arms sales on his official visit to the Gulf region in February 2011. The U.S. closely cooperated with Mubarak’s regime on various political, military and economic issues for decades. For many years before the uprisings the U.S. gave Egypt military aid worth approximately 1.5 billion dollars every year. Two weeks before the ouster of Mubarak, U.S. Vice President Joe Biden called the Egyptian president an ally of America and a responsible political leader. Biden even suggested that Mubarak not be referred to as a dictator.

The U.S. and Egypt especially strengthened their cooperation on security issues after the September 11 attacks. The Egyptian secret services cooperated with their American colleagues in the illegal kidnappings and torture of suspected

terrorists\textsuperscript{34}. In addition, Egypt played an important role in the regional alliance system serving American foreign policy interests. Mubarak’s Egypt was a member of the anti-Iranian regional bloc created by Washington. During Mubarak’s presidency Egypt developed a good relationship with Israel, a U.S. proxy in the region. Actually, many pro-American Middle Eastern dictators were closely following America’s position towards Egypt during the uprising against Mubarak. The hasty and ill-considered reaction of Washington to the events in Egypt could easily have destroyed the whole pro-American alliance system in the Middle East, which was created during the decades of hard diplomatic work\textsuperscript{35}.

The U.S. reaction to the Arab uprisings is the so-called Obama doctrine. The search for such doctrine started long before the Arab uprising. Origins of the doctrine can be traced back to Obama’s presidential election campaign, which officially was launched in February 2007. The basics of this doctrine can be found in Obama’s Cairo speech on the June 4, 2009. This speech was an attempt to reset the U.S. relationship with various Muslim communities. In essence, the Obama doctrine is an attempt to change the doctrine formed by former U.S. President George W. Bush. One of the main ideas in the Bush doctrine was to hasten the spread of democracy in the Middle East. It is often associated with the term ‘regime change’. American military superiority was an integral part of the Bush doctrine. This doctrine was widely unpopular in the Arab world.

President Obama wanted to distance himself from Bush’s legacy with the new doctrine. In his statements related to the Arab uprisings Obama carefully avoided the use of the term ‘regime change’. In his speech on the Arab uprisings on the May 9, 2011, Obama stated that the U.S. will follow three principles. The first principle – the U.S. opposes the use of violence and repression against the people of the Middle East region; second – the U.S. supports a set of universal rights (these rights include: free speech; the freedom of peaceful assembly; freedom of religion; equality for men and women under the rule of law; and the right to choose leaders); and third – the U.S. supports political and economic reforms in the Middle East that can meet the legitimate aspirations of ordinary people throughout the region\textsuperscript{36}. The U.S. reaction to the Arab uprisings demonstrated that Obama’s administration first of all would like to get international support and approval for any military actions and only then resort to force. According


\textsuperscript{35} Lynch M., „America and Egypt After the Uprisings”, Survival, 53(2), April–May 2011, p. 35.

to Bruce Jones, the Obama administration emphasized diplomacy and political engagement with its opponents\textsuperscript{37}. Marc Lynch claimed that Obama’s handling of the Egyptian case has established a template for American treatment of other cases of domestic upheaval in the Middle East\textsuperscript{38}.

However, the Bahrainian uprising, which became sort of a test of the Obama doctrine, demonstrated that words remain words, and interests – interests. The Bahrainian ruling elite, with the assistance of Saudi Arabia and the UAE security forces, crushed local protesters. At the time of crackdown the Fifth Fleet of the U.S. Navy, which is headquartered in Bahrain, played the role of indifferent observer. The same indifference on the side of the U.S. can be seen in the case of the Syrian uprising, which Assad is also trying to suppress by force. Habib Malik therefore concludes that the repressive and nasty Assad regime is seen in Washington as a lesser evil when compared to open-ended chaos or a Sunni takeover\textsuperscript{39}.

The best case that indicates Western support for rebels over dictators might be the Libyan uprising. In this case the Western countries directly intervened into the ongoing armed uprising on the side of the rebels. It was this initiative, taken by France, Great Britain and the U.S., that resulted in UN Security Council resolution 1973. This resolution opened the way for Western powers to intervene with military means into the Libyan civil war. Resolution 1973 demanded Gaddafi to stop attacks on protesters, strengthened the arms embargo, authorized the international community to establish a no-fly zone, allowed the members of the international community to use all means necessary short of foreign occupation to protect Libyan civilians\textsuperscript{40}. On March 19, 2011, French, American, and British military forces started attacks against Gaddafi’s soldiers posing a threat to Libyan civilians. On March 27, NATO took control of the international military operation, aimed at implementing UN SC resolution 1973.

The military operation in Libya is a third Western military intervention in recent years in a Muslim country. Of course the U.S. does its best to avoid the comparison of the Libyan operation to the American operations in Afghanistan and Iraq. At the earliest opportunity the U.S. gave the leadership of the mission to NATO. Before that Americans were actively searching for European country

\textsuperscript{38} Lynch M., „America and Egypt after the Uprisings”, \textit{Survival}, 53(2), April–May 2011, p. 32.
\textsuperscript{39} Malik H., “Is It the Arab Spring?”, USA: Johns Hopkins University, 30 03 2011, http://www.sais-jhu.edu/bin/ki/Ia_It_The_Arab_Spring_30-3-11.pdf, 15 04 2011.
to take the lead. Because of lessons learned in Afghanistan and Iraq, political leaders of the Western powers immediately rejected idea of the land-based military intervention in Libya. Actually, some influential members of NATO like Germany and Turkey at the beginning of intervention had many doubts about the necessity of the military operation in Libya under the NATO’s leadership.

Western military involvement in the Libyan uprising is sort of a risky adventure. It gives the impression that the West supports the rebels eager for reforms in Libya and other Middle Eastern countries. However, Western political leaders sometimes seem confused about their own decision to use military force in support of the Libyan protesters. There is no doubt that Western powers remember quite well the not very successful democratization experiments in Afghanistan and Iraq. In agreement with Saskia van Genugten, it can be stated that those who are involved in nation-building and state-building in Libya really are building on sand. It is a similar notion of state-building on sand that has already happened in Afghanistan and Iraq.

There is no clarity about which way Libya will turn when the Libyan rebels achieve victory over Gaddafi and his supporters. Adm. James Stavridis says that elements of Al Qaeda and Hizbollah “are flickering” among the Libyan rebels fighting against Gaddafi. So, there are more questions than answers related to the Libyan uprising and its result. Perhaps, the very fact that the consequences of the uprisings remain unknown explains the caution that Western powers have from intervening in other uprisings on the side of the rebels.

Almost all experts analyzing the Arab uprisings point out that the role played by the Western countries in uprisings is very important. However, the capabilities of the Western powers to determine the end state of the uprisings are limited. The West does not possess the levers required to keep the democratization process in the Middle East under control. Because of that they are afraid of encouraging further democratization in the Middle East.

What will be the impact of the Arab uprisings on Western security interests? It is likely that the most important western security interests will not change. Most likely, the implementation of the Western security interests in

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41 It is worth to noticing that the West is not united on the Libyan case. Germany had no enthusiasm about Western military involvement in Libya and abstained during the vote in the Security Council of Resolution 1973.


the Middle East will remain in the hands of those who are supporters of the principles of realpolitik. So, one may ask – what will change? It is already clear that, because of the Arab uprisings, the West will have to work much harder in trying to meet its interests. Ordinary citizens of the Western countries may more strongly demand that their political leaders restrict cooperation with autocratic regimes in the Middle Eastern region. The image of Arabs in the eyes of many Westerners after the uprisings will change. According to Joshi, it is the Western public sphere that is likely to be the most affected by revolutionary change in the Middle Eastern countries. Before the uprisings many in the West saw Arabs as bearded radicals who stand against the process of globalization. Now, this image may change. The uprisings demonstrated that many young Arabs are tech-savvy and do not want to live in a regime similar to a theocratic Iran.

The Arab uprisings will create more difficulties for the West to defend its interests, because many ordinary Arabs are keen to review their relationship with the Western countries. Arab countries, where protesters acquired political power, may seek to change the course of pro-Western foreign policy towards a more independent one. Mubarak’s pro-Western foreign policy was one of the reasons why Egyptians took to the streets. Protesters in Egypt were less than happy to see their country on the international political arena acting like an American puppy. It is obvious that in the future Middle Eastern political leaders will pay attention to that fact. Many protesters in the Middle East simply do not trust the West, because for decades Western countries cared only about their own interests and supported dictators. That is why Arab protesters may seek to review the relationship with the West, which in turn may signify the end of Western hegemony in the Middle East. In addition, the Arab uprisings may contribute to a more decentralized, and truly multipolar world order.

It is likely that after the uprising Egypt will cooperate less with the traditional Western proxy in the region– Israel. This will affect bilateral cooperation in political, economic and military fields. Still, the Israel-Egypt peace treaty should not be broken. In general, after the uprisings many Middle Eastern countries may express stronger demands towards the West to solve the Israeli-Palestinian conflict. Actually, a solution to this decades-long conflict could benefit both sides – the West and the Middle East region. Arab Human Development Report 2002 states

that Israel’s illegal occupation of Arab lands is one of the most pervasive obstacles to security and progress in the region geographically, temporally and developmentally.

Cooperation with Arab countries in the fight against terrorism after the uprisings will be more complicated for the West. Of course, cooperation in this field has never been perfect. But since 2002 counter-terrorism cooperation with Arab countries was a clear priority for the Western governments. Western countries invested a lot to make the cooperation on counter-terrorism issues the most developed area of cooperation in the security field. Since the start of the War on Terror the West worked hard to strengthen the capabilities of the Middle Eastern security and intelligence services. Many protesters in the Middle East hate local security and intelligence services, because of the important role they played in tracking and abusing peaceful dissenters. It is not surprising that the wrath of Egyptian protesters was directed at the SSIS (State Security Investigations Service). After the ouster of Mubarak new Egyptian political leaders were forced to announce the dissolution of the agency. During the Mubarak’s rule the SSIS enjoyed close relations with the FBI and the CIA. The SSIS even received suspected terrorists from the Americans for interrogation under the U.S. rendition program.

However, the Arab uprisings have shown that Al Qaeda, the widely feared terrorist group among Western countries, is a marginal organization. Al Qaeda and related jihadi groups are unable to affect the process of change in the Arab world. Civilians in Tunisia and Egypt in a few weeks managed to achieve what Al Qaeda and associated groups could not reach in about two decades of armed struggle. According to Steven Simon, the Arab uprisings are a strategic defeat of violent jihadism.

There is no doubt, that during the uprisings Al Qaeda and related jihadi groups may try to take advantage of the poor security situation in Yemen, Libya and other weak Middle Eastern countries. However, Al Qaeda’s ability to mo-

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bilize the Arab masses was always very limited. Jihadi terrorist attacks against Muslim civilians and their apocalyptic visions never had the power to inspire the Arab masses.

Some radical groups, which are sometimes classified as terrorist in the West, might be more influential after the uprisings. Many protesters at the beginning of the uprisings did not try to hide their sympathy for Hizbollah leader Hassan Nasrallah. Some protesters in public expressed their support for Hamas in Palestine. It is very likely that after the uprisings many Islamist parties and movements such as the Muslim Brotherhood will become legal political players. But the West needs not to fear the legitimization of Islamists. Islamists are not jihadists. Active participation of Islamists in the political life of the Middle Eastern countries might help to strengthen democracy in the region.

With regard to the impact of Arab uprisings on Western interests it is worth noting that over a long period the spread of democracy in the Middle East could be useful for the West. The political dialogue between the West and new more democratic Middle Eastern regimes might have a stronger basis and be mutually beneficial. This in its turn might help to solve various security challenges in a more efficient way. The problem is that for many Middle Eastern countries the road to democracy can be very long. In addition, many Arab countries may never reach the finish line – the establishment of truly democratic regimes. There are many historical examples of implantation of democracy outside the traditional boundaries of Western world that ended with contradictory results.

In general, the Arab uprisings, at least in the short term, do not promise anything positive for the West and its security interests. It is obvious that autocratic Arab leaders, who for decades were supported by the West, are no longer capable of ensuring stability in the region. However, new political forces that emerged during the uprisings are not familiar to the Western leaders, and are thus unpredictable. The abilities of the new Arab leaders to address deep-rooted political, economic and social problems are doubtful. This means that the new political players may also be unable to create the stability desired by the West. Cooperation with Arab countries in the fight against terrorism after the uprisings will become more complicated for the West. European countries already have to solve many problems created by the new flows of immigrants from the Middle East, who try to find shelter in Europe because of the political unrest at home.

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3. Arab Uprisings and Lithuanian Interests

Since 2004 Lithuania belongs to such key Western organizations as NATO and the EU and Lithuania has the same security challenges as the other Western countries. Lithuanian politicians and security experts quite often discuss such threats as energy security, terrorism, cyber attacks, and climate change. It is no coincidence that all these threats are included in the new draft of the Lithuanian National Security Strategy.\footnote{See: Lietuvos Respublikos Seimas, “Nutarimas dėl Lietuvos Respublikos Seimo nutarimo ‘dėl Nacionalinio saugumo strategijos patvirtinimo’ pakeitimo” (nutarimo projektas), 01 07 2011, http://www3.lrs.lt/pls/inter3/dokpaieska.showdoc?ip_id=403085&ip_query=&ip_tr2=, 03 08 2011.}

As it is equally affected by the process of globalization Lithuania cannot distance itself from security problems that are on the international political agenda. According to Gediminas Vitkus, in the age of globalization an individual nation’s security is shared with other nations. Nevertheless, like all countries, Lithuania has its own priorities while pursuing its security and foreign policy objectives. Furthermore, one should take into account that Lithuania is a relatively small, weak and young country. Its human and material resources that can be used in implementing security and foreign policy goals are comparatively small.

Lithuanian security and foreign policy makers traditionally concentrate their attention on the neighboring countries – Russia, Belarus, Poland, Latvia and Estonia. In addition, Vilnius is more focused on the successor states of the former Soviet Union; of these, three receive particular focus – Georgia, Moldova and Ukraine. Obviously, high on the Lithuanian political agenda is cooperation with powerful Western countries. Of these the U.S. is the most important one. According to some Lithuanian security experts, Lithuania’s membership in NATO is a favor granted by the U.S.\footnote{Vitkus G., „Integraciniai tarptautinio saugumo procesai versus jėgų balansas“, Skaitiniai apie nacionalinį ir tarptautinį saugumą, Vilnius: Atlanto sutarties Lietuvos bendrija, 2000, p. 17.} In their view, Lithuanian membership in the EU can guarantee security only until the EU itself is protected by the U.S. military. It is worth noticing that after the presidential elections in May 2009, the new Lithuanian president, Dalia Grybauskaite, tried to refocus foreign policy and to put a stronger emphasis on relations with Brussels, Paris, and Berlin. However, at this time Lithuania’s security is still dependent on the U.S.\footnote{Laurinavičius Ė., Moticė E., Starkus N., Baltijos valstybių geopolitikos bruožai: XX amžius, Vilnius: LII leidykla, 2005, p. 192.}
It is worth to note that despite limited resources Lithuania takes part in military missions that are not high on the national security and foreign policy priorities list and are more important for other Western countries. For instance, Lithuania takes part in the ISAF mission in Afghanistan, the NATO Training Mission in Iraq, and the EU “Atalanta” operation\(^\text{60}\). In 2005, Lithuania took the unique responsibility to lead the Provincial Reconstruction Team mission in the Ghor province of Afghanistan.

However, it can be said that Lithuania is clearly less interested in the Middle East region than in its real “Middle East” that is composed of Russia, Belarus, Georgia, Moldova and Ukraine. According to Egdunas Racius, who is a lecturer at the Institute of International Relations and Political Science, Lithuania does not have direct access to the Mediterranean Sea and the Arab states and because of that Lithuania does not have inherent interests in the Middle East\(^\text{61}\). In fact, Lithuania has no strong historical, political or economic ties with the Middle East region. In essence, the Middle East interests Lithuania as much as events in this region could affect the security of the U.S. (NATO) and the EU.

Of all the Middle Eastern Arab countries, Lithuania only has an embassy in Egypt, which is a popular destination point for Lithuanian tourists. In theory, the Lithuanian embassy in Egypt also has to defend Lithuanian interests in Jordan, Syria, Lebanon, Kuwait, UAE, Saudi Arabia and Qatar. In practice, the Lithuanian embassy in Egypt is unable to fulfill this task. The Lithuanian embassy in Cairo is staffed with only two diplomats\(^\text{62}\). By comparison, the Lithuanian embassy in Chisinau, Moldova, is tasked to take care of Lithuanian interests in only this one country and is staffed with three diplomats.

Lithuanian commercial ties with Middle Eastern countries are poor. Among the first two dozens of Lithuania’s largest foreign trade partners there are no Arab countries\(^\text{63}\). Examples of the bilateral military cooperation between Lithuania and the Middle Eastern countries are hard to find.

A lack of interests and limited diplomatic capabilities has not stopped Lithu-

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anian political leaders as they have expressed their positions on the Arab uprisings. Lithuanian politicians had to say something about the Arab uprisings, for several reasons. First of all, the Arab uprisings became such a hot central topic that could not be avoided in the various international political forums (in particular – NATO and the EU). In addition, the pressure of the media interested in the so-called Arab spring played its part. Lithuanian politicians had to say something about an internationally important issue, because at the time of the uprisings Lithuania acted as the chairman of the Organization for Security and Co-operation in Europe and the Community of Democracies. In addition, one should not forget that Lithuania has had a somewhat similar experience to the Arab uprisings.

In 1988-1991 Lithuanians, Latvians and Estonians participated in the so-called singing revolutions. These singing revolutions in the case of the Baltic States resulted in transition from totalitarianism to liberal democracy. Lithuania even had its own Bouazzizi – Romas Kalanta, who in the name of political protest set himself on fire in Kaunas in May 1972. Still, the singing revolutions and Arab uprisings have important differences. The Arab uprisings have not acquired the clear ideological shape that the singing revolutions had. The collapse of communism in Eastern Europe has been total and relatively rapid. Despite the massive protests, many autocratic Arab regimes show no signs of collapse.

Lithuanian political leaders in their public speeches made statements related to the Arab uprisings, regardless of the fact that these statements were few in number. In general, it can be argued that Lithuania – with the experience of the singing revolution – was not very enthusiastic about Middle Eastern democratization. Lithuanian political observer Giedrius Cesnakas rightly points out that Lithuania has not used its politically advantageous position as chair of the OSCE and the Community of Democracies, to promote the spread of democracy in the Middle East. However, it should be noted that lack of enthusiasm on the side of Lithuanian political leaders about Middle Eastern democratization should not be regarded as a mistake. Actually, it is wise to wait and see what happens next. Today no one knows for sure how everything will look in the Middle East in near future.

President Grybauskaite, who according to the constitution makes decisions on the basic issues of foreign policy and is responsible for the implementation of these decisions, pointed out that the Arab uprisings might have negative consequences for Lithuanian and European energy and economic security. The Lithuanian

president was concerned that the Arab uprisings would raise oil prices. Lithuanian Defense Minister Rasa Juknevičienė pointed out that the uprisings in the Middle East could quickly and radically change the security situation in the periphery of the Alliance. According to her, it indicates that the Lithuanian security situation could deteriorate too.

Lithuanian political leaders, in their public comments related to the Arab uprisings, devoted most of their attention to the Libyan uprising, where Western powers played an important role. Being a member of NATO Lithuania supported the leadership of the Alliance in implementing UN Security Council Resolution 1973. The key Lithuanian foreign policy-makers (president, prime minister, minister of foreign affairs) unanimously supported UN SC Resolution 1973. Still, all of them said that Lithuania had limited capabilities to take part in the enforcement of the resolution by military means. All of them rather spoke about Lithuanian participation in the operation limited to humanitarian assistance. However, even when talking about humanitarian assistance, they emphasized that Lithuanian resources are limited.

Of course, lack of resources was an important or even the most important obstacle for Lithuania to take a more active part in the Western military operation in Libya. However, there are other reasons for Lithuania’s passivity. The relatively passive Lithuanian position regarding the Western military intervention in the Libyan uprising could be explained by the lack of Lithuanian interest related to this conflict. According to Racius, the relatively passive stance towards the Libyan uprising by Lithuania is taken because it sees no tangible benefits that might come from the active support of the Western military operation in Libya. Lithuania supported the U.S. led interventions in Afghanistan and Iraq because Lithuanian political leaders clearly saw the benefits of such support – better prospects to become a member of NATO and the EU.

Only one comment related to Libya, made by President Grybauskaite, attracted relatively significant attention from the local media. This comment was

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made during her interview to the Austrian newspaper “Die Presse”. In the interview the Lithuanian president noted that Western military operations in Libya exceeded the UN mandate. The Lithuanian president wanted to know why Western powers decided to intervene in the Libyan conflict. She remarked that southern Africa is full of dictators and Lithuanian political observers immediately criticized the president’s comment on Libya. They equated her position on Western military involvement in the uprising in Libya to the one taken by Russian Prime Minister Vladimir Putin. Commenting on Grybauskaite’s interview with “Die Presse”, political observer Kestutis Girnius noted that Lithuanian political leaders revealed a lack of co-ordination on foreign policy issues. It is difficult to disagree with Girnius on this judgment. The Lithuanian prime minister and minister of defense often highlighted the importance of NATO and Western solidarity. Grybauskaite’s comment on Western involvement in Libya is clearly at odds with NATO’s solidarity. One should remember that Lithuania officially had agreed that the implementation of Resolution 1973 would be taken by NATO.

Grybauskaite’s remark that Western military operations in Libya exceeded the UN mandate did not attract much attention abroad. This may be the indication that Lithuania is a small and non-influential Western country. Of course, one should also remember that the position of the Lithuanian president was in line with the official stance of an influential Western country, Germany.

Lithuania is not related to the Middle East region by historical, political and economic ties. Because of that the impact of the Arab uprisings on Lithuania is likely to be small and indirect. The main disadvantage related to the Arab uprisings and Lithuanian security might be higher oil prices. These might create troubles

for Lithuania’s economic and energy security. Most likely, the Arab uprisings will not have a significant impact on Lithuania’s participation in the Global War on Terror and localized counter-terrorist operations. In addition, Lithuania is quite unlikely to receive significant numbers of Middle Eastern immigrants. Their main destination point is usually the wealthier countries in Western Europe.

The Arab uprisings could be of greater significance for the Lithuanian national security only if a possible domino effect should occur, stretching out the boundaries of the Middle East. There are countries that are of importance for Lithuanian security and they might experience uprisings resembling those in the Middle East. Political and social conditions in these countries might look familiar to those in Tunisia, Egypt, and Libya. Many countries in Central Asia seem ready to explode in the same way the Middle Eastern Arab countries did. Kyrgyzstan, Tajikistan and Uzbekistan are included in the failed state list published by the magazine Foreign Policy and the Fund for Peace. A single desperate act of protest might trigger an uprising against Alexander Lukashenko’s autocratic regime. Surprisingly, it may turn out that the police state managed by Vladimir Putin and his siloviki is much more vulnerable than it may seem.

In summary, it is important to note that uprisings in the form of politically loaded mass protests are not somehow unique to the Middle East. Bouazizi is not the first one to set himself on fire in the name of protest. It is obvious that he is not the last one. Lithuanian and other Western security experts have a lesson to learn from the Arab uprisings. They should expect unexpected uprisings in unexpected places.

Conclusions

At this time it is very difficult to assess the impact of the Arab uprisings on the security interests of the West and Lithuania. The Arab uprisings are an on-going process. In many cases the results of the uprisings are inconclusive. The players participating in the uprisings are unpredictable. The real consequences of the Arab uprisings on Western and Lithuanian security interests may appear only after a few years or several decades.

So far, it is clear that the Arab uprisings are events of strategic importance. The Arab uprisings have already started to change the balance of power in the Middle East region. This region is becoming less stable. Because of the Arab upri-

sings, the major Western countries need to review their policies towards the Middle Eastern countries. Washington, London and Paris-based policy makers, who are responsible for the formation of foreign policy, are still looking for relationship patterns and for solutions for how to deal with the Middle Eastern dictators and the protesters.

It seems that after the Arab uprisings the West will have no time to rest and to forget about the Middle East. For the Western countries it might be more difficult to achieve the continuity of oil supplies. Cooperation with Arab countries on various security issues is becoming more complicated. In particular, Western-Middle Eastern cooperation in the fight against terrorism may suffer.

Lithuania has no close historical, political or economic ties with the Middle East. Because of that the Arab uprisings have no direct effect on the security situation in Lithuania. Even complicated Western-Middle Eastern cooperation in the fight against terrorism should not have a great effect on the security of Lithuania.

The most pressing problems of the Arab uprisings for Lithuanian national security are related to the country’s economic and energy security. How harmful can the Arab uprisings really be for Lithuania, which is dependent on Russian energy resources? In general, analysis of the statements of Lithuanian political leaders on the Arab uprisings revealed that the Lithuanian stance towards the Arab uprisings is determined by the local realpolitik protagonists, rather than by ideistically minded liberals and democracy advocates. Bearing in mind the fact that Lithuania is a small country with scarce human and material resources for security and foreign policy implementation, this is not such a bad thing.

The Arab uprisings could become a really big issue for Lithuania only if a domino effect were to stretch out the boundaries of the Middle East. After the unexpected Arab uprisings, the concerns about stability in the Lithuanian neighborhood (Belarus and Russia) and Central Asia are more valid. Regimes in these countries by various criteria resemble those that not so long ago existed in Tunisia, Egypt and Libya.

_Vilnius, July-August 2011_
1999 and 2010 NATO Strategic Concepts: A Comparative Analysis

This article uses cooperative security theory to examine and compare 1999 and 2010 NATO Strategic Concepts, thus assessing the main developments of NATO transformation during the last decade. Analysis shows that the new Strategic Concept is a more “evolutionary” than “revolutionary” document, as the main elements and functions of the Alliance remain unchanged. New strategy projects NATO as a multifunctional security structure, which combines collective security and collective defence dimensions on the one hand with active policy of promoting stability (operations and partnerships) on the other. The most important difference between 1999 and 2010 documents is the multifunctional character and high level of ambitions in the new strategic plan in such areas as civilian capabilities, missile defence, cyber security, NATO-EU relations, etc. The new Strategic Concept modernized NATO and demonstrated solidarity about the main tasks of the Alliance. Nevertheless, actual implementation of this ambitious agenda depends on the ability to address deeply rooted internal problems (such as increasing gap between the US and Europe), which will require a favourable international environment, considerable resources and strong political will by the Allies.

Introduction

The new NATO Strategic Concept adopted at the Lisbon Summit in November 2010 is a key document of the Alliance, which identifies the purpose and tasks of NATO, assesses the international security environment and defines relations with other international actors. It is the seventh Strategic Concept since the inception of the organization in 1949. The previous Strategic Concept was adopted in 1999 – the year in which NATO started its first “out of area” operation in Kosovo, which highly influenced the content of the document.

The purpose of this article is to examine and compare the 1999 and 2010 Strategic Concepts, thus assessing the main developments of NATO transformation during the last decade. Strategic Concepts are considered the key political documents that reflect a compromise between the Allies about NATO’s tasks,
mark historical turning points in the Alliance’s history and reveal the crucial comparative issues of NATO then (1999) and now (2010). Importantly, the NATO Strategic Concept is not just a political declaration; it is the key NATO defence planning document, defining guidelines and the level of ambition, which is subsequently transformed into real capabilities, initiatives, reforms and operations.

The analysis will be conducted within the framework of cooperative security theory. Cooperative security focuses on four “strategic rings”, connecting different dimensions of the international system, characterized by various formal and informal institutions. Such a system consists of highly interdependent democratic states, which are related by common values and close practical cooperation in various fields.2

The article consists of three parts. The first part briefly presents the theoretical background – the concept of cooperative security. The second part identifies and reviews the main features of NATO as a cooperative security system. The third part uses the four dimensions of cooperative security to examine, compare and assess 1999 and 2010 NATO Strategic Concepts.

1. Theoretical Guidelines: the Cooperative Security Model

In the context of the wide spectrum of international security studies NATO is usually analysed as a structure that allows the empirical assessment or illustration of various theoretical concepts of international relations. To summarize different strands of NATO studies in the academic literature, four main theoretical constructs can be identified, suggesting different interpretations of international relations, as well as specific explanation(s) of NATO transformation. These are the theories of (1) security communities, (2) alliances, (3) collective security and (4) cooperative security.

1 Individual security, collective security, collective defence and promoting stability.
The concept of security community is mostly based on (inter)subjective ontology and assumes that states are able to develop collective identity. Common values, norms and symbols generate common identity, which creates conditions for stability and peace. In terms of NATO studies and practical application of constructivism-based concept of security community, the focus of analysis is concentrated on the identity and common values of the NATO member states and other international actors.

The theory of alliances is mostly based on (neo)realist explanation of international relations, assuming that international system, national interests and security policy are related by close causal relations. The anarchic character of international relations determines rational interest to enhance the power and security, various forms of interstate relations (such as alliances) therefore are regarded a consequence of such rationale. Accordingly, alliances are considered as directed against other subject or group, some sort of “enemy” or “threat” is always needed to justify their existence. Such approach, though consistent from methodological perspective, is basically restricted to the analysis of material factors and ignores normative issues. Moreover, this approach cannot adequately assess fundamental post-Cold War changes of international security environment, which are one of the key driving forces of contemporary NATO.


Collective security theory is closely related with the Wilsonist tradition of international relations and the English (International Society) school. The concept of collective security assumes that certain group of states, acting in the anarchic international environment and having common purposes and values, compose a collective structure, in which states retain their sovereignty but agree to follow certain principles and norms (for example, with regard to the rules and means of using military force). The concept of collective security is suitable for explaining the cooperation between states (i.e. the internal mechanism of collective security system) however, it does not pay proper attention to systemic factors (especially, various aspects of international security).

The analysis in this article is conducted on the basis of the cooperative security model developed by R. Cohen and M. Mihalka. The concept of cooperative security emerged after the Cold War; however, it did not have a proper conceptual background and was mostly used to describe a “new international order”, which is defined by consultations instead of confrontation, transparency instead of secrecy, reassurance instead of deterrence.

According to R. Cohen, the cooperative security system includes four dimensions (concentric rings): (1) individual security; (2) collective security; (4) collective defence; (4) promoting stability.

The individual security dimension (the first concentric ring) is focused on human security aspects (human rights, democratic values, well being, etc.), which overcome national boundaries and consider security as a broad concept, including various parameters of economic welfare and sustainable development. It is an internal ring of the system, which can be considered some sort of “social glue” (various principles of liberal democracy) ensuring internal systemic stability and resistance.

The collective security dimension (the second concentric ring) is directed towards the internal dimension of the system in terms of ensuring security between sovereign

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8 Evans, Gareth, „Cooperative Security and Intra–State Conflict,“ *Foreign Policy*, No. 96, Fall 1994, in Cohen and Mihalka, p. 4.

states. It is focused on ensuring internal peace and the elimination of threats rising from other actors of the security system. The collective security dimension includes various forms of cooperation between the members of the system in such areas as terrorism, organized crime, illegal immigration, natural disasters, etc.

Collective defence (the third concentric ring) is directed towards the external dimension of the system, focusing on defence from external aggression (various state and non-state actors outside the system). Members of the system commit to ensure credible defence and effective response to external aggression or similar threats. In practice, it can be institutionalized as various mechanisms and interstate agreements of collective defence.

The dimension of promoting stability (the fourth concentric ring) defines the prevention of instability outside the system. Potential sources of instability are eliminated by using various political, economic, diplomatic and military measures, establishing international cooperation mechanisms, etc. In practice, it can be realized as a commitment to protect specific kind of value system (human rights, etc.), prevent evolving threats (e.g. WMD proliferation) or enable various institutional cooperation/confidence building mechanisms.

Figure 1. Theoretical model of cooperative security system

2. NATO as a Cooperative Security System: the Main Features

Before focusing on the analysis of Strategic Concepts, it is important to answer the question of the extent to which NATO can be regarded as a cooperative security system.

The first ring. All NATO countries can be considered liberal democracies committed to the key principles of human rights. NATO’s rhetoric and activities have a strong element of collectiveness based on common values. The role of the Alliance in the field of promoting democratic culture and strengthening democratic institutions is also often emphasized in strategic documents and public announcements by NATO representatives. For example, the North Atlantic Treaty highlights that NATO members “are determined to safeguard the freedom, common heritage and civilisation of their peoples, founded on the principles of democracy, individual liberty and the rule of law. They seek to promote stability and well-being in the North Atlantic area.”\(^{11}\)

In addition, emphasis is often put on NATO’s intention to create structural stability conditions that would enable the promotion of human rights, democratic reforms and the development of economy.\(^{12}\)

The second ring. NATO can be considered the most important institutional and political expression of the transatlantic link, which is based on the principle of indivisible security between North America and Europe, thus eliminating the balance of power within the system and allowing a renewed focus on external security challenges.

Since its inception NATO was able to neutralize (or restrain) sources of tension between NATO members. For example, intensive use of consultation and cooperation mechanisms helped to avoid military conflict between Turkey and Greece (both countries were accepted to NATO in 1952, facing high tensions over Cyprus) and mitigate other bilateral crises.

Various channels of NATO political consultations (article 4 of the North Atlantic Treaty) help to maintain the strategic integrity of the system (i.e. a consensus about further development of the Euro-Atlantic system). The Alliance is a security structure with a wide network of formal and informal mechanisms for coordination and consultations.

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In addition, NATO has various formats for practical cooperation in such fields as logistics, standardization, communications and information systems, civil emergency planning, scientific research, training and exercises, public diplomacy, meteorology, military oceanography and many other areas.\textsuperscript{13}

\textit{The third ring.} Article 5 establishes a mechanism of deterrence, which has been in effect since the inception of NATO and has prevented external military aggression during and after the Cold War.\textsuperscript{14}

The Declaration on Alliance Security adopted in 2009 at the Strasbourg/Kehl Summit states that “Deterrence, based on an appropriate mix of nuclear and conventional capabilities, remains a core element of our overall strategy.”\textsuperscript{15} NATO gives considerable attention to various military and political initiatives, which aim at NATO’s ability to defend its territory from external aggression.

NATO as a military organization ensures its efficiency by maintaining an integrated military structure, common defence planning mechanism, rapid response force, nuclear deterrence capability, integrated air defence system, common financing of various infrastructure projects, effective network of operational headquarters and other capabilities.

In the light of the changing international security environment, NATO is more and more focused on the ability to react and neutralize non-traditional security challenges: cyber attacks, terrorism, proliferation of WMD, etc.\textsuperscript{16}

\textit{The fourth ring.} A policy of dialogue and cooperation\textsuperscript{17} plays an important role in NATO strategy. It allows the Alliance to enhance the zone of “stability and security” beyond its territory, thus preventing the emergence of new security

\textsuperscript{13} About NATO’s role and institutions in these areas see: \textit{NATO Handbook}, Brussels: NATO Public Diplomacy Division, 2006, p. 273-349.

\textsuperscript{14} 9/11 terrorist attacks in the USA could be considered as the only exception, as the Article 5 of the North Atlantic Treaty was officially invoked for the first time in NATO’s history. See: Buckley, E., “Invoking Article 5”, \textit{NATO Review}, Summer 2006, http://www.nato.int/docu/review/2006/issue2/english/art2.html, 08 10 2011.


\textsuperscript{17} The process of dialogue and cooperation actually institutionalized NATO as a global political forum. It involves such cooperation programs as Mediterranean dialogue, NATO-Russia Council, Euro-Atlantic Partnership Council, Partnership for Peace, NATO-Ukraine Commission, NATO-Georgia Commission, Istanbul Cooperation Initiative. The ties with global partners – Australia, South Korea, Japan, New Zealand – were also amplified. Furthermore, in recent years the Alliance conducted intensive enlargement policy – in 2004 seven new countries, in 2009 – two (Albania and Croatia) became members of NATO.
threats. Article 2 of the North Atlantic Treaty highlights that member states will “contribute toward the further development of peaceful and friendly international relations by strengthening their free institutions, by bringing about a better understanding of the principles upon which these institutions are founded, and by promoting conditions of stability and well-being.”19

Various partnership programs and forms of practical cooperation (common exercises and training, assistance in the field of defence sector reform, etc.) directly contribute to the stability projection beyond NATO. However, the Alliance has not developed close relations with such actors as China, India, Brazil and other rising powers, as well as various regional organizations (African Union, Collective Security Treaty Organization, etc.). In addition, NATO’s cooperation with the EU and UN is often burdened by various political obstacles (as in, for example, the Cyprus conflict).

NATO’s engagement in crisis management and stabilization activities is based on a postmodern concept of reacting to threats where they emerge. The essential idea of this concept is well reflected in the famous phrase by NATO’s Secretary General L. Robertson: “if we don’t go to Afghanistan, Afghanistan will come to us.”20 Thus, the Alliance responds to various threats anywhere in the world, if it is needed for NATO’s security interests.

Another important element of stability projection is the transformation of NATO’s capabilities. In order to ensure the success of crisis management operations and effectively neutralize asymmetric threats beyond its territory21, NATO

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22 Comprehensive Political Guidance endorsed in Riga summit (2006) state that NATO has to be able to conduct several different operations simultaneously outside NATO in unpredictable environment. Over the next 10 to 15 years NATO’s forces are required, inter alia, to be able to (i) conduct and support multinational joint expeditionary operations far from home territory with little or no host nation support; (ii) deter, disrupt, defend and protect against terrorism and various asymmetric threats, including weapons of mass destruction; (iii) protect information systems of critical importance to the Alliance against cyber attacks; (iv) bring military support to stabilisation operations and reconstruction efforts across all phases of a crisis; (v) conduct operations in demanding geographical and climatic environments; (vi) conduct operations taking account of the threats posed by weapons of mass destruction and chemical, biological, radiological and nuclear hazards, etc. See: Comprehensive Political Guidance Endorsed by NATO Heads of State and Government, 29 November 2006, http://www.nato.int/docu/basicxtxt/b061129c.htm, 08 10 2011.
has not only created a multifunctional rapid response force, but also transformed its military structures, adapting them to its asymmetric security environment.\textsuperscript{22} The process of changing capabilities well illustrates NATO transformation from regional alliance based on territorial defence to globally connected crisis response mechanism.

In sum, our brief analysis based on the model of four concentric rings suggests that NATO can be considered an effective cooperative security system (see Figure 2).

\begin{figure}[h]
\begin{center}
\includegraphics[width=\textwidth]{nato_diagram.png}
\end{center}
\caption{NATO as a cooperative security system: the main features\textsuperscript{23}}
\end{figure}

\begin{enumerate}
\item In Prague Summit, NATO decided to create the NATO Response Force which is mobile, interoperable, highly ready and technologically advanced multinational force made up of land, air, maritime and special forces components. It can be rapidly deployed to high intensity missions by the decision of the North Atlantic Council. See: Prague Summit Declaration issued by the Heads of State and Government participating in the meeting of the North Atlantic Council. 21 November 2002, http://www.nato.int/docu/pr/2002/p02127e.htm, 08 10 2011; “NATO after the Prague Summit”, Speech by NATO Secretary General Lord Robertson at the Konrad Adenauer Stiftung, Berlin, Germany, 12 Dec. 2002, http://www.nato.int/cps/en/natolive/opinions_19600.htm, 08 10 2011
\end{enumerate}
3. Analysis of NATO Strategic Concepts

3.1. The 1999 Strategic Concept: Credible Collective Defence and Security of the Euro-Atlantic Region\textsuperscript{24}

3.1.1. The First Ring: Individual Security

The 1999 Strategic Concept states that the essential and enduring purpose of NATO is to safeguard the freedom of its members (i.e. states) by political and military means (§6). Neither individual nor societal security is mentioned among the fundamental security tasks.\textsuperscript{25}

Rather modest attention is also given to a normative (human rights) dimension, which is restricted to general remarks about NATO as an organization based on democratic values, human rights and the rule of law, seeking to establish peaceful order in Europe.

3.1.2. The Second Ring: Collective Security

The 1999 Strategic Concept includes some provisions which clearly reflect the principles of collective security. One of four “fundamental security tasks” identified in the document is to ensure stability and security in the Euro-Atlantic region, focusing on the promotion of democratic institutions, the peaceful resolution of disputes and the prevention of conflicts (§10). In other words, the Strategic Concept provides the basis for ensuring stability within the system.

Accordingly, consultation mechanisms between the countries play a substantial role in the document. On the basis of Article 4 of the North Atlantic Treaty, political consultations are considered a crucial measure in order to ensure the effectiveness of NATO as a transatlantic security forum and the successful coordination of activities between the member-states (§10). The Strategic Concept also highlights the importance of NATO as a fundamental practical and institutional expression of transatlantic link, which ensures the indivisibility of security between

\textsuperscript{24} Analysis in this sections is made on the basis of 1999 NATO Strategic Concept. (The Alliance’s Strategic Concept, approved by the Heads of State and Government participating in the meeting of the North Atlantic Council\textsuperscript{2}, Washington D.C., 23-24 April 1999). Further references will be provided only in case of directly quoting the document.

\textsuperscript{25} On the other hand, the preamble of the North Atlantic Treaty mentions the commitment to safeguard the freedom, common heritage and civilisation of their peoples, founded on the principles of democracy, individual liberty and the rule of law. See: the North Atlantic Treaty, Washington D.C., 4 April 1949, http://www.nato.int/docu/basictxt/treaty.htm, 08 10 2011.
Deterrence and defence against any form of aggression is considered as one of four fundamental security tasks in 1999 Strategic Concept (§10).

The commitments of Article 5 are also clearly demonstrated in the document, focusing on various practical measures of collective defence and effective deterrence: military planning and exercises, interoperability of Allied forces, defence infrastructure in the member states, standardization of various military procedures, etc. (§28, 29, 41, 42).

The 1999 Strategic Concept pays particular attention to capability development and provides a detailed description of military requirements for NATO forces (§41-61). The main role of NATO’s military forces is “to protect peace and to guarantee the territorial integrity, political independence and security of member states. The Alliance’s forces must therefore be able to deter and defend effectively, to maintain or restore the territorial integrity of Allied nations and - in case of conflict - to terminate war rapidly by making an aggressor reconsider his decision, cease his attack and withdraw.”

The document also indicates various requirements with regard to size and geographical distribution of NATO forces, parameters of command structure (operational headquarters and integrated military structure), development of multinational capabilities, etc.

The concept also defines the main parameters for NATO nuclear strategy. It is stated that conventional forces of NATO are not sufficient to ensure credible deterrence, and a nuclear arsenal is therefore required. The main purpose of the nuclear forces “is political: to preserve peace and prevent coercion and any kind of war”. Besides, the nuclear arsenal of NATO is considered a “supreme guarantee of security”, which also plays the role of “essential political and military link” between Europe and North America. NATO commits to maintain its nuclear capability, which has to be flexible enough to ensure a robust deterrence posture (§62-64).

However, the Strategic Concept also states that nuclear weapons could be used only in “extremely remote” circumstances and gives a lot of attention to NATO’s active nuclear disarmament policy after the end of the Cold War.

The document rather explicitly assesses the strategic security environment, highlighting its unpredictability. Conventional aggression against the Alliance is seen as “highly unlikely”; however, the “possibility of such a threat emerging over the longer term exists”. Ethnic and religious rivalries, territorial disputes, human rights

26 The Alliance’s Strategic Concept, 1999, § 47.
27 The Alliance’s Strategic Concept, 1999, § 62.
28 The Alliance’s Strategic Concept, 1999, § 20.
abuse and dissolution of states are mentioned among the main sources of regional instability, which can have direct security implications for the Alliance (§20-24).

In addition, the Strategic Concept emphasizes the importance of powerful nuclear forces outside NATO (§21) and the proliferation of weapons of mass destruction and their means of delivery, including the increasing role of non-state actors.

3.1.4. The Fourth Ring: Promoting Stability

Crisis management policy plays a substantial role in the 1999 Strategic Concept, focusing on NATO’s ability to prevent conflicts and conduct various crisis management operations. The concept of partnerships also is of key importance in the document. In order to ensure the stability and security of the Euro-Atlantic area, NATO has to develop various programs of partnerships, cooperation and dialogue. NATO commits not only to ensure effective defence of its member states, but also actively contribute to consolidation of regional security and stability (§31-33).

NATO supports a broad concept of security, which embraces various political, economic, social factors. In accordance, the need for close coordination with other actors in the international system is highlighted.

According to the Strategic Concept, NATO seeks to strengthen stability and promote democratic processes in the Euro-Atlantic security system by (§31-39):

• Continuing an open door policy (on the basis of Article 10 of the North Atlantic Treaty, i.e. leaving the door open for all European democracies, which seek membership and assume the responsibilities and obligations of membership);
• implementing an active partnerships policy. Special attention is given to Euro-Atlantic Partnership Council, Partnership for Peace, relations with Ukraine and Mediterranean Dialogue. The Strategic Concept contains a rather abstract definition of NATO-Russia relations, stating that Russia plays a unique role in the Euro-Atlantic security system and enduring partnership is important for regional stability and security;
• continuing an active policy in the field of disarmament, arms control and non-proliferation. CFE, START and Comprehensive Test Ban treaties are considered to play particularly significant role in this respect.
• continuing support of the development of the European Security and Defence Identity within the Alliance, allowing the EU to use NATO capabilities for Western European Union-led operations.
• conducting active crisis prevention and management policy, i.e. using various political and military measures to prevent conflicts and ensure their effective management;
• ensuring close cooperation between civilian and military dimension, as various civilian capabilities become increasingly important for the implementation of military tasks in such areas as logistics, communications, medical support, etc.


3.2.1. The First Ring: Individual Security

The 2010 Strategic Concept only briefly highlights that NATO countries create a values-based community committed to the principles of individual liberty, democracy, human rights and the rule of law (§2).

3.2.2. The Second Ring: Collective Security

As in 1999 document, the 2010 Strategic Concept highlights that the fundamental and enduring purpose of NATO is to ensure (by using political and military means) the freedom and security of NATO countries (§1).

The document also emphasizes the importance of transatlantic link and indivisible security between Europe and North America. NATO is considered as the main forum for transatlantic security policy (§3, 5).

3.2.3. The Third Ring: Collective Defence

Collective defence, on the basis of Article 5 of the North Atlantic Treaty, is considered as one of the three “core tasks” of NATO, identified in the new concept. In a new addition to the concept, more attention is given to new security challenges, such as cyber attacks, international terrorism, disruption of vital communication and energy transport routes (§7-15).

NATO commits to direct more attention to capabilities needed for the prevention of cyber attacks or neutralizing their impact (focus on cyber capabilities within NATO defence planning mechanism, better coordination of developing national capabilities and eventual response strategies, etc.) (§19).

The Alliance also takes more responsibility in the field of energy security, including protection of critical infrastructure and transit areas and lines, consultations among Allies and contingency planning.
The Strategic Concept emphasizes that the threat of a conventional attack against NATO territory is “low”; however, “the conventional threat cannot be ignored”\(^\text{29}\), especially because of proliferation of ballistic missiles as well as nuclear weapons and other weapons of mass destruction, and their means of delivery. Accordingly, emphasis is put on missile defence capability, aimed at defending NATO’s territory from the ballistic missile attacks. Such defensive capability is seen as the “core element” of NATO’s collective defence (§19).

As in the 1999 document, the 2010 Strategic Concept mentions the proliferation of weapons of mass destruction, instability and conflicts beyond NATO as important elements of NATO’s security environment. Though NATO does not consider any country to be its adversary, “no one should doubt NATO’s resolve if the security of any of its members were to be threatened.”\(^\text{30}\) The document states that a nuclear weapon could be used only under “extremely remote” circumstances; however, NATO will remain a nuclear alliance “as long nuclear weapons exist”.\(^\text{31}\) Further, NATO’s activities in the field nuclear disarmament are related to reciprocal actions from Russia’s side, focusing on enhanced transparency and relocation of European-based Russian nuclear weapons.

The 2010 Strategic Concept directs less attention to various practical means of collective defence (military planning, requirements for forces and capabilities, defence infrastructure, etc.). However, it clearly expresses NATO’s political will to conduct a policy of visible assurance (exercises, training, contingency planning) (§19), which is aimed at reassuring member-states (especially, countries in Central and Eastern Europe) about NATO’s readiness, credibility and commitment to ensure their security and response to full range of threats.

The document strongly highlights the importance of developing military capabilities for expeditionary operations (§19, 25), as well as strengthening the ability to react to CBRN attacks.

### 3.2.4. The Fourth Ring: Promoting Stability

In comparison with the 1999 document, the 2010 Strategic Concept gives more attention to NATO’s role in the field of crisis management. It is stated that various crises and conflicts beyond NATO can pose a direct threat to Alliance’s territory and populations. NATO is therefore committed to engage to prevent and manage crises, conduct post-conflict stabilisation and support reconstruction. The Strategic Concept emphasizes that NATO has unique conflict management capacities (§ 23).


\(^{30}\) Ibid, §16.

\(^{31}\) Ibid, §17.
One of the crucial innovations of the new Strategic Concept is that considerable attention is paid to the development of civilian capabilities. The document emphasizes that operations in Afghanistan and Western Balkans have showed the importance of the Comprehensive Approach, i.e. the integration of civilian and military instruments and close cooperation with other international actors, including various non-governmental organizations (§21).

In order to ensure the effectiveness of crisis management operations, NATO commits to: (i) strengthening the exchange of intelligence; (ii) strengthening the readiness to conduct expeditionary operations (doctrines and capabilities); (iii) developing appropriate but modest civilian crisis management capability and improve coordination with various civilian partners; (iv) ensuring an integrated civilian-military planning mechanism; (v) developing the capacity to train local forces in crisis zones (§25).

The 2010 strategy basically reaffirms the provisions of the 1999 document with regard to NATO’s role in arms control (including conventional arms control regime in Europe), and non-proliferation. The new concept also maintains the commitment to open door policy by emphasizing that NATO’s door remain open for European democracies, “which share the values of our Alliance, which are willing and able to assume the responsibilities and obligations of membership, and whose inclusion can contribute to common security and stability.”

The new Strategic Concept directs even more attention to partnerships. Close cooperation with partners in various fields (primarily – NATO-led missions) is seen as the key precondition for success. NATO is committed to strengthening partnership policy by: (i) developing practical cooperation with other international organizations; (ii) ensuring intensive security consultations with partners; (iii) giving operational partners a structural role in shaping strategy and decisions on NATO-led missions; (iv) deepening cooperation with the UN (more active political consultations, etc.); (v) ensuring productive strategic partnership between NATO and the EU (enhanced practical cooperation in such areas as international operations, capability development, etc.) (§28-35). However, the new Strategic Concept does not even mention such international organizations as Organization for Security and Cooperation in Europe (OSCE) or African Union.

The 2010 strategy pays more attention to relations with Russia, emphasizing that NATO-Russia cooperation is strategically important, NATO does not pose a threat to Russia and expects positive reciprocal steps from Russian side. NATO is committed to strengthening political consultations and practical cooperation in such fields as missile defence, anti-terrorism, piracy, etc (§34).

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32 Ibid, §17.
Table 1. NATO as a cooperative security system: The main elements of the 1999 and 2010 Strategic Concepts

<table>
<thead>
<tr>
<th>1 ring: individual security</th>
<th>1999 m. Strategic Concept</th>
<th>2010 m. Strategic Concept</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Main object of security – nations.</td>
<td>- Main object of security – nations and populations.</td>
<td></td>
</tr>
<tr>
<td>- Little attention to normative dimension (human rights, democratic principles)</td>
<td>- Little attention to normative dimension (human rights, democratic principles)</td>
<td></td>
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</tbody>
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<table>
<thead>
<tr>
<th>2 ring: collective security</th>
<th>1999 m. Strategic Concept</th>
<th>2010 m. Strategic Concept</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Main purpose of NATO – to safeguard the freedom and security of NATO members by military and political measures.</td>
<td>- Main purpose of NATO – to safeguard the freedom and security of NATO members by military and political measures.</td>
<td></td>
</tr>
<tr>
<td>- Emphasis on the importance of security in the Euro-Atlantic region (internal stability of the system), transatlantic link (NATO as a political and institutional link between Europe and North America) and political consultation (on the basis of Article 4 of the North Atlantic Treaty)</td>
<td>- Emphasis on transatlantic link (NATO as a forum for security policy), indivisible security and political consultations (coordination of actions and strategic decisions).</td>
<td></td>
</tr>
<tr>
<td>- Considerable attention to NATO solidarity, strategic unity and coherence.</td>
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</table>

<table>
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<tr>
<th>3 ring: collective defence</th>
<th>1999 m. Strategic Concept</th>
<th>2010 m. Strategic Concept</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Focus on deterrence and defence.</td>
<td>- Deterrence, based on a mix of nuclear and conventional capabilities, remains the core element of NATO’s overall strategy.</td>
<td></td>
</tr>
<tr>
<td>- Identification of practical measures for effective collective defence, detailed requirements for NATO forces.</td>
<td>- Emphasis on new security challenges (especially cyber attacks) and capabilities needed for their neutralization.</td>
<td></td>
</tr>
<tr>
<td>- Nuclear arsenal has a political role - to preserve peace and prevent coercion and any kind of war. Nuclear capability is considered as a supreme guarantee of Allied security.</td>
<td>- The likelihood of conventional attack is low, however, the risk remains, especially in the light of growing threat of ballistic missile attack against NATO.</td>
<td></td>
</tr>
<tr>
<td>- Conventional aggression against NATO is considered as highly unlikely, however, the possibility of such a threat over the longer term exists.</td>
<td>- Missile defence capability is considered as a core element of NATO’s collective defence.</td>
<td></td>
</tr>
<tr>
<td>- Emphasis on unpredictability of security environment and proliferation of WMD.</td>
<td>- Focus on visible assurance policy (demonstration of NATO’s commitment and credibility).</td>
<td></td>
</tr>
<tr>
<td>- Instability in the neighbourhood of NATO as an important source of instability.</td>
<td>- NATO will remain nuclear alliance as long as there are nuclear weapons in the world.</td>
<td></td>
</tr>
</tbody>
</table>
4 ring: promoting stability

- Focus on crisis prevention and management (especially within the Euro-Atlantic region) policy.
- Commitment to broad approach to security, including various political, economic, social factors.
- UN is recognized as playing key role in international arena.
- Commitment to continue open door policy, further develop various partnerships (EAPC, PfP, MD, relations with Ukraine, etc.), support for European security and defence identity within the Alliance.
- NATO-Russia relations are defined in a rather abstract way, stating that Russia plays a unique role in Euro-Atlantic security system; NATO-Russia partnership is essential for international stability.
- Commitment to open door policy, in line with Article 10 of the North Atlantic Treaty.
- Commitment to contribute to international arms control, disarmament and non-proliferation endeavours.

- Focus on NATO’s role in the field of crisis management (exchange of intelligence, doctrines and capabilities, training of local forces, lessons learned in Afghanistan and Western Balkans).
- Commitment to develop civilian crisis management capabilities and improve coordination with various civilian actors.
- Key role for partnerships: active security consultations, structural role for operational partners in shaping NATO decisions, development of various partnership programs.
- UN is recognized as playing key role in international arena.
- NATO reaffirms its commitment to contribute to international arms control (including conventional arms control regime in Europe) and non-proliferation.
- Maintained commitment to open door policy.
- NATO does not pose any threat to Russia and expects reciprocal actions and enhanced cooperation in such areas as missile defence, counter-terrorism, counter-narcotics, counter-piracy, etc.

3.3. Assessment:
What Is New in the New Strategic Concept?

3.3.1. No Fundamental Changes

Despite substantial transformation of the international security system since 1999, the key provisions in both Strategic Concepts remain unchanged: collective defence, effective deterrence (including nuclear deterrence), transatlantic link, security consultations, partnerships, indivisible security between North America and Europe, open door policy and crisis management capacity remain crucial elements of the Alliance.
3.3.2. Collective Defence: Remaining Importance and Changes

The 1999 document devotes a lot of attention (from political, as well as military perspectives) to NATO’s ability to ensure effective collective defence in accordance with Article 5 of the North Atlantic Treaty. The 2010 Strategic Concept is less focused on various practical measures of collective defence; however, political commitment to ensure visible assurance and demonstrate NATO’s credibility (exercises, training, contingency planning, etc.) is clearly expressed.

The 2010 Strategic Concept gets NATO “back to basics”. After the 9/11 events NATO’s reform basically was focused on the asymmetric threats, trying to transform the Alliance into a multifunctional crisis response mechanism. Such tendencies are well illustrated by the Comprehensive Political Guidance (adopted in 2006 Riga Summit), which clearly promotes expeditionary profile for the Alliance, focusing on international terrorism and other asymmetric challenges. The situation was changed by the resurgence of Russia (especially, 2008 war in Georgia), which pushed NATO back to the concept of universal security structure (security “at home” + effective crisis management “out the area”), thus reassuring sensitive countries in the Eastern and Central Europe and ensuring solidarity within the Alliance. Paradoxically, this “coming back” of NATO actually happened in the light of actively promoting a “reset” policy between US/NATO and Russia.

The 2010 Strategic Concept has two important innovations: (1) new threats (first and foremost, cyber attacks), though not directly, are put within the notion of collective defence, thus indirectly broadening the interpretation of “armed attack”, which is used in the Article 5 of the North Atlantic Treaty; (2) NATO’s collective defence is directly connected with the threat of ballistic missile defence. In fact, this connection can be regarded as a strategic move, which justifies and legitimizes NATO as a collective defence organization in the twenty-first century, as the most realistic security challenge for many NATO countries – Russia – is officially considered a key strategic partner. In other words, NATO could not allow itself to define its identity on the basis of confrontation with Russia, and therefore the ballistic missile threat was incorporated into the strategy as a new element legitimizing collective defence.

3.3.3. Civilian Capabilities

Development of NATO’s independent civilian capabilities is a long-lasting and sensitive issue among the Allies. Some countries consider NATO primarily as a military alliance, which should leave civilian tasks to the European Union and other international organizations. In this light, the new commitment to develop
“civilian crisis management capability” in the 2010 Strategic Concept can be considered an important turning-point in the evolution of NATO as a military organization. However, the new strategy also emphasizes that NATO’s ambitions in this field remain modest; the Alliance is not going to take a lead role.

### 3.3.4. A Different Spectrum of Activities

The driving force of the 1999 Strategic Concept was NATO’s operation in Kosovo. In accordance, the document is based on a regional approach, focusing on responsibility for the security of the Euro-Atlantic region and potential sources of instability its neighbourhood. In other words, NATO’s “out of area” activities in essence were restricted to the Euro-Atlantic region.

Evidently, the 2010 document is highly influenced by the lessons learned from NATO’s operation in Afghanistan: the Alliance is committed to strengthen various aspects of crisis management (including stabilization and reconstruction tasks), ensure broader involvement of partners into the operational decision making process, etc. The global spectrum of NATO’s activities is also reflected in the assessment of strategic environment, which includes various ecological, climate change, resource factors, etc. In addition, the new Strategic Concept apparently is aimed at strengthening NATO as a global political forum. Yet, some of the programs remain rather inefficient (e.g. Istanbul Cooperation Initiative) or struggling due to political obstacles (e.g. NATO-Ukraine commission).

### 3.3.5. Differences of the Threat Assessment

Both Strategic Concepts highlight the importance of certain security challenges (proliferation of the WMD, instability in the neighbourhood, etc.). Yet, the 2010 strategy gives considerably more attention to new/unconventional threats (cyber attacks, terrorism, disruption of energy supplies, etc.), which (although mentioned) play a minimal role in the 1999 Strategic Concept.

### 3.3.6. Relations with Russia:
the Political Contribution to a “Reset” Policy

The renewal of relations with Russia was one of the key priorities of the current US administration and NATO’s Secretary General. Accordingly, in
comparison with 1999 document (rather brief definition of NATO-Russia relations), the 2010 Strategic Concept devotes much more attention to various fields of eventual practical cooperation (missile defence, as well as counter-terrorism, counter-narcotics, counter-piracy, etc.).

However, basic disagreements between NATO countries regarding policy vis-a-vis Russia have not disappeared. Therefore, the actual implementation of the Strategic Concept will face many political difficulties. One of the crucial indicators to assess actual progress of NATO-Russia relations will be the cooperation in the field of missile defence, which has not achieved any considerable progress yet.

3.3.7. The Puzzle of Nuclear Policy

The new Strategic Concept well illustrates the fact that NATO is not firmly determined about the future of its nuclear policy. On the one hand, NATO is committed to the goal of creating the conditions for a world without nuclear weapons, thus supporting B. Obama’s nuclear agenda outlined in his Prague speech in 2009. On the other hand, the new Strategic Concept reaffirms that strategic nuclear forces remain the “the supreme guarantee of the security of the Allies”\(^{33}\), while “deterrence, based on a mix of conventional and nuclear capabilities, remains a core element of our overall strategy”.\(^{34}\) Notably, the provisions regarding nuclear policy are much more abstract compared to the 1999 document, as some key questions are left unanswered as a subject for further deliberations among nations.

The fundamental dilemma concerns the future of US sub-strategic nuclear weapons located in Europe. The US nuclear presence is an important practical expression of the US commitment to European security, supporting the principle of indivisible security, allowing the maintenance of strategic balance with Russia, contributing to deterrence and ensuring nuclear burden-sharing among the Allies (common planning, consultation, exercises, etc.).

However, maintaining sub-strategic nuclear weapons (and various supporting capabilities) is a considerable financial burden; moreover, their military value is questionable. Besides, some NATO countries (such as Germany) are politically committed to remove US weapons from their soil. The new Strategic Concept relates further reductions from NATO’s side with reciprocal actions from Russia, which, supposedly, has a considerably bigger amount of sub-strategic nuclear

\(^{33}\) Ibid, §18.

\(^{34}\) Ibid, §17.
Any negotiations with Russia about enhanced transparency and further reductions might become an important test for NATO’s internal solidarity.

3.3.8. European Union: Loud Commitments, Lack of Substance

Despite emphasis on the need to strengthen the strategic partnership with the EU in various fields, practical cooperation remains constrained due to unsolved political issues (first and foremost, disagreements between Turkey, Greece and Cyprus). Despite considerable progress of the European security and defence policy during the last decade, crucial political matters were not resolved, including the question of establishing independent EU operational planning structures.

3.3.9. Unanswered Questions

Despite the long process (a year and a half) of developing the new Strategic Concept, the document does not provide answers to some fundamental questions regarding (1) NATO’s functional and geographical (enlargement) limits; (2) NATO’s priority operation in Afghanistan (exception or a rule, which will be followed in the future?); (3) NATO’s role in terms of response to various security challenges generated by demographic problems, climate change, humanitarian crises, etc.; (4) the substantial financial and military gap between US and Europe; (5) the disproportionate operational burden-sharing; (6) the rigid decision making mechanism (all NATO’s decisions will continue to be taken by consensus), etc. From this point of view one can claim that the new Strategic Concept did not meet the high expectations set by various analysts and politicians.

In addition, the new Strategic Concept could be criticized for several “artificial” commitments. Such ambitious goals as “creating the conditions for a world without nuclear weapons” (§26) or “strengthen the conventional arms control regime in Europe” (§26) are not very consistent with actual abilities of the Alliance.

Conclusions

The 2010 NATO Strategic Concept can hardly be considered a new strategic vision. The document is more “evolutionary” than “revolutionary”; instead of suggesting something fundamentally new, it is focused on generalizing the developments of NATO transformation, as well as changes in the strategic security environment during the last decade.

However, the new strategy clearly demonstrated the relevancy and importance of NATO in the twenty-first century. It reflects a modernized NATO, which can hardly be labelled a “relic of the Cold War”. The process of preparing the new Strategic Concept actually was no less important than the actual document, as it provided the opportunity to “synchronize clocks” among the Allies, renew the commitment to each others security and demonstrate solidarity about the main tasks of NATO. The productive and successful NATO Summit in Lisbon was not shadowed by various disagreements, which had otherwise accompanied several previous NATO Summits.

The new Strategic Concept is a unique document because of its ability to ensure a proper balance between hardly compatible notions: (1) the model of regional organization vs. global spectrum of activities and partnerships; (2) commitment to open door policy vs. de facto “frozen” enlargement process; (3) considerable attention to security “at home” and reassurance policy vs. commitment to substantially improve relations with Russia; (4) the vision of nuclear-free world vs. maintaining NATO’s nuclear deterrence policy.

In the light of cooperative security theory, NATO chose the model of a multifunctional security structure, which allows the combination of collective security (the second ring) and collective defence (the third ring) dimensions on the one hand with the active policy of promoting stability, operations and partnerships (the fourth ring) on the other. With regard to the individual security dimension (the first ring), NATO’s role remains modest: common values, human rights and economic welfare are important elements of NATO’s political rhetoric; however, their role remains rather limited in practical initiatives.

In summary: the compromised language in the new Strategic Concept only covered various problems (defence budget cuts, increasing gap between Europe and US, different security interests of various nations, etc.), which will restrain the effectiveness of the new strategy. The real implementation of an ambitious agenda in such fields as improving relations with Russia, the breakthrough of cooperation with the EU, development of civilian capabilities or creation of missile defence system will depend on the ability to address deeply rooted internal problems, which will require a favourable international environment, considerable resources and strong political will by the Allies.

January 2012
The Changing European Security Space
The Lithuanian OSCE Chairmanship: Lessons and Dilemmas

The goal of this article is to discuss and evaluate the importance of Lithuania’s OSCE Chairmanship in 2011, the achieving of political objectives and the results of the Chairmanship for Lithuanian national interests, foreign and security policy. The article raises questions about what motivates national states to seek a chairmanship of the OSCE, how agendas of the Chairmanship are formulated, and what obligations have to be assumed in chairing the OSCE. The article argues that Lithuania’s motivation for the OSCE Chairmanship has evolved from early efforts to enhance national interests (based on political objectives) to the obligation to be efficient in fulfilling the formal functions of the OSCE (the functional/technocratic goals). The research found that despite the high activity and diplomatic efforts, the final result of Lithuania’s Chairmanship was disappointing to some extent - only part of Lithuania’s proposals with a priority mark were eventually adopted by the OSCE Ministerial Council in Vilnius.

Introduction

Lithuanian Foreign Minister Audronius Ažubalis in almost all of his official speeches has emphasized that Lithuania’s Chairmanship of the Organization for Security and Cooperation in Europe (OSCE) in 2011 was one of the biggest challenges for Lithuanian foreign policy.¹ The word “challenge” probably in the best way summarizes the approach of Lithuanian diplomats and political leaders to the responsibilities of the chair of the OSCE, assumed by Lithuania in 2011. However, by itself this description is very abstract and empty. Even before the start of the Chairmanship, the Lithuanian foreign policy leaders emphasized that having the right to chair the OSCE granted to Lithuania is a success for the foreign policy of the small state and a kind of recognition. Also this achievement could be assessed as the award for Lithuania’s diplomacy efforts to integrate itself into the international community

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and to engage in international problem solving processes with responsibility.

However, in targeting the chair of the OSCE Lithuania has had to rely on more specific motives for why it seeks this position. One of the subjective motives was related to Lithuania’s reputation and strengthening of its international assessments. Lithuania is a small country, so the politicians and diplomats regularly incur public as well as inner tacit pressure to be visible and significant on the scene of global politics. Often this goal is maintained unconsciously or by inertia. Political scientists can present a rational explanation as well: for a small country, survival and security issues are of critical significance; therefore it is important to ensure that they would not be forgotten by the actors of international politics. To repeat constantly the same points about us, our values and significance, means to increase the likelihood that the world community will pay proper attention to the threats our country faces and will provide the necessary support. It is therefore not surprising why for the first time holding a chairmanship of an international organization which brings together 56 countries and is considered an important political forum not only in Europe but also in some Asian countries. In addition, Lithuania has sought to emphasize that this task opens up new possibilities. More specifically, the potential produced by the arrangement has been discussed – namely, “to strengthen the country’s international and regional role, to prepare for the Presidency of the European Union in 2013 and for the possible membership in the UN Security Council in 2014-2015,” as stated by official representatives of Lithuanian before the start of the OSCE Chairmanship.

Until now Lithuanian academics, experts and journalists have had minimal interest in the OSCE as an international organization and its impact on international politics and security issues. Focusing mainly on NATO and the EU’s impact and importance to the various security, international relations or administrative issue, the OSCE has been at best only briefly mentioned among “other” international organization, and those are not worthy to be an object of a special investigation. Perhaps the only recent academic article by Lithuanian authors aiming to review and assess the importance of the OSCE in the field of the conflict management, and in particular of the frozen conflicts in post-Soviet space, was written by Justina Alsytė, titled: „OSCE’s Achievements vs. Shortcomings in the Resolution of Armed Conflicts“.

Researchers from abroad, especially writing on security studies, are focusing

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more on the OSCE’s efforts to contribute to conflict management issues and promotion of human rights. However, the majority of academic research on conflict analysis or the development of human rights and humanitarian problems mentions the OSCE only as a secondary player. Only in quite rare cases is the organization targeted as the primary object of study.

One of the most important sources to provide a lot of reviews of decisions by the OSCE and the institutional and political assessments of the activity of the organisation is the quarterly *Journal of Security and Human Rights* (formerly *Helsinki Monitor*). This quarterly not only reviews the most important academic assessments of the OSCE’s policy, but also discusses in detail the procedural and political framework of the OSCE decision-making. The role of the OSCE Chairmanship, the selection procedure of the chairing country and the evaluation of a process of the Chairmanship are quite narrow topics, but they are also discussed in the *Journal of Security and Human Rights*. Vandewoud Cécile has written about the specifics of the selection to the chairmanship of the OSCE⁴; Walter Kamp - on the role of a chairing country to the general activities of the organization and on sometimes unjustified expectations for the chairmanship⁵; some evaluation of the particular OSCE Chairmanships can be found in experts’ reviews⁶ as well as in analytical reports prepared by non-governmental organizations⁷.

However, this only partly makes the task of this article easier. And that task is to discuss and evaluate the importance of Lithuania’s OSCE Chairmanship, to assess its formulated political objectives and the results achieved by the Chairmanship and its impact for the Lithuanian national interests, foreign and security policy.

This article is still the first academic attempt to assess what motivation was behind the Lithuania’s goal to secure the Chairmanship of the OSCE, how the initial goals and objectives for the Chairmanship have shifted, and what results have been achieved in the implementation of the Lithuania’s OSCE Chairmanship agenda. The chairmanship of the international organization, as a research object, is just an instrumental aspect of foreign policy and this article is not intended to explain or justify any theories of foreign policy making. This particular case study can provide some new or additional arguments and facts for more specific analysis on what Lithuania’s

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⁵ Walter Kemp, „The OSCE Chairmanship: Captain or Figurehead?“ *Security and Human Rights*, 2009, No 1, p. 9-12.
(or any other small state) abilities to engage in international policy-making agendas are, and how it may increase its significance in the international arena.

Some political assessments have been provided by officials from the Ministry of Foreign Affairs of Lithuania directly responsible for the OSCE’s Chairmanship. These interviews with Lithuanians diplomats were of the greatest importance in trying to find what reasons and motives stimulated Lithuania to take responsibility of chairing the OSCE and to what extent Lithuania could contribute to the general activity of the OSCE. A lot of information was provided by Ambassador Rytis Paulauskas, the Director of the Department on OSCE’s Chairmanship, who was the main person responsible for the coordination of the implementation Chairmanship’s tasks and decision making in Vilnius.

1. Rules and Motives for the Chairmanship of the OSCE

The beginning of the Chairmanship of the OSCE (until 1994 – The Conference on Security and Co-operation in Europe, CSCE) is related with a grand transformation of the organization after the end of the Cold War. There was a need to create more efficient instruments promoting the processes of security, human rights and economic development across Europe, where the collapse of the Soviet Union prompted a new wave of democratization. At the CSCE Summit in Paris on November 21, 1990, the Charter of Paris ‘For A New Europe’ was signed. It was established in this Charter that the most important decisions of the organization will be adopted by Council of Ministers (CM) for Foreign Affairs of the CSCE and the Council will hold meetings regularly, at least annually. Berlin was chosen as the place for the first CM meeting. In this way Germany became the first member state responsible for the preparation of the CM meeting, the first chairing state and the Minister of Foreign Affairs of Germany Hans Dietrich Genscher became the first ‘Chairman’ of the CSCE. At the Helsinki Summit of the CSCE in 1992 the Helsinki Document ‘The Challenges of Change’ was adopted and a status of a chairing member state was officially described. It was pointed out that the Chairman in Office (a Minister of Foreign Affairs of a chairing member state), representing the CSCE and the Committee of Senior Officials, is responsible for the communications and consultations between the members of the CSCE.

The roles of some of the first chairing states of the CSCE were mostly related with the proper functioning of the Council and preparation for meetings of the Council of Ministers. While institutionalization of the CSCE became deeper and functions became wider, the tasks for a chairing member state also expanded. In the Helsinki Document of 1992 it was indicated that a Chairman of the CSCE will be requested to communicate Council and CSO decisions to the CSCE institutions and “to give them such advice regarding those decisions as may be required”\(^{10}\). However some obscurity remained regarding how far a chairing state may seek in its efforts to form agendas of Council and Council of Ministers of the CSCE/OSCE and the priorities of the entire organization. This practice began to evolve by unwritten traditions and each country to some extent has its own interpretation of the importance, tasks and priorities of a chairmanship of the OSCE.

In 2002 The Ministerial Council at its Porto (Portugal) meeting agreed on the “Decision on the role of the OSCE Chairmanship-in-Office”\(^ {11} \), which specified the functions and responsibilities of the OSCE Chairman in Office. This decision clarified the rotation on an annual basis principle and a chairing member state is designated as such by a decision of the Summit Meeting or the Ministerial Council, “as a rule two years before the Chairmanship’s term of office starts”\(^ {12} \).

It was stressed that a chairing country has to take “the whole spectrum of opinions of participating States” into account and to avoid a protection of some specific, national interests. As Walter Kemp, the Editor of the ‘Security and Human Rights’ emphasizes, this decision points out that the OSCE Chairman is “merely the first among equals for a year” and must ensure that its actions are not inconsistent with positions agreed on by all the participating States.\(^ {13} \)

The above mentioned decision for a chairing country prescribed not only bureaucratic-organizational tasks (to preside over, co-ordinate and report on its activities to the Summit Meetings, the Ministerial Council, the Permanent Council and their subsidiary bodies, to ensure communication among OSCE institutions etc.) but some possibilities to take initiative: to organize formal and informal consultations and dialogue with the participating states, to initiate open-ended groups, to provide the Permanent Council with recommendations on specific issues requiring particular attention or decisions, to appoint the heads of the OSCE to


\(^{11}\) Tenth Meeting of the Ministerial Council, 6 and 7 December 2002, Porto. http://www.osce.org/mc/40521

\(^{12}\) Tenth Meeting of the Ministerial Council, 6 and 7 December 2002, Porto. http://www.osce.org/mc/40521

\(^{13}\) Kemp, Walter. „The OSCE Chairmanship: Captain or Figurehead?” Security and Human Rights, 2009 no. 1, P. 9-12.
external missions and others representatives of the OSCE. However, even such functions
which at first glance might provide some institutional power, are limited by obligations
to consult with the participating states (more precisely – with the Permanent Council),
the OSCE Secretariat and Assembly on the candidate’s selection process and “shall act
in accordance with the outcome of these consultations.” In this sense, according to
Kemp, the Chairmanship’s powers of appointment are limited. Senior appointments
in the Secretariat and Institutions are up to the heads of the respective institutions, in
consultation with the Chairmanship, and not the other way around; the Chairmanship
appoints a Special Coordinator for short-term election observation missions on the
suggestion of the President of the OSCE Parliamentary Assembly; The Director of the
Office for Democratic Institutions and Human Rights (ODIHR) appoints the head
of the long-term observation mission, and so on.\(^\text{14}\)

The most important appointments for the main OSCE institutions, for
example, Secretary General or Director of the ODIHR, are made by the consensus
of all participating States. During Lithuania’s Chairmanship both the Secretary
General and the Director of the ODIHR have to be appointed. During the selec-
tion and consultation process a Chairman in the Office has to ensure that proper
candidacies, suited for all Participating States, should be proposed. Negotiations
and consultations on the most important vacancies in the administrative structure
of the OSCE may become a tough challenge for the Chairmanship, bearing in
mind the very distinctive interest and positions of 56 countries.

Lithuania had to correctly confront this kind of situation. In 2011 a new
Secretary General of the OSCE has to be appointed for a three year term. Quite
unexpectedly a serious friction for some initial candidates arose among Participating
States. After some assertive objections from representatives of Turkey, Albania and
Cyprus, the initially proposed four candidates contracted with two personalities
and finally a compromise was reached for Italian Lamberto Zannieri, who has been
appointed as a new Secretary General as of July 1, 2011. Far less dispute was raised
regarding the candidacy for the Director of ODIHR – Slovenian Ambassador
Janez Lenarčič was reappointed for the second term.

Hence, formally, the role of the OSCE Chairmanship may look more like
a set of various obligations and retentions, which are described by the principle
of consensus, rather than by the abilities to increase political influence. As Kemp
has written, the Chairmanship does not have the ability to bring “a whole new
crew on board,” nor does it need “to plot a new course” which is usually set in
advance\(^\text{15}\).

And still the political role of the Chairmanship is almost the main motive
for Participating States to apply for the OSCE Chairmanship. Perhaps the greatest

\(^{14}\) Kemp, Walter. „The OSCE Chairmanship: Captain or Figurehead?“ Security and Human Rights, 2009 no.
1, P. 9.

\(^{15}\) Ibid, p. 11.
benefit of having the Chairmanship, as may be seen, is associated with the public and diplomatic attention to the chairing country which for a year is speaking on behalf of the organization and is in the foreground of the OSCE activities. However even the most visible position on the scene of the OSCE does not allow the OSCE Chairman (a Minister of Foreign Affairs) to publicly express his or her views as the voice of the OSCE. As it is set in the Decision of Permanent Council of the OSCE, formal OSCE positions are adopted by the decision-making bodies on the basis of consensus and statements of the Chairman-in-Office made in their national or personal capacity, or explaining their national or personal positions, should be clearly identified as such. In other cases, as Kemp emphasizes, if the Chairman abuses this practice, powerful participating States are usually quick to react and bring back the Chairmanship to the restricted area of formalities.

Given these formal restrictions and responsibilities which the Chairmanship must to take on, some may wonder - why are Participating States striving for a role which can just as quickly cause a headache as guarantee international influence and prestige?

Lithuania’s efforts and motives to secure the OSCE Chairmanship can be considered typical for a small or medium-sized country which seeks to enhance its international status and highlight the proper skills to act on the highest level of international policy. This motive from the first sign may perhaps sound like an abstract one, but actually it could be the first reason encouraging the country to apply for the Chairmanship.

The initial political decision in Lithuania’s diplomatic institutions to pursue the OSCE Chairmanship was reached as early as in April, 2003, and a year later, on the 7 July, 2004, the intention of Lithuania to seek the OSCE Chairmanship was formally declared.

In the period of 2003-2004 Lithuania faced a major turning point in formulating new diplomatic tasks. The achieved memberships in the EU and NATO encouraged politicians and diplomats to think about new possible Lithuanian foreign policy goals and more specific tasks, in short, new kinds of “check-points”. On May 24, 2004, the Acting President of Lithuania, Artūras Paulauskas, in his speech “Lithuania’s New Foreign Policy”, mentioned one of the later often repeated mottos of Lithuanian diplomatic activities: “Lithuania should be a prominent, active and influential member of the European Union and NATO”. Paulauskas intended

17 An intervew with Ambassador Rytis Paulauskas, August 24, 2011, Vilnius.
to highlight the active stance of Lithuania’s diplomacy in order to become a kind of “a centre of the region” by continuing to promote democracy, human rights and European values in the region where Lithuania’s interests persist. Paulauskas also indicated in his speech that “it is our moral duty to develop and promote together with partner nations such forms of international engagement, which we ourselves could take pride in and use. We should strengthen international institutions and take an active part in their work.”

Among the specific directions for Lithuania’s foreign policy, the OSCE was mentioned as well - a determination for “setting and pursuing ambitious goals in the United Nations, the OSCE and other multilateral forums” was formulated among the most important future tasks for Lithuanian foreign policy.

One of the first realizations of these ambitions involved a task to take “visible” positions in international organizations: to apply for the OSCE Chairmanship and for a non-permanent UN Security Council member status. Lithuania’s foreign policy “check-points” should become a clear confirmation that Lithuania is indeed “an active, visible, and influential state” able to not only actively participate at the highest level of international politics, especially in Eastern Europe, but also to take solid responsibility inside some of the most important international organizations.

In the Agreement between political parties of the Republic of Lithuania on the main foreign goals and objectives of Lithuania for 2004-2008, signed on October 5, 2004, set a clear goal to seek the OSCE Chairmanship in order to enhance efforts to develop the image of Vilnius as a regional centre:

To contribute to further development of Lithuania’s relations within the multilateral formats; to take active part in the work of international organisations in order to strengthen the international standing of Lithuania; to seek for Lithuania’s presidency over the OSCE in 2010, and membership of the UN Security Council for 2014-2015; to promote and establish Vilnius as a centre of international conferences and initiatives and a residence place of various international organisations and their divisions.

The vision of being a “center of the region,” as later formulated by Paulauskas, became an important guideline of the foreign policy of the President Valdas Adamkus, elected for the second term in 2004 (such a vision was actively supported and even promoted by Antanas Valionis, the foreign minister at that time, and his successor Petras Vaitiekūnas). Eventually this ambition started to be interpreted as unreasonable, and some political analysts even called it “useless in terms of Lithuania’s

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19 Ibid.
20 Ibid.
national interests”. However a large part of the work carried out by Lithuanian diplomacy from 2004 to 2008 was and still continued to follow this goal, recorded in 2004, to be “active, visible, and influential”. Even if the reasons for this motivation may seem an end in themselves and poorly justified on specific national interests, their consequences produced substantial results. As Rytis Paulauskas, Director of the Department for the OSCE Chairmanship, stated, on the way towards the OSCE Chairmanship the reasoning, motives and goals were shifting: in 2004 they looked quite different than approaching the Chairmanship.

In approaching the Chairmanship, more attention was given not only to the potential benefits for Lithuania’s foreign policy, but also to potential threats: some preliminary SWOT analysis and an evaluation of potential challenges were drafted. In meetings with non-governmental organizations and experts, not only were drafts of Lithuania’s priorities for the OSCE Chairmanship presented, but also the potential use of propaganda or provocative activities from outside during the Lithuania’s Chairmanship were discussed.

In 2007, the Ministerial Council declared Lithuania to have won the right to chair the OSCE. This decision became an examination of Lithuania’s significance in the international structures. In 2007 a number of possible candidates for the OSCE Chairmanship were negotiated at once. At that time, the biggest question raised was Kazakhstan’s application for the OSCE Chairmanship. The representatives from Western Europe and especially from the United States had some concerns about the risks associated with a possible Kazakh Chairmanship. Various NGO organizations working in the field of human rights and having close cooperation with the OSCE, opposed the candidature of Kazakhstan because of the poor progress of democracy in this country. It was also feared that Kazakhstan would try to constrain the autonomy and mandate of the ODIHR, one of the most important OSCE institutions, bearing in mind Kazakhstan’s support for the initiatives by Russia and some other CIS countries to change the status of the ODIHR.  

Russia and other CIS countries have actively supported the candidacy of Kazakhstan. After informal talks among the major OSCE Participating States a compromise on the three eventual OSCE Chairmanships “in one package” eventually was reached: to give the right for Greece (in 2009), Kazakhstan (in 2010) and Lithuania (in 2011). In this sense, Lithuania was seen as sort of “balancing” the Kazakhstan’s Chairmanship.

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22 More about critics to the idea of „centre of region” see: Nekra as, Evaldas, „Kritiniai pamąstymai apie Lietuvos užsienio politiką” (Some Critical Thoughts about Lithuanian Foreign Policy), Politologija, 2009/2 (54), p. 123-142.

as a country at that time quite clearly seen as a close ally of the U.S. in Central and Eastern Europe. According to Paulauskas, Russia did not loudly voice its opposition to the candidacy of Lithuania. However, it is likely that the Russian representatives wished to see Kazakhstan in the Chairman’s position of the OSCE, having a categorical position more often than not, to seek for the compromise.

In 2008, after the parliamentary elections of Seimas, preparations for the OSCE Chairmanship were declared to be one of the most urgent priorities of Lithuanian foreign policy. It was declared as such in the agreement among Lithuanian political parties, signed on October 28, 2008 and named “Agreement on the foreign policy principles, strategic guidelines, and goals of Lithuania for 2008-2012” and in the Programme of the Government of the Republic of Lithuania for 2008-2012. In this document, officially the most important goal of the Lithuania’s OSCE Chairmanship was already proclaimed: “During the presidency we shall seek for as much progress as possible in the field of democracy development and human rights in the OSCE area as well as issues related to the regulation of conflicts and their outcomes in the Southern Caucasus and Moldova that have not been settle for many years.” More details on Lithuanian motives and tasks for the OSCE Chairmanship can be found in the Resolution on Lithuania’s Chairmanship of the Organization for Security and Co-Operation in Europe in 2011, as of June 10, 2010, adopted by Lithuanian Parliament. It emphasizes that it “considers the future Lithuanian OSCE Chairmanship a national priority and a tool in attaining the goals and objectives of Lithuania’s foreign policy shared by other Participating States of the OSCE and aimed at reinforcing security, confidence and democracy within the entire OSCE, and in implementing and developing the commonly recognized values.” The Lithuanian Parliament, Seimas, has proposed that the Minister of Foreign Affairs of the Republic of Lithuania identify the political priorities of the Lithuanian OSCE Chairmanship and has recommended the inclusion of the following political guidelines:

- continuation of a dialogue on the future of European security (the Corfu Process);

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24 Interview with Amb. Rytis Paulauskas, August 24, 2011, Vilnius.
27 Ibid, p. 45.
29 Ibid
• response to new security challenges, including combating all forms of terrorism and ensuring cyber security;
• reaction to the threats emanating from Afghanistan;
• participation in the process of resolution of long-standing conflicts and prevention of new conflicts, while respecting the territorial integrity of the Participating States of the OSCE;
• promotion of regional co-operation within the OSCE;
• enhancement of co-operation in the fields of energy security and transportation;
• consolidation of the OSCE human dimension and implementation of its commitments with particular regard to freedom of the media;
• support for the activities of the OSCE Office for Democratic Institutions and Human Rights (ODIHR)

A part of these recommendations was later transferred to Lithuania’s OSCE Chairmanship priorities. Summarizing the stage of preparation for the Chairmanship, a specific evolution of Lithuania’s aspirations and motives can be identified.

• The international visibility and demonstration of regional leadership. 2004-2007. The first motives to assume responsibility for the OSCE Chairmanship have largely been related to the onset of “a syndrome of emptiness” in the priorities of Lithuanian foreign policy starting 2004. After memberships of the NATO and the EU were achieved, the Lithuanian political leaders wanted to set some new strategic objectives, but it was clear that they will not match the grand achievements of 2004. Chairmanship of the OSCE and the possible rotating position in the UN Security Council were very specific ambitious aspirations, but rather important per se. The main motive of these goals was simply to become more visible on the “podium” of the main international organizations. In what way these positions will serve for long-term national interests and priorities of Lithuania’s foreign policy was perceived, at best, only in abstract and intuitive thoughts.
• Chairmanship of the OSCE – as an active instrument of “Eastern Policy” of Lithuania. 2007-2009. Since 2007, when the right of the OSCE Chairmanship was already secured, there was still an inert thinking that persisted that the OSCE Chairmanship will strengthen Lithuania’s efforts to actively participate in the processes of democratization and integration to Euro-Atlantic structures of post-Soviet states. It was also conceived that Lithu-
ania could facilitate a resolution of frozen conflicts in Moldova and South Caucasus (this is what the Government suggested in the Actions Program as of 2008). Attention and involvement of Lithuania’s political leaders in the politics of Eastern Europe and South Caucasus during 2004-2009 naturally stimulated many to view the OSCE as an important instrument, strengthening further Lithuania’s “competence” and significance in the field of Eastern policy.

- *Inclusion of some specific Lithuanian accents, rather than ambitious political goals. 2009-2011.* Approaching the OSCE Chairmanship (2009-2011). Lithuanian foreign policy-makers took a more rational and less ambitious assessment of Lithuania’s capacity to chair the OSCE. Not only diplomats directly working with the OSCE, but politicians as well began to understand that the functions and increased the visibility of the OSCE Chairman do not provide only benefits to defend national interests. In addition, a more sober assessment of ambitions finally to “solve” frozen conflicts in the OSCE area was taken. It was understood to be a highly complicated process and that excessive interference by the OSCE Chairman may even worsen the situation. Some possible negative affects of the Chairmanship also started to be assessed: a greater vulnerability to external criticism resulting from the increased visibility, the possible retention of the national interests in the name of OSCE solidarity, etc. Therefore, a larger share of Lithuania’s Chairmanship guidelines were concentrated to ensure the smooth functioning of the OSCE, the continuation of the on-going processes and to strengthen the image of Lithuania as a state with a reliable professional diplomacy. It was chosen to transfer some “softer” interests of Lithuania to the agenda of the OSCE - for example, to include energy security dimension. Also the “freedom and security for media” was formulated as a priority and a specific focus of Lithuania’s chairmanship. These provisions ultimately became important specific points in the Lithuania’s OSCE Chairmanship Programme.

2. The Agenda of the OSCE Chairmanship and Lithuania’s Priorities
When assessing motives and agendas of the OSCE Chairmanship, not only of Lithuania but other countries as well, and implementation processes, it is possible to discern two main dimensions: the “upload” of political (national) interests to the OSCE and keeping on with the OSCE long-term obligations and duties. Both the political as well as the functionalistic dimension usually are reflected in the priorities of the OSCE Chairmanship programs; however, the balance between the two dimensions varies. Some countries see the OSCE as a tool to benefit their political ambitions and national interests, while others concentrate more on ensuring the smooth performance of the OSCE functions. As in the first case, an excessive ambition to use the Chairmanship for propagating the national interests or ambitions may even be harmful to the OSCE; therefore the major OSCE Participating states (the U.S., Russia, some biggest EU countries) would in advance preventively to stop such an effort and would not ever let overly “egocentric” states take over the Chairmanship. In fact, that was the reason why the application for the Chairmanship by Kazakhstan was seen with suspicion. It was believed that Kazakhstan’s OSCE Chairmanship was sought first of all to enhance its international prestige. Kazakhstan’s OSCE Chairmanship agenda partly confirmed some fears about the dominance of the political dimension: the aim to organize a Summit meeting of the OSCE and up to this event to achieve significant changes with regards to the frozen conflicts in the post-Soviet space, were included into the Kazakhstan’s Chairmanship agenda.

When assessing Lithuania’s ambitions, one can quite clearly see the evolution of Lithuania’s approach towards OSCE Chairmanship – from the focus on political dimensions towards a more and more functionalistic agenda. Lithuania’s OSCE Chairmanship agenda set by the Lithuanian Ministry of Foreign Affairs confirmed a functionalistic approach: the concentration on current OSCE activities and ensuring the proper performance of functions of the Chairman was emphasized. The objectives of Lithuania’s Chairmanship could be defined as moderate or even minimalist. While stressing that Lithuania’s priorities will be to make progress in resolving the frozen conflicts, keeping the obligations for ensuring freedom of press, promoting tolerance, increasing the OSCE role in transnational conflicts resolution and solving energy security problems, Lithuania still argued that during its Chairmanship nobody should expect any major breakthrough or a final resolution of the frozen conflicts. As Ambassador Giedrius Čekuolis, the Special Representative of the OSCE Chairperson-in-Office for Protracted Conflicts said

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at the presentation of Lithuania’s OSCE Chairmanship agenda in Vienna on 12 January, 2011, “the OSCE is an organization where progress is measured in millimetres, but they are worth of gold”. Lithuanian Foreign Minister Ažubalis publicly reiterated the same position on several occasions, arguing that it would a success for Lithuania, if it could succeed in pushing the confronting parties “by a millimeter” towards a peaceful agreement.

In some informal comments by Lithuanian diplomats even more pessimism has been exposed. At the end of 2010 there were pretty clear signs of growing tensions in Nagorno-Karabakh: both the conflicting sides had exchanged periodic sniper fire and least 25 soldiers were killed during the year of 2010, up from 19 in 2009. Both the Azerbaijan and the Armenian side were not inclined to withdraw their snipers and reduce sources of tension. There were concerns that the conflict could move to even “hotter” phase. The remembrance of Russia-Georgia war in 2008 had increased the fear that military conflict might not be so unlikely. Therefore, some Lithuanian politicians and diplomats at the beginning of the OSCE Chairmanship were tending towards “not making any sharp moves” in order not to provoke more severe reactions and thus damage the very fragile situation. This attitude was encouraged by some extent because of the Kazakh Chairmanship example. It was keeping in mind that Kazakhstan’s efforts to “push through” on the Nagorno-Karabakh issue only annoyed the involved parties, so otherwise sensitive to any pressure. At the Astana Summit in Kazakhstan an agreement on general principles was reached, but the presidents of Armenia and Azerbaijan refused to meet each other and made only a vague commitment to seek a solution based “on international legal principles and the Muskoka/L’Aquila statements of the Minsk Group co-chair countries”, which have been formulated in 2005 and now known as “the Madrid principles”.

It was stated in the Lithuanian OSCE Chairmanship Work Programme, which was officially presented by the Foreign Minister of Lithuanian Ažubalis on January 13, 2011, at the OSCE Permanent Council in Vienna, that:

The strengthening and full implementation of the participating States’ commitments across all dimensions of security in the Euro-Atlantic and Eurasian area will be a strategic objective of the Lithuanian Chairmanship. Particular attention will be given to the promotion and protection of human rights, fundamental freedoms, democracy and the rule of law, which are at the core of the

OSCE’s comprehensive concept of security. Protracted conflicts as well as existing and emerging transnational threats to security and stability will be among key priorities in 2011.³⁴

These formulations reflected a desire to implement functions of continuing the OSCE commitments recorded in Astana Summit on 3 December, 2010, and the earlier decisions of the OSCE. Among the priorities of the Work Programme, some cautious attempts to “move forward” by reducing tension and searching for abilities to potentially enhance better understanding between the parties of frozen conflicts can be found. The Lithuanian Chairmanship Programme provided separate tasks for enhancing mutual confidence and security between parties of frozen conflicts in Transnistria, Georgia (South Ossetia and Abkhazia), and the Nagorno-Karabakh. Some of the Lithuania’s efforts, recorded on the Chairmanship Programme, and criteria of possible “achievements”, are identified in the Table 1.

<table>
<thead>
<tr>
<th>Conflict</th>
<th>Statements in the Lithuanian Working Programme</th>
<th>Possible criteria of „success“</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transnistria</td>
<td>The Lithuanian Chairmanship will continue to pursue active OSCE participation in the political process aimed at settling the Transnistrian conflict on the basis of full respect for the sovereignty and territorial integrity of the Republic of Moldova. The Chairmanship will seek, as a matter of priority, the unconditional resumption of formal 5+2 negotiations and development of concrete confidence and security-building measures, as well as facilitation of people-to-people contacts.</td>
<td>The unconditional resumption of formal 5+2 negotiations; Agreements, facilitating people-to-people contacts; Agreements, increasing confidence and security-building measures</td>
<td>The resumption of formal 5+2 negotiations</td>
</tr>
</tbody>
</table>

| Georgia (South Ossetia and Abkhazia) | Facilitation of initiatives aiming at extending OSCE activities in Georgia, including through a meaningful OSCE presence, will also be of key importance to the Lithuanian Chairmanship. The Chairmanship stresses in this regard the importance of full implementation of the 12 August and 8 September 2008 agreements. Engagement of the OSCE in implementing concrete projects of confidence-building character with the aim of rebuilding trust and confidence will be one of the main tasks for the Chairmanship. | Engagement of representatives of the OSCE in projects of confidence-building character. The expansion of the OSCE activities in Georgia and the improvement of the Dvani/Ergneti Incident Prevention and Response Mechanism. | During the Chairmanship regular meetings on the format of the Dvani/Ergneti Incident Prevention and Response Mechanism were organised. |

| Nagorno Karabakh | The OSCE role in the Nagorno Karabakh conflict settlement process through the OSCE Minsk Group Co-chairs will be maintained. The Chairmanship will invite the parties to the conflict, as well as other OSCE participating States, to consider options of confidence-building measures and strengthening the OSCE monitoring activities on the ground. | Strengthening the role of the OSCE Minsk Group Co-chairs. Strengthening the abilities of the OSCE Mission in Nagorno Karabakh. Agreements and measures strengthening mutual confidence-building and security. | A common statement by the Minsk Group and Armenian and Azerbaijani Foreign Ministers was issued on December 6, 2011. |

On the *Politico-Military Dimension and Non-Military Security*, the first of three main OSCE dimensions, one of the most important tasks completed by Lithuania was a substantial update of the Vienna Document 1999 and the adoption of a programme for action. This objective, although seeming quite ambitious, was discussed for several years and Lithuanian diplomats hoped that it would be possible for the Council of Ministers to generalize all the results at Vilnius meeting 2011.

In addition to strengthening traditional security goals, a number of specific tasks have been identified:

• It will endeavor to establish a strategic framework for police-related activities, effectively covering aspects of organized crime and illicit drug trafficking.

• The Chairmanship will work to improve the OSCE’s profile in the field of cyber security and to define the value added by OSCE contributions in this area. It proposes to hold an OSCE conference to that effect.

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As for the Economic and Environmental Dimension, Lithuania made it clear that it will focus on the transport and energy sectors. The program included a statement that “enhancement of the energy security dialogue will be high on the Chairmanship’s agenda”. However, the Programme was not very specific on the tasks or decisions which should be agreed upon during the Chairmanship. At a later time, an official Lithuanian proposal was made for the OSCE Ministerial Council session to establish a permanent Task Force on Energy Security. This proposal was based on the idea that after the end of the Lithuanian Chairmanship discussions on closer cooperation between the OSCE countries on energy security would continue. Lithuania, as the OSCE Chairman, has focused on energy security, transport and economic activity during the second preparatory Economic and Environmental Forum meeting on April 4-5, 2011, in Druskininkai and the OSCE Economic and Environmental Forum (for Sustainable Energy Development) on 14 September, 2011, in Prague.36

On the Human Security Dimension Lithuania attempted to “call for a new look at our media freedom commitments. Hence, the Chairmanship’s intention to focus on the theme of pluralism in new media.”37 To discuss this issue a Chairmanship conference devoted to the safety of journalists was held in June in Vilnius. So, media freedom and journalists’ security problems have become the “specific” distinctive accent of the Lithuanian Chairmanship in 2011.

36 Arūnas Molis. „ESBO vaidmens stiprinimo energetinio saugumo srityje perspektyvos“ („OSCE role in strengthening energy security perspective”), Energetinio saugumo akcentai, Nr. 8, 2011, Energy Security Centre, Vilnius. P. 8
3. Achievements, Disappointments and Surprises of the Chairmanship

The main results of the OSCE activities over the past year, along with some outcomes of efforts made by the Chairmanship, can be captured best at the Ministerial Council meetings. The annual MC meeting is the most important reference point for the OSCE and the place for major decision-making. Therefore, to prepare it for the MC and to achieve promoted decisions for a variety of initiatives is a key challenge for the Chairmanship. All the work of the year seeking compromises between the OSCE Participating States is summarized and the overall progress since the last MC is evaluated.

The Vilnius’ intentions to face the MC meeting with a pretty ambitious agenda were reflected on the document drafted in the middle of the year named “Chairmanship’s Discussion Paper for the OSCE Ambassadorial Retreat in Baden”, as for 23–24 June, 2011.38 This document mentioned the intentions to prepare for the MC meeting a number of decisions and declarations strengthening cooperation when addressing transnational threats, to adopt strategic guidelines on policing principles, to adopt the concept of counter-terrorism, cyber-security strategy, to promote the OSCE energy and transport profile and some other documents. One of the key proposals on the first dimension was the proposal to review the Vienna document “On confidence-and security-building” agreed in 199939. In total, Lithuania proposed thirty draft decisions to adopt at the OSCE Ministerial Council in December 2011.

However, the 18th session of the Ministerial Council which took place on December 6-7, 2011 in Vilnius and its outcomes were somewhat disappointing. Of the thirty proposed projects only eleven40 were adopted, and a declaration (Ministerial Declaration on Combating All Forms of Human Trafficking) was approved. Bearing in mind that some of the decisions were dealing with relatively minor, technical issues (for example, Decision No. 13/11, Time and Place of the Next Meeting of the OSCE Ministerial Council, or Decision No. 12/11, Application of Mongolia to Become a Participating State that stated a need for

40 Two more decisions of the MC de facto have been accepted earlier – Decision No. 1/11, Reappointment of Amb. Janez Lenarcic as Director of the Office for Democratic Institutions and Human Rights, on 30 May, and Decision No. 2/11, Appointment of the OSCE Secretary General, on 30 June.
further consideration), it can be said that adoption of only one third of the of the projected decisions was not a very good result. For comparison, five declarations or statements and 16 decisions were adopted at the seventeenth session of the 2009 Ministerial Council in Athens. In 2008, at the sixteenth Session of the Ministerial Council in Helsinki a general statement, the two declarations and 10 decisions were adopted (four more decisions on the appointments were taken by “non-objection procedure” before the Ministerial Council meeting).

However, the “poor balance” between proposed and accepted decisions was the result of a highly ambitious effort by Lithuania to provide an extremely wide package of draft decisions. As the U.S. diplomats who informally participated in the Vilnius MC commented, so many proposals were not usual thing at the OSCE. In addition, as some Lithuanian diplomats mentioned, parts of the proposed decisions were submitted “for tactical reasons”, perhaps, knowing quite well they cannot all be accepted by consensus.

A sensitivity of some OSCE Participating States regarding the issues relating to human rights and freedoms and media security increased difficulties for compromise on the proposed OSCE MC decisions.

The eighteenth Ministerial Council in Vilnius was held right after the 4th of December when Parliamentary elections in Russia took place, where a number of violations were recorded. Internet space spread a lot of various video and photo evidence of election falsification in Russia. This led to enormous protests in Russia for a whole week, at the same time of the OSCE Ministerial Council Meeting.

Hillary Clinton, the head of the U.S. State Department who attended the Ministerial Council in Vilnius, mentioned in her public statement that “Russia’s elections were neither free nor fair.”\(^\text{41}\). Clinton also quoted the report by the OSCE election observers in Russia, stressing the human rights and fundamental freedoms were still not fully secured. This has raised complaints from the Russian delegation and probably further strengthened their opposition to the OSCE decisions in support of media freedom in cyberspace, the safety of journalists and other documents related with the development of human rights.

The Russian delegation after the session of Ministerial Council provided a statement of concern that the OSCE did not reach significant decisions. It was said in a statement that “the drawing up of a unifying agenda for the Organization has been impeded by the unsound practice of promoting within that agenda group interests, a practice that is becoming ever more prevalent and that runs counter to

the original sense and purpose of the CSCE/OSCE”42. It also implicitly criticized
the efforts to include so many draft decisions in the OSCE agenda: “The approach
involving a significant increase in the number of commitments and the adoption
of decisions on minor issues that bring no real added value has completely out-
tlived its usefulness”43. According to the Russian Delegation, the OSCE would
require fundamental reform, otherwise the organization would lose its meaning
as a multilateral forum for cooperation and security.

Nevertheless, in the report on progress made during Lithuania’s Chairmans-
ship of the OSCE, presented at closing session of the Ministerial Council, it was
stated that “significant efforts” have been made on five main priorities44:

• register tangible progress in addressing protracted conflicts;
• significantly improve our record of implementation of media freedom
  commitments;
• enhance the OSCE profile with regard to transnational threats, including
  those emanating from the territory of Afghanistan;
• define the OSCE’s role in our energy security dialogue,
• promote tolerance education throughout the OSCE area in order to combat
  hate crimes and discrimination.

Lithuania also drew attention to the point that it had to respond to unfore-
seen events: “the aftermath of the December 2010 presidential elections in Belarus;
a political crisis in Albania; outbreaks of violence in northern Kosovo; and the
dramatic events of the Arab Spring”45. However, it should be noted that the year
of 2011 was not anything particularly outstanding – there were no serious armed
conflicts in the OSCE area, as in 2008, or significant political upheavals, accom-
panied the threat of civil war, as in 2010. Perhaps one of the biggest challenges
for the OSCE was the previously mentioned Russian Duma elections, which were
monitored by the OSCE representatives.

The OSCE has faced a big dilemma in regards to the evaluation of the elec-
tion and the treatment of the Russian reaction to the civil protests against electoral
fraud: how are they to react to events where one of the most influential members of

42 OSCE 18th Ministerial Council Vilnius, 6 – 7 December 2011. Closing Session. Statement by of the Dele-
gation of the On the Outcome of the Meeting of the OSCE Ministerial Council in Vilnius. MC.DEL/65/11,
43 Ibid
44 OSCE 18 th Ministerial Council. Vilnius, 6 – 7 December 2011. Report on progress made during Lithu-
the OSCE does not promote the principle of free and fair elections, does not allow independent media to function freely, and independent online media sites on election day were blocked? But regarding the precisely these questions the OSCE and the Chairman rather avoided any “sharp corners”, which could lead to Russia’s nervous reaction. It was confined in the OSCE election observation report, which looked pretty low-key. The Lithuanian Foreign Minister, even in response to reporters’ questions, only quoted some laconic claims by the OSCE election observers report. Accordingly, the following point was even kept from public mention, namely, that the opposition of one of the Participant States prevented the OSCE Ministerial Council from the adoption of the decision appealing to media freedoms.

3.1. Protracted Conflicts

Searching for solutions in protracted conflicts, Lithuania emphasized the progress in the Transnistrian settlement process. Shortly before the OSCE MC the formal negotiations in the 5+2 framework was held in Vilnius, which has been suspended since 2006. It has been striving for the resumption of the negotiation throughout the year. On February 8-10, 2011, Lithuanian Foreign Minister Azubalis visited Moldova where he met with representatives of Moldova and Transnistria. Ambassador Čekuolis, the Special Representative of the OSCE Chairperson-in-Office for Protracted Conflicts, constantly maintained contacts with representatives of Russia, the U.S. Ukraine and the EU - this has helped to held several informal 5+2 format meetings in 2011, and on September 22 in Moscow has been agreed to resume formal negotiations on Transnistria in the format 5 +2. However despite the progress made throughout 2011 in the negotiation process, a separate Ministerial Statement on the resumption of the official 5+2 negotiations on the Transnistrian settlement could not be adopted in the Ministerial Council, which would have been a sign of a more solid advance in a settlement of the conflict.

Also, the OSCE Ministerial Council has failed to adopt any statement on the conflict in Georgia. This conflict actually does not move from the point of death since the autumn 2008. Despite the efforts made by Lithuania, the inclusion of OSCE representatives to the settlement of the conflict and the potential establishment of the OSCE mission has remained without a brighter outlook. In the final report on progress made during Lithuania’s Chairmanship it was only stated that the Incident Prevention and Response Mechanisms within the Geneva Framework were used very actively in maintaining the dialog.

In the case of the Nagorno-Karabakh conflict there was some formal agreement reached, showing that the conflicting parties want to maintain a dialogue.
The efforts by the representatives of the Minsk Group led to a Joint Statement by the Heads of Delegation of the Minsk Group Co-Chair Countries and the Foreign Ministers of Armenia and Azerbaijan on the margins of the Vilnius Ministerial Council on 6 December. It was stated that there is “a need to continue the negotiating process in the format of the OSCE Minsk Group and to improve the climate for making progress towards a peaceful settlement”\(^{46}\). Lithuania has also stressed that Armenia and Azerbaijan have confirmed that their Presidents are ready to meet again jointly in the near future under the auspices of the Co-Chair countries to continue their direct dialogue.

The document which summarizes how to improve the effectiveness of the OSCE in resolving protracted conflicts was titled *Elements of the Conflict Cycle, Related to Enhancing the OSCE’s Capabilities in Early Warning, Early Action, Dialogue Facilitation and Mediation Support, and Post-Conflict Rehabilitation*\(^{47}\). This document highlights the importance of early warning of the imminent escalation of conflict and the information exchange between members of the OSCE. It was declared that the OSCE Secretary-General should report by 16 July, 2012, about the progress of enforcement of these recommendations.

### 3.2. The Politico-Military Dimension

As was planned, the updating of the Vienna Document 1999 “Of the Negotiations on Confidence- and Security-Building Measures”, that has been sought in recent years through Security and Cooperation Forum format, was completed in Vilnius. This document included nine so-called Vienna Document Plus’ recommendations. Also it was decided that this agreement should be renewed every five years. It was also a decision on “Small Arms and Light Weapons and Stockpiles of Conventional Ammunition”, that has already become a traditional, has been adopted as well as the OSCE commitment to strengthen its activities addressing non-proliferation and the proper role of the OSCE in facilitation of United Nations Security Council Resolution 1540\(^{48}\).

Summing up the OSCE’s efforts to encourage cooperation by addressing

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transnational threats, the Ministerial Council has adopted a document\textsuperscript{49} that welcomes the intention to establish a separate department of the OSCE to address transnational threats and the OSCE Secretary General was called to report regularly on progress and performance in this area. As planned by Lithuanian diplomats, the OSCE decision addressing the problems of Afghanistan has been adopted. The Decision on “Strengthening OSCE Engagement with Afghanistan”\textsuperscript{50} (very welcomed by the U.S. delegation) recommended the continuation and strengthening of the OSCE projects that could contribute to the development of stability and prosperity in Afghanistan.

Nevertheless, neither the updating of the Vienna document, nor other decisions made by the Ministerial Council were “revolutionary” - the abstract tone of decisions have little impact on existing performance and the importance of the OSCE by addressing security challenges in Europe and around the world. Russia would seek to strengthen the OSCE most in this area because Russians is still intent on imposing a vision of a Common European Security Space, which could reduce the significance of NATO. The Russian delegation expressed regret that the OSCE did not support Russia’s efforts to increase the importance of the OSCE in this field and to become a leading collective organization providing “hard security” for Europe.

However, Russia, as was suggested by some OSCE delegations, impeded the update of Vienna document more seriously. As the German delegation (representing other 38 OSCE Participating states) has expressed in an interpretative statement, the “technical and procedural nature” of the Vienna document updates were clearly less ambitious than expected. As was stated in this interpretative statement, the Forum for Security Co-operation “should aim for concrete results in areas such as lowering the thresholds at which we are obliged to inform other participating States of our military exercises, increasing opportunities for verification activity, expanding the range of military activities on which we notify our partners, modernising and updating our exchange of military information, informing our partners of at least one below threshold military exercise every year, strengthening our risk reduction mechanisms as well as exploring ways in which we can enlarge the scope of CSBMs”\textsuperscript{51}.


3.3. The Economic Dimension

As previously mentioned, one of the top priorities of the Lithuanian Chair- 
manship was to strengthen the activities of the OSCE on transport and energy 
dimensions. Lithuania in all international forums and institutions emphasizes the 
importance of energy policy and the need for coordination. It was expected that 
the OSCE Ministerial Council should adopt a decision to set up a working group 
dealing on the energy dimension and the OSCE would declare an intention to 
strengthen cooperation in this field.

Unfortunately, the economic dimension the OSCE Ministerial Council 
only managed to make a decision addressing the importance of the transport sector\textsuperscript{52}. The Ministerial Council in Vilnius failed to adopt any specific decision 
on cooperation in energy security, although this topic has been circulating for a 
long time on the agendas of the OSCE institutions and events.

3.4. The Human Dimension

Lithuania and Western countries had some major disappointments over 
some of the proposals rejected by some OSCE members, in particular to strengthen 
the third pillar of the OSCE, the human dimension. Lithuania has made consi-
derable efforts to adopt decisions at the Ministerial Council on the promotion 
of pluralism in the digital media and address the need for greater security for 
journalists. The U.S. Ambassador to Lithuania Anne E. Derse stated that these 
efforts of Lithuania were actively supported by the U.S. and the EU countries. 
However, consensus on them was not found - again, mainly because Russia and 
some other non-democratic countries opposed them.

Although the Lithuanian Foreign Minister and other diplomats directly 
responsible for the Chairmanship as well as the U.S. diplomats said that the Li-
thuanian Chairmanship priorities will be transferred into the agenda of the Irish 
Chairmanship for 2012, it can be stated that the OSCE did not achieve significant 

One of the clearest points of evidence to confirm this judgment is that 
Belarusian government crackdown on opposition members after the 2010 pre-
sidential elections in Belarus and closure of the OSCE mission in Minsk. It was 
an obvious gesture showing that one of the OSCE Participating States does not

\textsuperscript{52} OSCE 18 th Ministerial Council. Vilnius, 6 – 7 December 2011. Decision No. 11/11, Strengthening 
Transport Dialogue in the OSCE. http://www.osce.org/mc/86084
want to take into account any recommendations by the OSCE or to show any efforts to strengthen human rights. Russia’s Duma elections, where many abuses and attempts to block independent media have been registered, have also confirmed that Russia would continue to look to the third pillar of the OSCE as an unwelcome advance.

Beyond the OSCE Ministerial Council there are troubling indications that even Kazakhstan, the Chairman of the OSCE in 2010, is not inclined to tolerate an opposition to its governing regime. Protests which had broken out in mid-December 2011 in the city of Zhanaozen (Western Kazakhstan) were subdued by a force, and at least 10 people were killed and many injured. In order to stabilize the situation, the President of Kazakhstan Nursultan Nazarbayev introduced a state of emergency in the city.

These events and the outcomes of the OSCE Ministerial Council confirmed that a very different approach to human rights and freedoms persists between the West and Russia (and other non-democratic Eastern European and Central Asian countries) and that the organization did not actually succeed in reducing the gap. Lithuania’s active efforts to include these topics into the co-operation agenda did not help in any way to find a compromise. To some extent that only further highlighted the existing differences between the OSCE Participating States and limited ability of the OSCE to contribute to this area of development in non-democratic countries.

Conclusions

Those Lithuanian politicians and diplomats aiming for the Chairmanship of the OSCE from the beginning imagined a little naively that they would produce only a positive result: a positive evaluation of Lithuania and better international recognition. It was believed that the chairing of such a large organization would strengthen Lithuania’s Eastern Policy vector and Lithuania in the international arena would further consolidate its status as an expert of the post-Soviet space. However, the preparations for the OSCE Chairmanship and the very Chairmanship process modified by far all these expectations. It was realized quite soon that a substantial change in the OSCE activities and performance will not be possible. Furthermore, over-active behavior in order to impose upon the OSCE Chairmanship work program a reflection of national interests could cause a risk of objections by the major OSCE Participating States or even lead to the deterioration of bilateral relations with individual countries that look at the formal decision of the OSCE with a high sensitivity (especially if they are involved in
frozen conflicts). Ultimately, therefore, the Lithuanian Chairmanship Programme became not so much political as more functionalistic, i.e., it was aimed to fulfill functions of the Chairmanship properly and manage the various interests of the members of the OSCE correctly.

This choice reduced the risk Lithuania could damage its international reputation by striving for a number of ambitious goals or defending national interests. As the Chairmanship showed, Lithuania avoided the over-use of the OSCE Chairman’s status to address their national foreign policy objectives. Perhaps the best example is Michael Golovatov’s story, when the suspect of the massacre of January 13, 1991, was arrested in Austria under an EU arrest warrant, but was very quickly released and returned to Russia. In this not very pleasant situation for Lithuania and Austria, Vilnius resisted the temptation to include issues relating to the detention and release of suspects onto the OSCE agenda, or take advantage of additional opportunities to emphasize the evaluation of communist crimes, etc. As Lithuanian diplomats mentioned, it was cautiously suggested for Lithuanian politicians not to link this story with the Lithuanian Chairmanship of the OSCE.

However, the attempts to abstain from too actively sharing an opinion using the OSCE as a platform even restricted to some extent Lithuania’s positions on foreign policy issues. This was especially seen when commenting on events in Russia and Belarus. For a long time Lithuania was quite critical of Russia and Belarus, but during the Chairmanship Lithuania tried to refrain from any sharp comments about Russia’s Duma elections or the persecution of Belarusian opposition. A kind of ambiguous position towards the Belarusian regime was highlighted by the scandal of the Alesi Beliacki case, when despite the condemnation of the Lukashenka’s regime there was an attempt to maintain the proper relationship on the official level. The Lithuanian authorities have sent the details of the Lithuanian banks accounts held by the one of the Belarusian opposition leaders and this became a pretext for law enforcement authorities in Minsk to bring charges against Mr Beliacki and assign him a custodial sentence. Later Lithuanian officers and diplomats made excuses and protested against such actions by law enforcement in Belarus; however, that had no substantial impact on the Lithuanian official attitude towards Belarus or the stance of the Belarusian regime towards the opposition.

Lithuania tried to show itself to be an active Chairman of the OSCE and very carefully prepared for the Ministerial Council. It prepared an unusually large number of draft decisions that were in line with Lithuania’s Chairmanship priorities. However, final decisions only partially met the expectations of Lithuania – only a part of the proposed projects were adopted. Most of the proposals related to human rights and freedoms, and ensuring the security of journalists
and media, were objected to by some of the Participating States and the OSCE did not reach a consensus. This confirmed a long-existing assumption that inside the OSCE there remains a significant gap between the Western democracies and some non-democratic post-Soviet states, and Russia plays a crucial role among them. When offering the OSCE draft decisions on the human dimension, Lithuanian activity did not reduce the existing different approaches to democratic values. On the contrary - the OSCE Ministerial Council meeting was a platform for the exchange of critical voices from the U.S. and Russian delegations about the Russian parliamentary elections, and existing differences in approach. In this sense, the Lithuanian Chairmanship did not contribute in any way to reducing the differences of opinion among the members of the OSCE. Various formal and informal statements and evaluations by the Participating States appeared after the Ministerial Council suggested that the OSCE remains a highly fragmented organization, which is unable to reach common solutions that would significantly enhance the effectiveness of the OSCE on the security issues and cooperation for economic and human rights.

The agenda of the Lithuanian Chairmanship and its implementation was quite clearly directed to representation of one side of the positions in the OSCE – i.e. the aim of the Western democracies, and especially the U.S., to emphasize the development of human rights and democratic values. This choice was almost pre-programmed for the Lithuanian Chairmanship - not only because Lithuania belongs to the group of the democratic countries and is a member of the EU and NATO, but also because Lithuania took a kind of a “transferred cup” of the OSCE Chairmanship by representing the interest of the U.S. Still deciding on the OSCE Chairmanship, the right was granted for Lithuania as a kind of compromise, taking into account the 2010 Chairmanship by Kazakhstan, whose positions have been closer to Russia’s interests. Lithuania, as a small state, is naturally constrained in any attempt to offer a completely unique and original agenda of Chairmanship. The OSCE, as well as many other international organizations, first of all is a diplomatic playground for the big powers. In this sense Lithuania shall play on one of the “teams”, to support larger players and take advantage of their political support when implementing its proposed agenda.

Lithuania acted properly as a “team player” and fulfilled its functions to a maximum degree. U.S. diplomats highly praised the Lithuanian OSCE Chairmanship and the ambitions reflected in the Work Programme. This could be useful for enhancing the U.S. diplomatic support for Lithuania, but had no effect on changing the whole nature of the OSCE. So in that sense the Lithuanian Chairmanship ensured a smooth institutional functioning of the organization, but
in the political sense did not solve the challenges of the OSCE. However, a small state cannot change an inert trend that is shaped by the relationships among the major powers.

Finally, the Lithuanian Chairmanship of the OSCE had to be useful for Lithuanian diplomacy in the functional meaning. It has been mentioned often that it’s a good workout for Lithuania before the EU Presidency in the second half of 2013. Organizational and logistical challenges encountered during the OSCE Ministerial Council session provided good practice that will be useful in preparation for Lithuania’s EU Presidency. However, this did not change the political awareness among Lithuanian politicians and diplomats about how the essential interests of Lithuania could be strengthened when chairing such large organizations. Most of the energy was allocated to fulfilling the technical and bureaucratic functions, rather than formulating some political visions and solutions, let alone their implementation. This may be a common “curse” for small countries when the essential interests of the chairmanships are to “please” the biggest states and maintain its own reputation rather than try to include some original proposals or decisions at the top-level international arena. However, in this case, the risks and costs brought forth by the chairmanships may be even greater than the potential and abstract benefits. The fear of being criticized or even facing some provocations, as a side-affect of a greater visibility of the Chairmanship, may restrict some moves addressing foreign policy challenges of their own. Therefore, eventually, Lithuania, like many other small countries, can realize that even an “increased visibility and activity” by some special occasions does not change the existing abilities for diplomatic influence and does not guarantee better protection of national interests. It is simply a function which can be treated without any major expectations and which does not need to be pursued at every opportunity. Such a rational approach to chairing or representation of any large organization can be useful in order to waive some meaningless moves or ambitions in the international arena and to focus more on some of the real challenges faced by a small country.

*Vilnius, August – December 2011*
The Lithuanian Presidency of the EU Council and Common Security and Defense Policy: Opportunities and Challenges

One of the most important rearrangements provided for in the Treaty of Lisbon is the reorganization of the presidency held by Member States in the area of Common Security and Defense Policy (CFSP), achieved by handing over a major part of presidency-related functions to the newly established institutions: the European Union (EU) High Representative (EUHR) and the European External Action Service (EEAS). The redistribution of these functions has caused a fundamental change in the roles of Member States’ presidency within CFSP and CSDP. With Lithuania’s preparation for the EU Council presidency in 2013, the question arises as to what functions it is going to retain in these areas as a presiding state. The article aims to define the institutional environment of the presidency in CSDP as a constituent part of CFSP, as well as to define the main roles of the presidency after the Treaty of Lisbon came into force and also to foresee possible factors for a successful presidency. The article is based on research carried out in the spring of 2011 under the commission of the Prime Minister’s service. During this research, interviews with two representatives of EU institutions and with experts from Lithuania, Poland, Belgium, Hungary, and Ireland, working in the area of CSDP, were conducted.

Introduction

Lithuania is preparing to hold the presidency of the EU Council during the second half of 2013. The presidency, even if a state has no particularly broad objectives and ambitions, calls for efforts and thorough preparation. Lithuania’s preparation is encumbered not only by Lithuania’s lack of presidency experience,
but also by the fact that, after the Treaty of Lisbon came into force, the environment of the presidency and the roles of the President have not yet been fully established. Thus, in order to properly prepare for the presidency, it is necessary to constantly follow what roles and functions develop in the areas affected by the Treaty of Lisbon, and how the states holding the presidency manage to overcome emerging challenges. The Treaty of Lisbon particularly focuses on Common Foreign and Security Policy (CFSP) and its constituent part Common Security and Defense Policy (CSDP). Their status experiences changes, new institutions, new commitments such as solidarity and common defense conditions, and new cooperation formats (the principle of permanent structured cooperation) are being established.¹ The Treaty of Lisbon has also provided for the reorganization of the order of Member States’ presidency of the EU Council within CFSP by delegating a part of external relations to the responsibility of the EU High Representative (previously the state holding the presidency was responsible for this area). These changes create a new presidency environment within CFSP and encourage the possibilities of Member States to operate in this fresh environment in a new way.

This article is based on research commissioned by the Service of the Prime Minister of the Republic of Lithuania and conducted by the author in spring of 2011. The aim of the article is to define the roles of the state, holding presidency, within CSDP, to evaluate their significance and to foresee effective factors of the presidency in this area. One of the essential problems in writing this article is the lack of academic literature estimating the presidency in this area after the Treaty of Lisbon came into force. Therefore, both the research and the article are largely based on empirical data, collected in the spring of 2011, i.e. on interviews with seven officials from Ireland, Belgium, Poland, Lithuania, Hungary and two of the EU who supervise presidency issues (or supervised them during the presidency of the respective country) within CSDP.


The institutional structure of CFSP and CSDP changed after the Treaty of Lisbon came into force. These changes affect the presidency environment and regulate the presidency roles. The main institutions of the highest political level within CSDP are the Council, the EU High Representative for Foreign Affairs

and Security Policy (EUHR) and the Political and Security Committee (PSC). Though the Treaty of Lisbon has in general strengthened the role of the European Parliament in solving different EU issues, its role in CSDP has not essentially changed. Thus, seeking to evaluate presidency possibilities at the political level, it is worth surveying the changed functions of these institutions after the Treaty of Lisbon came into force, the balance of powers between them as well as the role of the state holding presidency in them.

Table 1. **The Main Decision-Making Institutions in the Council on CSDP Issues**

<table>
<thead>
<tr>
<th>Council*</th>
<th>EU High Representative for Foreign Affairs and Security Policy</th>
<th>Political and Security Committee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Decisions on CFSP are taken unanimously acting on the proposal of the EUHR or on the initiative of a Member State.**</td>
<td>Under the supervision of the Council and maintaining a close relationship with the Political and Security Committee, ensures the coordination of civilian and military aspects of missions; Executes common foreign and security policy***; Formulates the Council agenda.</td>
<td>Exercises political control of crisis management operations and provides strategic direction for them****.</td>
</tr>
</tbody>
</table>

Before the Treaty of Lisbon came into force, one of the most important players in making decisions concerning CSDP was the General Affairs and External Relations Council (GAERC). The Treaty of Lisbon divided the latter into two independent councils: those of General Affairs and External Relations. The External Relations Council (ERC) was granted the possibility to concentrate its activity on foreign and security policy issues the scope of which has greatly increased in the EU during recent years. In addition, the Treaty of Lisbon establishes new institutions: the President of the European Council, the EUHR, the European External Actions

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2 Treaty of Lisbon, Article 36.

* Though in the Treaty of Lisbon the responsibility for CSDP issues falls to the Council of External Affairs in which the main role is played by Ministers of Foreign Affairs of Member States, after the Treaty of Lisbon came into force de facto, a separate Foreign Affairs Council (FAC Defense) is being formed. There are no more common sessions of Foreign Affairs and Defense Ministers, the meetings of these different formats take place at different times. Defense Ministers approve presidency conclusions in the area of security and defense.

3 Treaty of Lisbon, Article 16.6.

** Treaty of Lisbon, Article 42.4.

*** Treaty of Lisbon, Articles 43.2; 24.1.

**** Treaty of Lisbon, Article 38.
Service (EEAS). The EUHR, together with Member States, executes common foreign and security policy, and chairs the ERC at the same time being the Vice President of the European Commission (EC); he has the right of the initiative in developing common foreign and security policy, and ensures the implementation of the decisions of the European Council and the ERC; represents the EU on CFSP matters and in relations with third parties and also expresses the EU position in international organizations. Thus, the EUHR becomes the key guidelines-setter and implementation supervisor of CFSP. Within CSDP, the EUHR not only sets the guidelines but also, alongside the Council, coordinates EU missions and is responsible for their implementation. After the Treaty of Lisbon came into force, the Political and Security Committee (PSC) has remained one of the most important CSDP institutions in terms of influence, perhaps even more important than the ERC. The PSC is essentially the last link in the decision-making process before the submission of CSDP issues to the Council for consideration. The main changes related to the PSC and provided for in the Treaty of Lisbon are that the PSC will be accountable to two “supervisors”: collegially to the Council and to a representative of the EUHR, also that the agenda of the PSC will be drawn up by the Cabinet of the EUHR and the chair person will be a representative of the EUHR (previously chaired by a Member State).

These changes, stipulated in the Treaty of Lisbon, provide grounds for a discussion about the increase in the powers of the Council with reference to other EU institutions. Wolfgang Wessels claims that with the establishment of the Treaty of Lisbon the balance of the powers of the Council and the Commission has obviously changed. After the separation of the ERC, the latter gained more time and capabilities to concentrate on foreign and security issues; it sets essential political guidelines as well as remains “the last institution” in which a vote is taken concerning one or another decision. The “right of the initiative” that the EC has

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4 Treaty of Lisbon, Article 15; 18; 27; 45.  
5 Treaty of Lisbon, Articles 26.3; 27.1; 27.2.  
6 Treaty of Lisbon, Article 30.2.  
7 Treaty of Lisbon, Article 38. The Political and Security Committee is chaired by a representative of the Union High Representative for foreign affairs and security policy. This Committee monitors the international situation in the areas covered by common foreign and security policy and at the requests of the Council, the EUHR or on its own initiative submits opinions to the Council, contributes to the definition of policy directions, monitors the implementation of the agreed upon political directions. Also, the Political and Security Committee exercises political control of the Petersberg tasks and monitors them.  
been deprived of has been transferred to the EUHR, who is accountable to the very ERC.\textsuperscript{9} The PSC is also accountable to the Council and the EUHR. Thus, it is possible to state that, at the highest level, decision-making powers on CSDP issues are concentrated in the Council and the institutions accountable to it. It is also worth presuming that the influence of large states, which usually have more power within the Council, is increasing at the expense of small states.

The Treaty of Lisbon has also provided for the takeover by the EUHR of the function of the presidency of the ERC from Member States.\textsuperscript{10} Consequently, on the one hand, conditions are created to ensure a more long-lasting, more consistent and more effective CSDP; on the other hand, opportunities of Member States to shape and influence the CSDP agenda have decreased. True, they can do that by posing questions to the EC or ERC, yet these questions are limited to the most important political-level issues.\textsuperscript{11} Besides, a response to such questions is given only in such cases if the country that has framed the question has a considerable political influence or a strong support of other Member States.

One representative of EU institutions claims that, in order to better grasp the change of the institutional balance after the Treaty of Lisbon came into force, it is necessary to separate two functions: the establishing of the agenda and decision making. The balance of power in establishing the agenda has definitely turned towards the EU. The EUHR, in cooperation with her/his subordinates, drafts the agenda. Member States are practically devoid of any possibilities to form the agenda if only to attempt to influence the EUHR through the Council, the PSC or by other means. However, because of the intergovernmental nature of CSDP, Member States remain the most important players in making decisions and “shaping tasks” for the EUHR. The EUHR is but an executor of these decisions. In his opinion, the primary institution where it is possible to influence decisions within CSDP is the PSC.\textsuperscript{12} However, it should be kept in mind that the possibilities of Member States to influence the decisions of these political-level institutions are not related to presidency and frequently depend on the political influence of the state as well as its capability to ensure the support of other Member States in advance. The other representative of EU institutions agreed that, in estimating the changes in the balance of power, it is mandatory to analyze different functions, and empha-

\textsuperscript{9} Treaty of Lisbon, Article 30.2.
\textsuperscript{10} Treaty of Lisbon, „Declaration on Article 16(9) of the Treaty on European Union concerning the European Council decision on the exercise of the Presidency of the Council“, Article1.
\textsuperscript{11} The European Council sets CFSP, including matters of defensive nature, strategic interests, objectives of the Union and defines general guidelines, adopts necessary decisions; when the Union, because of some international situation, has to act in an operative way, the necessary decisions are also taken by the Council. (Treaty of Lisbon, Articles 26 and 28).
\textsuperscript{12} An interview with a representative of EU institutions (I), 24 May 2011.
sized that both the institutional map and the balance of power after the Treaty of Lisbon came into force are still changing. All the presidencies that followed the coming-into-effect of the Treaty of Lisbon were totally different: the Belgians had more influence whereas the possibilities of the Hungarians to somehow make an impact upon the agenda were very limited. In his opinion, Hungary’s presidency demonstrated what the presidency within CSDP of all small states will look like in the future. The only agenda influence channels go through the EUHR, but this can only be done by powerful states (still not individually) at the top level or those that are capable of ensuring the strong and broad support of other states. The best example of how to make the EUHR react is the Weimar letter (France, Germany, Poland). Such initiatives cannot be left out of consideration by the EUHR. Small states can attempt to form coalitions on one or another question and coordinate these issues with the EUHR, but for that a very broad supporters’ coalition, involving large states as well, is necessary, whereas the issue should be of importance to the entire EU. It is also important to point out that, because of her very busy schedule and small interest in CSDP issues, the EUHR has essentially transferred all the control of CSDP to her Deputy, Maciej Popowski; therefore, when using the term EUHR, it is actually the Deputy EUHR that is meant. Thus, in making an impact on both the agenda and decisions at the top level, Member States should be capable of ensuring a broad support of Member States in advance.

Notwithstanding, everyday security and defense policy comprises many issues that are not included in the top CSDP agenda and which are solved in the EAS, committees and groups. The main institutions at this level are the newly established EAS, the Committee for Civilian Aspects of Crisis Management (CIVCOM), the Political-Military Group (PMG), the Military Committee of the European Union (EUMC), and the Working Group of Foreign Relations Advisors (RELEX). The presidency function at this level too, after the Treaty of Lisbon came into force, falls to the EUHR and her representatives as well (actually, even before the Treaty of Lisbon came into effect, representatives of EU institutions were chairmen for military institutions).

13 An interview with a representative of EU institutions (II), 19 May 2011.
14 An interview with a representative from Belgium, 5 May 2011.
One of the most important institutional changes in the area of CSDP is the emergence of the EAS. The EAS is composed of the General Secretariat of the Council, officials of the corresponding subdivisions of the Commission and also personnel dispatched by national diplomatic services. The EC generally delegates people to the EAS from the RELEX Directorates-General (Directorates-General for External Relations, Trade and Development) the Council – from the Political subdivision and the Directorate-General of External and Political-Military Affairs. EAS employees assist the...
EUHR in drafting the CSDP agenda, preparing documents and implementing the adopted decisions. Though it is still complicated to evaluate the EAS role within CSDP since the collective is under formation, certain tendencies can already be discerned. First, the EAS takes over more and more presidency functions from Member States. Second, because of the thus-far existing imbalance in institutional delegation (employees of the Commission make up the greater part of EAS officials (1114 from 1643)), work methods of the Commission are in force in the EAS. An EU representative emphasized the fact that about 90% of EAS personnel have come from the Commission and that produces an unfavorable atmosphere of relations between the institution and Member States. Member States are often treated as “enemies”, seeking self-serving interests; therefore, attempts are made to remove them from the decision-making process. The unfavorable atmosphere, concerning Member States, is strengthened by the existence of considerable internal pressures; meanwhile EAS institutions have not been completely formed, workload flows are too heavy for the present number of people and functions are not always adequately distributed. It is likely that the EUHR has already noticed internal EAS problems and is trying to respond. In the middle of May 2011, a sitting of the PSC, where the activity of CSDP and EAS was considered, took place; the EUHR requested Member States to submit their opinions; however, the fact that the opinions were called for at an informal level may indicate that in the nearest future it will be impossible to solve the existing problems.

The Crisis Management and Planning Directorate (CMPD) which was formed from previously existing civilian and military crisis management structures and surfaced in the EAS structure after the Treaty of Lisbon came into force is becoming one of the most important institutions within CSDP. Thus, attempts are made to reduce the divide between civilian and military missions; on the other hand, this subdivision really strengthens the EAS role. CMPD functions are, in essence, the same as those of the EAS, only narrower in scope, i.e. the CMPD works exceptionally on CSDP issues. Consequently, in the area of CSDP, following the EUHR and the Deputy EUHR for security issues, the CMPD is becoming one of the most important institutions that establishes the agenda and prepares documents. Notwithstanding, the possibilities for Member States to influence this institution are strictly limited. The CMPD is a part of the EAS which has no direct contacts with Member States and it is possible to “reach” it only through working

17 A New Step in the Setting-up of the EEAS: transfer of staff on 1 January 2011.
18 An interview with a representative of EU institutions (I), 24 May 2011.
19 An interview with a representative of EU institutions (II), 19 May 2011.
groups, the HR or the EAS. Member States can form tasks directly to the HR or propose them through working groups and only then the HR transfers them to the CMPD. On the other hand, since the CMPD prepares important documents and has a lot of important information, informal contacts with the employees of this service can be very useful to a Member State. A representative of the EU claims that, though many people from the Council came to the CMPD, here as well the same attitude towards Member States prevails as in general in the EAS. Also, the CMPD is still facing a problem of vacancies. Although in April of 2011 the new Director of the CMPD – a Belgian Walter Stevens – took office, there still remain many vacancies at the level of experts.

After the EUHR, the PSC and the EAS, the Committee for Civilian Aspects of Crisis Management (CIVCOM) and the Political–Military Group (PMG) are the most influential within CSDP. With reference to military issues, the EU Military Committee (EUMC) is also important. Before being submitted to the Council, all issues are considered in the PSC. However, before getting to the PSC, all issues are coordinated at a still lower level, that of the PMG, the CIVCOM, the CMPD. Therefore, work in these institutions is particularly important in seeking both to influence the agenda and to draft guidelines for certain future decisions. It should be emphasized that, after the Treaty of Lisbon came into force, the state holding the presidency does not chair in any of these institutions.

One more institution, established by the Treaty of Lisbon, is the European Defense Agency (EDA). Though this institution had been functioning for several years (established by the decision of the Joint Actions of the Council in 2004), due to the Treaty of Lisbon it gained new status; it is the only EU agency mentioned in the Treaty. The EDA, under the guidance of the EUHR, performs the primary role in improving military capabilities of Member States. EDA functions are also associated with the implementation of “permanent structured cooperation” provided for in the Treaty of Lisbon.

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21 An interview with a representative of EU institutions (I), 24 May 2011.
22 Ibid.
23 Ibid.
24 An interview with a representative of EU institutions (II), 19 May 2011.
25 Ibid.
26 The Treaty of Lisbon, Article 42.3.
Table 3. **Other CSDP Institutions, Committees and Working Groups**

- European Defense Agency,
- Security Committee,
- Working Group on Terrorism,
- Group for Application of Specific Measures to Combat Terrorism,
- Non-Proliferation Working Group,
- Working Group on Conventional Weapons Export,
- Dual-Use Items Working Group,
- European Armaments Policy Working Group,
- Military Committee Working Group,
- EU Military Staff,
- Civilian Planning and Conduct Capabilities,
- Political Military Group,
- European Security and Defense College Steering Committee,
- Satellite Center Council,
- Athena Special Committee,
- EU – NATO Capabilities Group,
- Committee of Contributors (ad hoc, intended for operations, EU and three countries participate).

After the Treaty of Lisbon came into force, Member States lost the possibility to hold presidency (i.e. to establish the agenda and chair the meetings) in other, lower level CSDP institutions as well. The possibility of chairmanship has been retained only in the Working Group on Terrorism, European Security and Defense College (ESDC) Steering Committee as well as in Athena Special Committee, in Terrorism (COTER) and Specific Measures to Combat Terrorism (COOP) Working Groups. True, even in those working groups, chaired by representatives of EU institutions, theoretical possibilities for influence remain, but they are highly dependent on the relations of a Member State with the chairperson of the group and the EUHR.\(^{27}\) Intergovernmental institutions remain in the hands of Member States, i.e. the Satellite Center (SATCEN), EDA and Athena mechanism. Though after Lisbon EDA should change, it has so far been left as intergovernmental. Anyway, it is not clear to what extent these institutions will have changed by the time Lithuania holds presidency.\(^{28}\)

Thus, the essential institutions during the presidency in the area of CSDP are the EUHR and the EAS, as well as the CIVCOM, the PSC and the PMG, i.e. top-level institutions whose decisions go to the Council. Therefore, it is necessary for the state holding the presidency to operate actively, particularly in these formats. One of the most important activities is to work with Member States seeking to ensure their support and to constantly coordinate with the EUHR. Theoretically, even the lowest-level institutions can formulate a question and raise it to the EAS; however, it takes a long time, and largely depends on the chairperson as well as on the capability

\(^{27}\)An interview with a representative of EU institutions (I), 24 May 2011.

\(^{28}\)An interview with a representative of Lithuania in Brussels (I), 27 April 2011.
of a Member State to persuade other Member States to strongly support the initiative. In order for the question to reach the agenda during the presidency, a Member State should launch active actions at least a couple of years before the presidency.

2. Presidency Functions within CSDP after the Treaty of Lisbon Came Into Force

The presidency role in the EU kept changing alongside the development of the latter, ranging from the organizational-nature assistance to EU institutions to avoid an “inflated” secretariat (a three-month presidency of Coal and Steel Community and a six-month presidency of the European Economic Community) to a more serious role, including as well mediation functions from the sixties. Later, another important function developed – the function of a political leader; however, only large and influential states could have the sufficient ambition to implement it. In the course of history, it was not only functions and the content of issues that changed but also workloads. After the latest enlargement, because of the increased number of members and an extensive range of issues, the presidency would become a particularly serious challenge for the chairing countries. Areas covered by CFSP experienced a particular increase. This was one of the reasons predetermining the fact that the Treaty of Lisbon separated the ERC from the General Affairs and External Relations Council and obligated the latter to monitor these issues. The Treaty of Lisbon not only established new institutions, but also assigned important roles to them. Differently from other Councils which are presided over for a period of 18 months by groups of three Member States appointed in advance, made up on the basis of equal rotation among Member States, taking into consideration their diversity and geographic balance in the Union, the Council of Foreign Affairs is presided by a permanent representative – the EUHR. This change of the presidency institutional structure and redistribution of functions has in essence reformed the role of presiding states in CFSP. Erika M. Szabó claims that, after the Treaty of Lisbon came into force, it is impossible to speak about the traditional presidency, and thus the central research question is whether the current presidency, based on the principle of rotation, is in general retained in the EU’s external relations.

29 An interview with a representative of Lithuania in Brussels (I), 27 April 2011.
Academic literature abounds in articles that investigated the roles of presidency in the area of external relation before the Treaty of Lisbon. In general, these primary presidency functions are distinguished: a) organization of the Council work – organization and logistics of the meetings of EU states’ representatives in Council committees, working groups, etc., coordination of the Council activity in cooperation with the Council Secretariat; b) mediation and search for compromises (both of concrete EU states and EU states and the Commission of Europe); c) political leadership – determination of the objectives and priorities of EU policy; d) internal (the EU with other institutions) and external (relations with the rest of the world) representation. These functions are associated with the leader’s three main roles, singled out in the leadership theory (mission execution oriented leadership, group oriented leadership and transformational leadership), which have not only different functions but also become relevant in various situations. When the implementation of the already adopted decision becomes the most important tasks, the need for mission execution oriented leadership manifests itself; when changes come into play, a demand for political, transformational leadership becomes stronger.

Another very important presidency function is the representation of national interests. This function is most controversially treated because it is not compatible with the presidency philosophy according to which the president should be neutral. However, in the history of the presidency, all states, depending on their capabilities and resources, more or less sought to transfer their national interests to the EU agenda. Notwithstanding, after the Treaty of Lisbon, this became practically impossible in such areas as CFSP and CSDP because the state holding the presidency does not establish the agenda any more. Another presidency function that was abolished after the Treaty of Lisbon came into force is the representation function; both the internal and external representation falls to the responsibility area of the EUHR. Other presidency functions in the area of

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CSDP have also changed though not to such a drastic extent. After the function concerning agenda formation and presiding over committees and working groups was transferred to the EUHR and the EAS, the state holding the presidency lost a part of its organizational functions. Traditional mediation functions of presiding states have completely disappeared, since they were given over to committees and working groups, i.e. to the hands of the EUHR and the EAS. The function of the political leadership, which used to fall to the largest and most powerful states, passed to the hands of the EUHR through the right of the agenda initiative and agenda implementation function.

After the major part of presidency functions were passed over to the responsibility of the EUHR and the EAS subordinate to it, the role of the presiding state within CFSP and CSDP considerably decreased; therefore, in the discussions of experts, the presidency is more and more often defined as the role of the EUHR “assistant” and not as an independent role of the president. Wolfgang Wessels claims that the position of the EUHR, established by the Treaty of Lisbon, is complicated, too dependent on other institutions, executing too many diverse and insufficiently defined tasks and having too few assistants, thus, the task of the presiding state is to supply the necessary help to the EUHR. Yet, having surveyed the experience of the states that have presided after the Treaty of Lisbon came into force, it is possible to state that the functions and the influence of the “assistant” may differ.

Since after the Treaty of Lisbon came into force only four states have held the presidency, it is complicated to accurately define all presidency functions in the post-Lisbon system—all the more so since they keep slightly changing with the spreading and strengthening of EUHR functions. Depending on the level of the presiding state’s ambitions, the presidency after the Lisbon Treaty is defined as “facilitating” or “supporting.” In essence, both presidency types mean help and assistance to the EUHR and the EAS, but not an independent presidency; however, the “facilitating” presidency is related to the presidency by Belgium and stands for a higher level of ambitions when the president is not only the organizer of functions, but also to a small extent a generator of ideas and a mediator, whereas the “supporting” presidency – this is how the Hungarians titled their presidency – limits itself only to the technical function of the organizer. An interview with a representative of

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35 Wessels W. and Bopp F., „The Institutional Architecture of CFSP after the Lisbon Treaty– Constitu-
36 An interview with a representative of Lithuania in Brussels (I), 27 April 2011.
37 A memo of the consultations with the President of the EU team Col. Johan Andries from the Belgian Defense Ministry during the presidency, 20 January 2011.
EU institutions suggests that during the post-Lisbon period there were four phases of the CSDP presidency: 1) during the presidency by Spain, chaos dominated: there was no agenda, meetings were not held, the EAS was non-existent; 2) the presidency by Belgium was a mixed presidency, during which the Belgians proposed a certain agenda and the HR approved of it. Though, following the Treaty of Lisbon, Belgium did not already have to hold presidency in the area of CSDP, because of the shortage of human resources in the EAS, Belgium performed many of the same functions as the states that had held presidency before the Treaty of Lisbon came into effect; 3) during the presidency by Hungary, the EAS already had its program and the personnel serving the presidency, and consequently the Hungarians retained very few functions; and 4) the presidency by Poland that at the beginning gave grounds to expect changes, i.e. a more active presidency, but, at the end of the term, was treated as a passive presidency since Poland, had almost no influence either in establishing the agenda or in decisions.

Because of the still changing presidency environment, both the roles of the presidency and capabilities of states to implement those roles should be examined very carefully. The general tendency indicates that the role of the presidency within CSDP is decreasing, but a question arises whether there is a limit for this decrease and whether the presiding country can influence at least a little its role? A representative of the Hungarian presidency team claimed in an interview, that the “supporting” role during the Hungarian presidency period could be identified with a non-existent presidency of the state. She was supported by a representative of the Defense Ministry of Ireland who stated that, after the Treaty of Lisbon came into force, presidency became very passive. This is particularly evident in the presidency activity in Brussels, but possibilities are very limited in the capital as well. On the other hand, a high-ranking EU official emphasized in an interview that the role of the presidency still largely depends on the preparation and initiative of the state holding the presidency. Before the presidency of Poland began, a representative of Poland was convinced of it. She claimed that, differently from passive Hungarians, the Poles would at least seek to become a part of the process. As it is provided for in the Treaty of Lisbon, they will not form the agenda but will seek to make an impact on the agenda, to consult the EUHR, to encourage certain discussions. Consequently, it is likely that there is no uniform definition as to

38 An interview with a representative of EU institutions (II), 19 May 2011.
40 An interview with a representative of Hungary in Brussels, 4 May 2011.
41 An interview with a representative of Ireland in Brussels, 10 May 2011.
42 An interview with a representative of EU institutions (I), 24 May 2011.
43 An interview with a representative of Poland in Brussels, 18 May 2011.
who an assistant in the presidency is and that this may depend on the ambitions and influence of a state. Before the beginning of the presidency by Poland, it was expected that the presidency could slightly turn the center of power towards the presiding state. However, the Poles failed to do that. It is not worth expecting either from the currently presiding Denmark or from Cyprus and Ireland, whose presidencies will follow, that the powers of Member States will strengthen.

So long as the role of the presidency remains undefined, it would be complicated to accurately name presidency-related functions. Yet, having evaluated the experience of the states that have held presidency, we can see several general tendencies emerging, i.e. traditional functions within the presidency framework after the Treaty of Lisbon not only become narrower, but their nature also changes. A representative from the Permanent Representation of Lithuania to the EU emphasized that the presidency in essence now covers two functions: the organization of events in the capital and Brussels and a partial influence on the agenda.\(^4\)\(^4\) In the interviews conducted, several main presidency functions after the Treaty of Lisbon came into force manifested themselves: organizational, mediation-related and that of influencing the agenda. In fact, these functions largely coincide with former functions, but the scope of activity in all the functions have considerably decreased as well as the changed methods of activity.

### 2.1. Organizational Function

The organization of formal and informal events has always been one of the primary presidency functions. After the Treaty of Lisbon came into force, this function did not disappear, but its nature has changed. The organization of formal events was attributed to the EAS, whereas Member States were assigned the organization of informal functions. Informal events are semi-academic functions, the themes of which are proposed and the agendas are established by the presiding state or by informal meetings. The state holding presidency retains the function to organize informal meetings (informal meetings of ministers, informal meetings of policy directors, the PSC, PMG, CIVCOM, RELEX, Athena mechanism groups). The possibility to contribute (at least financially) during the presidency to the organization of two events by the European Defense Agency (EDA) is also retained. Hungary organized about 20–30 events on CSDP issues. Most of them were held in Hungary, and several in Brussels. A representative of Poland maintained that the Poles had to organize many events as well, but she also pointed out

\(^4\) An interview with a representative of Lithuania in Brussels (II), 4 May 2011.
that the organization of functions (particularly academic) is more a tradition than a must; besides, they cost a great deal; therefore, in the future, smaller states such as Cyprus or Denmark can in general refuse to do that.\footnote{An interview with a representative of Poland in Brussels, 18 May 2011.} It is worth mentioning that, though the Hungarians are sufficiently skeptically disposed towards Member States’ would-be presidencies in the area of CSDP and claim that the only serious tasks remaining for the presiding state are to logistically support informal meetings in the capital as well as consider on what themes to organize seminars in the capital,\footnote{An interview with a representative of Hungary in Brussels, 4 May 2011.} an appropriate exploitation of these existing formats can enhance the influence of the state holding the presidency. A Lithuanian representative claims that in the post-Lisbon environment, the organization of different informal, semi-academic events with the assistance of the EAS will become one of the primary functions of CSDP presidency. In such events, it is possible to propose agenda themes to the EAS, formulate both topics and content of the functions themselves as well as what is going to be discussed during the event.\footnote{An interview with a representative of Lithuania in Brussels, (III), 10 May, 2011.} Such events, provided they are successfully organized and their topics are well chosen, may be a perfect “step” for these topics to get to “the genuine ES agenda”. A representative of Lithuania maintained that informal meetings may become such a “step” as well. It is in informal meetings that the most interesting discussions usually take place. For example, an informal meeting of the CIVCOM group, held in Budapest in May 2011, was very interesting and successful. The Hungarians managed to invite the appropriate people from the EAS, and the latter raised the issues important to the Hungarians in the area of capabilities. Very good discussions were going on, and a non-binding document, which may later become a working one, was circulated.\footnote{Ibid.} Thus, the organization of both informal independent functions and the arrangement of informal meetings with prior preparation as well as proposal of interesting ideas may extend the powers of the presiding state.

The presidency of committees and working groups may also be attributed to the organizational function. After the Lisbon Treaty came into force, these functions are practically no longer performed by the presiding state. Even though it still arranges informal meetings, it no longer chairs them. Meetings of Defense Ministers are chaired by the EUHR, whereas informal meetings of Political Directors are chaired by the Head of the CMPD. The presidency of all highest level key CSDP institutions is held by the permanent chairmen. The Hungarians claimed that they held presidency of only 3-4 committees and groups,\footnote{An interview with a representative of Hungary in Brussels, 4 May, 2011.} whereas
a representative of Lithuania has forecast that Lithuania is going to chair only the Athena Group and the Steering Committee of the ESDC.\textsuperscript{50} However, the presiding state must be ready to chair at a higher level, too. For example, during the informal meeting of Defense Policy Directors which took place in Hungary in January, a Hungarian chaired the event, because the Directors of the EDA or the CMPD had not yet been appointed.\textsuperscript{51} Since both the Directors are in office already, such cases will be less numerous in the future. Besides, both representatives of EU institutions stressed that the task of the chairing state is to substitute for the HR in different roles in case the latter is busy.\textsuperscript{52}

Therefore, it is particularly important for the state preparing for the presidency to accumulate expertise on various issues of the EU agenda and be ready to present this expertise during the presidency.

Alongside the direct functions of the presidency in the area of CSDP, there are alternative presidency “channels” which can be used to raise CSDP issues urgent to the state. A representative of Lithuania emphasized that the presiding state still retains presidency in many institutions where CSDP-related problems may be raised (COREPER, Terrorism Working Group, RELEX Group, Development Group). Another possible format beyond the frame of the Council is the European Parliament. Although within this institution CSDP is institutionally represented by the EUHR, the chairing country may try to raise CSDP issues and propose resolutions in other formats. The influence through other international organizations cannot be dismissed either. At present, the issue of EU coordination in international organizations (the WTO, the OSCE, the UNO) is being considered; however, as long as it has not been resolved, security and defense issues may also be raised through them.\textsuperscript{53} In this case, good coordination between chairing institutions within the state becomes of the utmost importance.

Thus, although it is obvious that the presiding state has been left with only a formal organizational function and alternative “channels”, having made successful use of them, a Member State, at least so far, is capable of drawing the EU’s attention to the issues important to it, whereas a successful fulfillment of the organizational function becomes, in fact, the prime focus of the presidency within CSDP.

\textsuperscript{50} An interview with a representative of Lithuania in Brussels (I), 27 April, 2011.
\textsuperscript{51} An interview with a representative of Hungary in Brussels, 4 May, 2011.
\textsuperscript{52} An interview with a representative of EU institutions (I), 24 May, 2011 and An interview with a representative of EU institutions (II), 19 May, 2011.
\textsuperscript{53} An interview with a representative of Lithuania (IV), 28 April, 2011.
2.2. Establishing the Agenda

The function of establishing the agenda has never guaranteed an automatic transfer of the priorities of the presiding state to the EU level. A great number of issues that reached the EU agenda were inherited from previously presiding states; some part of them was dictated by the external environment; and only 5-10 percent of the agenda could be regulated by the chairing state. After the Lisbon Treaty came into force, the function of forming the agenda has rested on the EUHR and the EAS. True, the possibilities for the chairing state to transfer its national interests to the EU agenda are undergoing slight changes, depending on whether the presidency is executed from the capital or from Brussels and also on the level of the chairing state’s ambitions; however, the Treaty of Lisbon assigns this function exceptionally to the EUHR and the EAS. Alongside the other three states, the chairing state still prepares the presidency program of the trio as well as an individual presidency program, yet they do not form the priorities in the areas of CFSP and CSDP.

In fact, the states that have already held presidency had different experiences concerning this issue. During its presidency Belgium managed to formulate priorities in the area of CSDP and propose them to the EUHR. They also tried to influence the presidency agenda during the period of their actual presidency. The Belgians explained their success by an extremely close cooperation with the EUHR and the CMPD already prior to the Belgian presidency and during it and they were active and proposed such themes that were important not only to the Belgians, but also interesting and of significance to both the EU and Member States. An EU official admitted that the most important achievement of the Belgians was an informal Ministerial Meeting in Ghent. During it, Belgium not only managed to include the issues of importance to itself in the EU agenda but also to earn publicity. The Ghent initiative is also significant in that that attention to it did not abate after the Belgian presidency. Nevertheless, it is worth pointing out that during the Belgian presidency the EAS was not completely formed and had far fewer powers and ambitions; therefore, the fact that the Belgians proposed something was simply convenient for both the parties and did not at all depend on the capability of the Belgians to influence the agenda.

The EAS, which strengthened and gained influence during the Hungarian

55 An interview with a representative of Belgium, 5 May, 2011.
56 An interview with a representative of EU institutions (I), 24 May, 2011.
The Hungarian presidency, completely took over the function of drafting the agenda. As it has been provided for in the Treaty of Lisbon, the Hungarians had no presidency program in the area of CSDP or priorities; however, in this area, they tried to propose assistance and recommendations to the EUHR and the EAS. In an interview, one of EU officials emphasized that the presiding state must be attuned to the requirements of the Lisbon Treaty and should leave the function of forming priorities to the EUHR. Therefore, he suggests that recommendations put forward by a state should not even be called priorities since this could provoke a negative reaction from the EUHR. Nevertheless, the experience of Hungary shows that the EUHR is not inclined to take into consideration even sufficiently neutral recommendations. According to a representative of Hungary, after the Treaty of Lisbon came into force, it was already obvious that approximately 90 percent of the agenda was under the control of the EUHR, whereas during the Hungarian presidency it reached 100 percent.

A representative of Ireland is convinced that after the Treaty of Lisbon, the presiding state practically lost the possibility to influence the agenda. The presiding state may request to include issues in the agenda, but decisions on this question are taken by the EUHR and the EAS.

True, the EAS permits the chairing country to get acquainted with the agenda content prior to the others; and, the EAS and the country preparing for the presidency take part in all preparatory meetings. Yet these countries do not have even an advisory vote. A representative of Hungary claims that, most probably, the only possibility for the Hungarians “to get into direct touch” with the establishing of the agenda was during an informal meeting of Defense Policy Directors held in Hungary in January, when the Directors of neither the EDA nor the CMPD had been assigned and the presidency of the event fell to the Hungarians. The informal meeting of the ministers was already chaired by the EUHR and neither the EAS nor the EUHR asked the Hungarians to contribute to the agenda. Thus, it is hardly likely that similar possibilities could surface at the time of the forthcoming presidencies when heads of all main institutions are already in office.

In attempts to forecast a further direction of the distribution of powers between the EUHR and the presiding state, all eyes were directed to Poland. On the one hand, it is a state possessing considerable resources and influence; second, Poland is one of the countries of the Weimar initiative; third, the Poles could expect assistance from Mr. Maciej Popowski (Deputy EUHR for Security Issues) who,
in principle, might be identified with the HR within CSDP. A representative of Lithuania confirmed this, saying that “on the basis of the conversations with the Poles, a conclusion may be drawn that they associate the plans of their presidency with Popowski and do not see any possibilities without him.”

On the other hand, the strength of the Poles lies in human resources. The Poles could afford to participate in all working groups. Already prior to the presidency, each working group had at least a few Polish representatives. Nevertheless, despite Poland’s determination to take on an active role in the proposition of new initiatives to the EUHR as well as its attempts to influence the agenda, it should be admitted that with the Polish presidency approaching the end, there was, in essence, nothing new in the EU agenda on CSDP issues. Besides, it happened so because economic issues prevailed on the EU agenda. However, Poland’s hopes associated with the Weimar initiative were ruined because of the disinterest of other countries in this initiative. Thus, it is possible to state that in spite of its ambitions and size, direct opportunities for the presiding state to influence the agenda are minimal.

Regardless of essentially no opportunities for influencing the official agenda, a possibility of informal or indirect influence on the agenda remained. A representative of EU institutions said that the possibilities for a chairing state to draft the CSDP agenda remain in developing different kinds of non-papers. According to him, a good quality and properly prepared positions in terms of themes that help CSDP move forward are highly valued in EU institutions and have many possibilities for eventually being included in the CSDP agenda. A representative of Ireland believes that this tool was very effective earlier (particularly during informal meetings or in working groups), but now it encounters serious difficulties regarding its employment. One of the main challenges is a longer way for the issue to get into official formats. One of the reasons for that is the fact that the EAS is still lacking human resources. Seeking to include one or another issue in the official CSDP agenda during the presidency of a country, the latter should start acting a couple of years in advance. The first step is the formation of good, food-for-thought positions that are important to the entire EU or a larger part of its members. The second step is intensive negotiations with Member States and EU institutions concerning support. Yet even this does not guarantee that the issue will reach the agenda at the right time. In recent years, the EAS has been exerting

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61 An interview with a representative of Lithuania in Brussels (III), 10 May, 2011.
62 An interview with a representative of Lithuania in Brussels (I), 27 April, 2011.
64 An interview with a representative of EU institutions (I), 24 May, 2011.
65 An interview with a representative of Ireland in Brussels, 10 May, 2011.
66 An interview with a representative of Poland in Brussels, 18 May, 2011.
too much control over all levels of the agenda. Proposals can be accepted or rejected on the grounds of the availability of other issues on the agenda or simply because the agenda is full. Another way to indirectly influence the agenda by spreading unofficial positions during the presidency is the organization of seminars on a specific issue in the capital.

It should be noted that issues may be initiated by both a chairing and non-chairing state, forming unofficial positions in advance. Therefore, an informal function of forming the agenda is not a prerogative of the state holding the presidency. Since in order to put any issue on the agenda, it is essential to ensure as broad a support from Member States as possible, this function is most often used by powerful states that are capable of proposing something in exchange to other Member States.

A representative of EU institutions claims that in order to better understand the institutional balance change after the Treaty of Lisbon came into force, it is necessary to distinguish between the two functions: the establishing of the agenda and decision making. In the shaping of the agenda, the balance of power has markedly shifted towards the EU. In cooperation with the subordinates, the EUHR drafts the agenda. Member States practically have no possibilities for establishing the agenda, except through the Council, the PSC or by using other ways to try to influence the EUHR. However, due to the intergovernmental nature of CSDP, Member States remain key players in making decisions and “forming objectives” to the EUHR. The EUHR is only an executor of these decisions. In his opinion, the main institution where CSDP decisions can be influenced is the PSC.67 Another representative of EU institutions also emphasized that in order to influence the agenda it should be done only at the highest level.68 Possibilities for Member States to influence decisions of institutions of this political level are not associated with the presidency and often depend on the political weight of the state and its capability to ensure support from other Member States in advance. The best example is the Weimar letter which was initiated by France, Germany, Poland, and in which new CSDP initiatives were launched. According to the EU official, the EUHR cannot leave such initiatives out of consideration.69

Small states may try to form coalitions on one or another issue and coordinate these issues with the EUHR. However, a very broad supporting coalition, including large states as well, is necessary, whereas the issue must be important to the entire EU. It should also be noted that because of a very busy schedule and small interest in CSDP

67 An interview with a representative of EU institutions (I), 24 May, 2011.
68 An interview with a representative of EU institutions (II), 19 May, 2011.
69 An interview with a representative of EU institutions (I), 24 May, 2011.
issues, the EUHR has essentially transferred all control of CSDP to her Deputy Maciej Popowski; therefore, in using the concept the EUHR, the Deputy EUHR is often actually meant. He also chairs meetings of Political Directors. The fact that after this official took office, the area of CSDP has finally acquired a person responsible for it and may positively impact the communication between states and the EUHR.

After the Treaty of Lisbon came into effect, the formation of the agenda by employing direct ways of influence is practically disappearing in the area of CSDP. Yet it cannot be stated that this function is disappearing altogether. Similarly to the organizational function, the establishing of the agenda only acquires an informal character, i.e. unofficial positions during informal meetings or well before the beginning of the presidency, and also informal negotiations with other Member States in seeking support for the proposed initiative.

### 2.3. The Function of Mediation

Although according to the philosophy of the Lisbon Treaty, the presiding state no longer has the function of mediation as it was previously perceived, some slight role of mediation still remains. A representative of EU institutions emphasized that the presidency in the post-Lisbon environment primarily implies smooth communication between the areas in which the presidency of Member States has been retained and those that no longer have it, i.e. the interaction of the PSC and the Council with the COREPER, etc. Another significant part of the function of mediation is the mediation between the EUHR, the EAS and Member States. In the opinion of a Polish representative, “facilitating” first of all implies mediation. “If you are seeking to initiate some discussions, the first step is to negotiate with Member States, look for compromises. It is also very important to constantly maintain communication with the EAS.” Thus, the function of mediation remains, but its nature is very indefinite. One part of activity areas related to mediation may be attributed to the organizational function, i.e. smooth inter-institutional communication and communication between different areas during the presidency. Negotiations with Member States may be included in the function of establishing the agenda. However, in order to make a clearer distinction between functions and underline the importance of the communication function, the function of mediation is singled out.

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70 An interview with a representative of Belgium, 5 May, 2011.
71 An interview with a representative of EU institutions (I), 24 May, 2011.
72 An interview with a representative of Poland in Brussels, 18 May, 2011.
The conducted analysis of presidency roles indicates that though the main functions of the presidency of CSDP, in essence, have remained after the Treaty of Lisbon, Member States lost a major part of activities associated with these functions. The functions themselves have also considerably changed. For example, the importance of informal actions has grown, the significance of organizing informal events has also increased, the function of coordination with the EUHR and the EAS has been added, and a great amount of work has been transferred from Brussels to the capital. It is obvious that the redistribution of functions is still underway. Therefore, it is so far hard to foresee what the key functions of the presidency in the second half of 2013 are going to be. Cyprus, Denmark and Ireland that will hold presidency before Lithuania and which are smaller and have fewer ambitions in CSDP may leave little freedom of action to Lithuania in CSDP. A representative of Hungary is convinced that even if the Poles manage to slightly extend the powers of the state presidency within CSDP, these will again shrink after the presidency of Cyprus. A representative of Lithuania says that the starting point of the Lithuanian presidency will have to be determined after the end of the Danish presidency. It is likely that Lithuania will remain with the only role, the role of organizing seminars and informal meetings in the capital, and this role is going to be of a rather administrative nature.

The narrowed roles of the presiding state within CSDP and doubtful results pose the question as to whether it is worthwhile for small states to invest their limited resources in the presidency in this area or whether it is better to direct them to the areas where the presidency is still retained. A representative of EU institutions claimed that handing presidency of CSDP over to the EUHR and the EAS is in compliance with the philosophy of the Treaty of Lisbon and, therefore, should not damage the reputation of the state. He stressed that in such a case, it is important to convey this decision to the EUHR as soon as possible. In his opinion, the EUHR would take it as a natural phenomenon. At the same time, however, he admits that a minimal presidency will remain since the function of the presidency is retained in some institutions related to CSDP. In the opinion of other survey participants, this choice may have a negative impact on the treatment of the state. The Hungarians have chosen a passive strategy of participation and have received a lot of negative reactions. However, a conscious choice of the state to distance itself from the presidency in CSDP may raise suspicions that in this way it demonstrates its skeptical attitude to CSDP. In case of Lithuania, it may be associated with the obviously clear declaration of NATO prioritization regarding CSDP.

73 An interview with a representative of Hungary in Brussels, 4 May, 2011.
74 An interview with a representative of Lithuania in Brussels (III), 10 May, 2011.
75 An interview with a representative of Hungary in Brussels, 4 May, 2011.
76 An interview with a representative of EU institutions (I), 24 May, 2011.
3. Criteria and Preconditions of an Effective Presidency

There is no uniform formula for the evaluation of the presidency. A majority of academics researching these problems agree that to be considered effective, the presidency should be able to successfully end negotiations on the currently discussed issues, guarantee positive negotiation results, create a good negotiating atmosphere and achieve the goals set for the period of the presidency. The definition of an effective presidency also depends on what role the presiding state gives priority to in general and on concrete issues. Following the contingency management theory based on the model of demand (generated by the EU) and supply (provided by the presiding state), a successful presidency is one which is in compliance with the demand (existing at that time) of the chairing role and in which the commitments are successfully fulfilled. Taking into consideration the fact that after the Treaty of Lisbon came into force the presidency functions in CSDP kept changing, the criteria of an effective presidency need to be re-evaluated. A representative of Lithuania emphasized that during the presidency in any area it is essential to bear in mind that an effective presidency is a smooth presidency rather than representation of national interests at any cost. In his opinion, the success of the presidency should be evaluated more broadly than based solely on the achievement of particular objectives in one or another area: “it is important for a general presidency to be successful because through it we collectively become more influential, our reputation grows, individual capabilities are strengthened. A smooth presidency means that priorities are good, interesting to others, and there is a demand for them in the EU”. The presidency will be smooth and effective only if it meets the EU demand, i.e. what the EU (its Member States and institutions) will require from the chairing state. Of course, the situation may still change; however, it is likely that primary functions of the presiding state in CSDP will be the organization of semi-academic seminars and informal meetings. A representative of EU institutions says that even though the chairing state chose a totally passive role, it would not avoid some functions – chairing the institutions where it still remains, guaranteeing communication between these and other institutions. Some functions for ministers will also be retained. Thus, although “demand” for the presidency has significantly decreased, it still remains.

79 An interview with a representative of Lithuania (IV), 28 April, 2011.
80 An interview with a representative of ES institutions (I), 24 May, 2011.
3.1. Organizational Function

Almost all survey participants admitted that the organizational function will become the main function of the presiding state in the area of CSDP. The state must try to arrange a sufficient number of events (apart from informal meetings of working groups) on all important to the EU issues. To make the presidency successful, the organizational tasks entrusted to a Member State must be carried out smoothly. Recalling his participation in the Irish presidency team in 2004 and comparing it with the presidency after the Treaty of Lisbon came into force, a representative of Ireland admits that the differences are considerable. First of all, a major part of work of the chairing state is moving from Brussels to the capital. Thus, a smooth presidency is largely determined by good work in the capital, i.e. good organization of informal meetings and seminars.\footnote{An interview with a representative of Ireland in Brussels, 10 May, 2011.} A representative of Belgium also noticed that a smooth organization of events is a very important element of a successful presidency. In his opinion, organizational failures often become more significant to the results of the presidency than the content. Poor time management, calendar errors, insufficient communication are the main errors of presiding states.\footnote{An interview with a representative of Belgium, 5 May, 2011.} Taking into account the fact that in the CSDP of the post-Lisbon environment in general the organization of functions remains almost the only task, its significance, in the context of other functions, considerably increases. One of the essential preconditions of smooth organization is close cooperation with the EUHR and the EAS.\footnote{An interview with a representative of EU institutions (I), 24 May, 2011.} Yet, one should not leave out of consideration the fact that due to the organizational challenges that the EAS still poses, close coordination with the latter is not a very simple process; therefore, everything must be coordinated in advance and checked personally. A representative of Ireland stated that the latest example of poor organization was a formal meeting of Defense Ministers held during the Hungarian presidency when the EAS did not coordinate the agenda with the Commission, and the EUHR had to participate in both functions at the same time.\footnote{An interview with a representative of Ireland in Brussels, 10 May, 2011.} This may have consequences for the chairing state since the minister of the presiding state must formally represent the EUHR in case the latter is not able to take part in some function. Another untapped possibility is cooperation on organizational issues with the states of the trio, sharing functions and reducing organizational costs.
3.2. Establishing the Agenda

A successful performance of the function of establishing the agenda must end up with some legal act, resolution, guidelines and the like. However, after the Lisbon Treaty came into force, it has become complicated since the presiding state does not form an “official” agenda. A representative of EU institutions claimed that in regard to the issues of establishing the agenda, the presiding country can do nothing but act like an ordinary state. The EAS may have consultations with the chairing state, or invite it to preparatory meetings, but it does not mean that its propositions will be taken into consideration. In the post-Lisbon environment, the narrowed possibilities for establishing the agenda encourage the presiding states to look for other ways of linking the processes that are going on in the EU with the results of their presidency. A new tradition is being formed when the chairing state, prior to its presidency, tries to explore EAS “needs”, i.e. what issues will be on the CSDP agenda during the presidency, what positions might be needed; it is necessary to study these issues well, prepare propositions, seek the support of other Member States, retain a “solid line” during the presidency in arranging events, and, at the end of the presidency, to emphasize that the planned results have been achieved. The initiators of this tradition were the Belgians. The Belgian presidency of CSDP was evaluated as successful. The Belgians closely cooperated with the EUHR and the EAS and managed to succeed in having their propositions in establishing the CSDP agenda taken into account. A representative from EU institutions claimed that although in the area of CSDP the Belgians did not include anything in the presidency program, they succeeded in arranging successful functions, the themes of which later became a part of the agenda. Besides, they proposed to the EUHR and the EAS such themes which were very important to both Member States and the EUHR. True, a part of the Belgian success was determined by the fact that during their presidency the EAS was still experiencing a notable lack of human resources and was greatly dependent on the presiding state both financially and in terms of human resources; however, this practice of the Belgians has spread. The Hungarians and the Poles tried to use it, and the Irish and the Lithuanians are planning to as well. A representative of Lithuania stated that during the presidency “our goal is to closely cooperate with the EAS, analyze the “market”, determine what is needed, put forward propositions where they are pertinent and try to say that these are our priorities. Also, it is essential to bring

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85 An interview with a representative of Lithuania (IV), 28 April, 2011.
86 An interview with a representative of EU institutions (II), 19 May, 2011.
87 An interview with a representative of EU institutions (I), 24 May, 2011.
together a group of supporting countries (constantly) because as long as there is no support from other members, it is impossible to do anything.\[88\]

A Belgian representative related that they started their discussions with the EUHR and the EAS on the contribution of the presidency to the CSDP agenda 2-3 months prior to the beginning of the presidency, but the capital advised the start of preparations much earlier, approximately in summer of 2012.\[89\] A representative of Poland suggest that they should constantly and closely follow the agenda far in advance of the presidency, prepare people well, pool knowledge on different CSDP issues. Also, it is necessary to start discussions with Member States on support for priority issues as soon as possible.\[90\] A representative of Lithuania claimed that in the post-Lisbon environment it is vital to be aware and understand countries’ positions on each issue and be able to project them.\[91\] In spite of the changed balance of power, it is worth remembering that CSDP remains intergovernmental and the EUHR depends on Member States, therefore, they can formulate tasks for the HR. If the issue is well prepared and there is approval of Member States, the states maintain possibilities for influencing the agenda.\[92\] In the opinion of a representative of EU institutions, the Weimar initiative is a perfect example of the powers of Member States.\[93\] However, while seeking such an impact, the broadest possible support from Member States is needed; it is also important that large states support the initiative. Sometimes it is reasonable to be flexible and “wait for the proper time” until one or another priority becomes urgent without any effort.\[94\] According to a representative of EU institutions, one more factor that expands the boundaries of states’ influence is access to the “internal” information in the EAS; therefore, it is highly recommended that presiding states send their liaison officers to this institution.\[95\] In the opinion of a representative of Lithuania, the influence of the presiding state is greatly increased by a high level of expertise, capability to voice its position on any issue as often as possible.\[96\] However, only larger states possessing more considerable human resources can use these advantages.

According to another representative of Lithuania, it should not be forgotten that states retain the presidency on some important issues related to external relations, i.e. trade issues and visa issues. Member States still hold presidency in

\[88\] An interview with a representative of Lithuania in Brussels (III), 10 May, 2011.
\[89\] An interview with a representative of Belgium, 5 May, 2011.
\[90\] An interview with a representative of Poland in Brussels, 18 May, 2011.
\[91\] An interview with a representative of Lithuania in Brussels (II), 4 May, 2011.
\[92\] An interview with a representative of EU institutions (I), 24 May, 2011.
\[93\] An interview with a representative of EU institutions (II), 19 May, 2011.
\[94\] An interview with a representative of EU institutions (I), 24 May, 2011.
\[95\] An interview with a representative of EU institutions (II), 19 May, 2011.
\[96\] An interview with a representative of Lithuania in Brussels (I), 27 April, 2011.
the COREPER. He suggests that these remaining possibilities should be taken advantage of in establishing the agenda; for example, to implement the objectives of eastern neighborhood in this area in order to ease visa regime for Georgia. This can be applied to CSDP issues as well; for example, links between CSDP and the former third pillar, CSDP and trade can be sought.

3.3. The Function of Mediation

With the Treaty of Lisbon in effect, a Member State must ensure good coordination between the areas where the presidency remains within the competence of states and those where it is handed over to EU institutions. This function can be employed by transferring some issues of the CSDP agenda to the areas where Member States still hold the presidency. To perform this function successfully, good coordination of the presidency team, clear division of functions and constant cooperation with the EUHR and the EAS are necessary. It is important to start preparatory work on time, in close coordination with the EAS, arrange the schedule and divide the functions.

The function of mediation is also retained in negotiating for support from Member States on concrete issues. In this case, the success of the mediation depends on good knowledge of the content of the issue, preparation and relations with other states. A representative of Belgium advised to make up a map of countries’ interests eight months before the presidency and identify potential partners and opponents according to it and later continuously “measure the states’ temperature” on different issues. A Lithuanian representative thinks that Lithuania should exploit bilateral negotiations with other countries seeking support for its positions and offering support on the issues that are less important to us, but urgent to those countries. In his opinion, in the area of CSDP, it is possible to offer support to the French in the field of defense industry and in this way ensure an influential supporter. Prior to the beginning of the Polish presidency, in the research carried out by the Center for International Relations in Poland it was claimed that the implementation of increased ambitions of Poland during the presidency will depend on their ability to clearly formulate priorities and do that together with

97 An interview with a representative of Lithuania (IV), 28 April, 2011.
98 An interview with a representative of EU institutions (I), 24 May, 2011.
100 An interview with a representative of Belgium, 5 May, 2011.
101 An interview with a representative of Lithuania in Brussels (II), 4 May, 2011.
its partners. Although it is easier for larger countries to ensure support from larger partners, it has been noted that small states are less suspected of attempts to transfer their national interests to the agenda and therefore they gain support from other smaller states. No less significant are informal relations with key figures in CSDP: Catherine Ashton, Maciej Popowski, chairmen of working groups and committees. Being a newcomer in the presidency and lacking experience, Lithuania will still have to earn a good reputation and relations. A representative of Lithuania claimed that so far Lithuania is a country without a face and, therefore, the expectations of states concerning us will be largely formed depending on Lithuania’s actions during the presidency, but search for informal contacts should start as of this moment.

3.4. Other Preconditions of a Successful Presidency

Survey participants singled out some further preconditions of a general nature for a successful presidency: the appropriate level of ambitions, good distribution of functions and good coordination in the presidency team, political support and strong human resources.

In seeking a successful presidency, it is necessary to set a balanced level of ambitions. Ambitions must be “realistic”, yet not too modest. A representative of Lithuania stated that “during the presidency, the influence of small states reaches the level of influence of medium-size states (e.g. Spain). Accordingly, similar action formats can also be chosen.” However, no illusions should be cherished that it is possible to achieve serious changes in the EU within six months. This is particularly important in the area of CSDP. Consequently, presidency ambitions in CSDP should be defined in accordance with what is provided for in the Treaty of Lisbon and what is required by the EUHR. The most fatal errors of the presidency are disagreements at the national level over the level of ambitions and

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104 Ibid.
105 An interview with a representative of EU institutions (I), 24 May, 2011.
106 An interview with a representative of Lithuania (IV), 28 April, 2011.
107 An interview with a representative of Lithuania in Brussels (III), 10 May, 2011.
108 An interview with a representative of EU institutions (I), 24 May, 2011.
too great ambitions. Ambitions must also be tailored to the available resources. Too great ambitions force the presiding state to make many mistakes, there is also a danger that the majority of goals will not be achieved.

A representative of EU institutions claimed that in order to obtain good results, it is necessary to start with smooth teamwork; and for that not only clear division of functions, but also cooperation between institutions is needed. Of special importance in CSDP is cooperation between the MoFA and the MoD which should manifest itself not only by unity of action but also by a unanimous standpoint on all CSDP issues. He said that there have been some cases in the history of the presidency when because of poor coordination or disagreements between these institutions the presidency was ruined. Political support for the presidency and presidency priorities is very significant too. For example, a changed position of the state on one or another issue after an election can seriously harm the image of the state as well as presidency success. In order to ensure political support, following the Hungarian example, political agreement between parties might be sought which would oblige them to guarantee consensus during the presidency. A representative of Lithuania stressed that serious problems may arise from some speeches by highest officials; therefore, it is necessary to know how to manage these risks.

One of the most important preconditions for a good presidency is to properly select and prepare people. A representative of EU institutions maintained that members of a presidency team must have considerable knowledge of the post-Lisbon structure and themes of the area. He suggested that in making up a presidency team, Lithuania’s experience of the OSCE presidency should be used. A representative of Ireland claimed that, during the preparation for the presidency, they paid much attention not only to the preparation of people but also to their motivation, granting broader powers to them and relating the presidency to their career possibilities. An appropriate number of people in the presidency team is also important. In order to determine it, a Member State has to evaluate the level of ambitions and consider the number of people in the capital and Brussels, taking into account the fact that the balance of the scope of work is shifting towards the interest of the capital. Regarding the number of people needed in Brussels, there was a divergence of opinion among survey participants, yet this fact was determined by different experience of the presidency. A representative of Belgium stated that

109 An interview with a representative of Belgium, 5 May, 2011.
110 An interview with a representative of EU institutions (I), 24 May, 2011.
111 An interview with a representative of Lithuania in Brussels (II), 4 May, 2011.
112 An interview with a representative of EU institutions (I), 24 May, 2011.
113 An interview with a representative of Ireland in Brussels, 10 May, 2011.
the number of human resources needed remains the same as for the pre-Lisbon Treaty presidency. A representative of Ireland said that under present conditions, it is almost unnecessary to expand a permanently working team. During the presidency, the Irish will need one additional post at the representational level. A representative of Lithuania stated that the problem of Lithuanian human resources is two-sided; on the one hand, there is a lack of people (Lithuania has fewer people monitoring CSDP issues in Brussels than other states); on the other hand, the issue of their subordination has not been resolved yet. Lithuania has no separate advisors on the EU defense policy and they all are personnel of the Lithuanian mission to NATO. This may cause difficulties during the presidency, trying to ensure the continuity of action in the presidency. A representative of Lithuania stressed that a sufficient number of people involved in the presidency in the capital and the level of their expertise are equally important. The presiding country must be ready for contingences, for example, a possible crisis and an EU mission related to it. The EU expects the presiding country to contribute to the EU mission at least during the period of the presidency. The Defense Ministry of Hungary had resources provided for in its reserve had the EU decided to launch a mission in Libya. One more important aspect is proper working conditions. A representative of EU institutions emphasized the need for a broad and flexible mandate for those chairing in the capital so that they would not have to coordinate every minor issue with their colleagues presiding in the capital. Appropriate IT solutions greatly contribute to the coordination with the capital. Smart phones and video conferencing possibilities largely facilitate the work of the presidency team and enhance its effectiveness.

An important precondition for the presidency is a communication plan or strategy. The chairing state has a general presidency communication strategy, but it should be borne in mind that CSDP must be a part of it. A good communication strategy may increase the visibility of the country in the world and help manage different potential risks as well as enhance the visibility of the EU within the state. By using this strategy, it is possible to try to build society’s support for concrete issues. By means of this strategy, the place of Lithuania in CSDP may be explained and a greater support for both CSDP and the involvement of the

114 An interview with a representative of Belgium, 5 May, 2011.
115 An interview with a representative of Ireland in Brussels, 10 May, 2011.
116 An interview with a representative of Lithuania in Brussels (I), 27 April, 2011.
117 An interview with a representative of Lithuania (IV), 28 April, 2011.
118 An interview with a representative of Lithuania in Brussels (I), 27 April, 2011.
120 An interview with a representative of EU institutions (II), 19 May, 2011.
Lithuanian military forces in CSDP may be ensured. However, the EUHR often complains of the lack of CSDP visibility, so a good communication strategy in the formation of a positive image of CSDP in Europe and the state may result in a more considerable support of the EUHR.

Having evaluated the arguments of the survey participants, several criteria of a good presidency may be distinguished. First, the functions and content of the presidency must be very accurately coordinated with the EUHR and meet EU “demand”. Second, the presidency within CDSP must be coordinated with other areas chaired by the state. Third, the organization of functions operating during the period of the presidency must be faultless. During a good presidency, at least several semi-academic events on the topics important to the development of CSDP must be held. Fourth, during the presidency, a state may undertake the role of a mediator, trying to informally ensure the support from Member States on one or another issue of the agenda.

Conclusions

In an attempt sum up and generalize the main features of the new presidency environment, it is important to recognize that this institutional environment is still undergoing formation and the redistribution of functions is still on-going. All four states that have held presidency after the Treaty of Lisbon came into force have been presiding under different conditions; thus, it is hard to find common denominators that would explain the existing institutional environment, both formal and informal relations, functions or criteria of an effective presidency. Nearly all interview participants underlined that prior to the Lithuanian presidency, both the institutional environment and operational possibilities and effectiveness criteria will still be changing and it will be possible to put together a more accurate picture of the possibilities of Lithuania’s presidency only after the Danish presidency. Nevertheless, several key tendencies related to the presidency in the area of CSDP may be distinguished.

First, the balance of power within CSDP is obviously changing in favor of the EUHR and the EAS. This tendency is increasing with the growth of the EAS.

Second, although the traditional roles of the presidency within CSDP remain, their character has considerably changed alongside the change of the presidency; formal functions of the organization of events, establishment of the agenda and mediation have been substituted with the informal ones (organization of informal events, formation of informal positions, and informal mediation between Member States and EU institutions). A direct presidency of CSDP institutions, after the Lisbon Treaty came into force, has practically disappeared.
Third, a change in functions has affected the factors determining a successful presidency. They can be defined as: a) close cooperation with the EUHR and the EAS, main institutions holding the presidency within CSDP. The functions and content of the presidency must be very accurately coordinated with the EUHR and meet EU “demand”; b) good coordination between the areas where a state is still holding presidency and those where this function was transferred to the EUHR; c) good organization of functions held during the presidency; d) a well fulfilled mediation function while negotiating with Member States over support. Successful accomplishment of these factors is largely determined by the following preconditions: an appropriate level of ambition, good division of functions between both the EUHR and the presiding state’s institutions, good coordination in the presidency team, political support in the country and strong human resources.

Provided the current tendencies continue to strengthen, the burden of the presidency that is going to fall to Lithuania in the area of CSDP will not be very heavy; however, successfully performing the tasks, though not numerous, will pose a serious challenge to Lithuania, as it is going to hold the EU Council presidency for the first time. Therefore, it is important to prepare for this challenge properly.

February, 2012
Prospects for the Development of Nuclear Energy in the Baltic Region

The article aims to evaluate the prospects of construction of a nuclear power plant in Lithuania and the possible benefits, as well as to analyse the decisive factors of development of nuclear energy in Europe and worldwide. Attention is paid to the increasingly stringent regulation of the development of nuclear energy, which may play a role in the growing competition among the nuclear power plants built in Lithuania, Russia and Belarus. The article ends with the conclusion that despite the high costs of construction of nuclear power plants, pending problems of disposal of spent nuclear fuel, rapid development of renewable resources and other factors, nuclear energy will retain its role in the energy balances of the countries in the region. The article also gives a positive assessment of the possibilities of construction of a nuclear power plant in Lithuania.

Introduction

In 2011, 441 nuclear reactors were in operation around the world. Among them, 104 nuclear reactors were running in the US (10 more reactors are scheduled to be built), 58 (2) in France, 55 (14) in Japan, 21 (11) in South Korea, 19 (4) in the UK, 18 (5) in Canada, 6 (2) in the Czech Republic. The largest share of nuclear energy was also generated by nuclear power plants in the West, for instance, the electricity produced by nuclear power plants amounted to as much as 75% of the total energy produced in France, 53% in Slovakia, 51% in...
Belgium. In the meantime, as many as 2.4 billion people faced a shortage of electric power supply and 1.4 billion people lacked any access to electricity in the remaining part of the world. According to UN Secretary-General Ban Ki-moon, to achieve the Millennium Development Goals, all energy generation technologies, including nuclear power, will have to contribute to the supply of those people with electricity\(^1\). The development of nuclear power is also driven by another important factor. The phase-out of nuclear power in the West alone would boost the demand for natural gas by over 400 billion cubic meters by 2045. Therefore, nuclear energy is a tool to the partial reduction of dependence on exhaustible conventional energy sources.

In the context of strengthening energy security, the EU institutions finance the development of cross-border electricity and gas links, and develop a formal and informal dialogue with the existing and potential EU partners in the areas of extraction and transportation of energy resources. Furthermore, the Member States invest in specific plants, including nuclear power plants. It is projected to build at least four nuclear power plants (NPP) in the Baltic Sea region in the ten upcoming years, one of them in Lithuania. It should be noted that not only energy systems but also all prospects of economic development in the country are associated with the development of nuclear energy: strategic documents maintain that it is exactly the new NPP that will determine the assurance of sufficient local capacities to meet the demand of the local electricity market. However, it will not be easy to build a NPP in Lithuania – as a result of the plans of construction of equivalent objects in the neighbourhood (in Kaliningrad, Belarus, Poland), as well as the deteriorating Lithuanian political relations with the countries participating in the project, economic and financial instability in Europe, sufficient momentum in the expansion of alternative energy generation capacities and other objective circumstances.

When analysing the decisive factors in the development of nuclear energy, it should be noted that the approach of the global community, the EU institutions and its Member States, including the states of the Baltic Sea region, towards the development of nuclear power is neither unanimous nor stable. In other words, it is under ongoing evolution – agreements and commitments are continuously replaced by new, more relevant decisions in line with the changes in the situation. Due to the changes in the situation, the agreements concluded more than five years ago fall into oblivion – therefore, the present study focuses on the discussion on the most relevant tendencies and agreements. With the EU, the International

\(^1\) United Nations High-Level Meeting on Nuclear Safety and Security convened by the Secretary-General, 22 September 2011.
Atomic Energy Agency (IAEA), other international institutions recognising that the development of nuclear energy is a matter for the countries to decide for themselves, the article focuses on the progress and motives of the countries in the region determined to develop this type of energy, as well as the impact of external factors on realizing the plans. It is driven by two goals: to give an objective evaluation of the prospects of construction of a new NPP in Lithuania and its impact on Lithuania’s energy security.

The article essentially supports the public opinion expressed on several occasions that one or two export-oriented nuclear power plants will have the potential to function in the region successfully. Considering that Lithuania will also seek to export the energy generated in the Visaginas Nuclear Power Plant (VNPP), we must inevitably compare the project supported by Lithuania with the progress made in the implementation of equivalent projects in the neighbouring Kaliningrad, also Belarus, and Poland. Whereas the VNPP project is a cross-border project, it is necessary to analyse the energy interests of both Lithuania and other countries of the Baltic Sea region when making an evaluation of its prospects. The construction and operation of the power plant will definitely have an effect on the energy and economic security of the countries participating in the project, as well as the bilateral relations of the project partners – the second and the third sections of the article are dedicated to the discussion of these aspects.

The evaluation of the impact of a new NPP on the energy security of the country and the region, financial and economic nuclear safety and other aspects of construction of the NPP in Lithuania mostly relied on the national and EU legal acts, also non-classified information on the construction of nuclear power plants. The insights of Lithuanian scientists (both opposing to, and supporting the implementation of the VNPP project) on financial, legal and political aspects of NPP construction, the NPP impact on environment and the energy security of the Baltic States proved to be particularly useful. However, the study also paid significant attention to the legal regulation of construction of nuclear power plants, i.e. the analysis of the requirements and recommendations enshrined in the documentation of Lithuania, the EU and other international organisations.
1. Legislative Framework of Nuclear Energy Development

The Treaty establishing the European Atomic Energy Community (Euratom) signed in 1957, which declares the support of the European Communities to the development of nuclear energy, is still in force in the EU. It would be reasonable to believe that the present differences of opinion among the EU Member States on the development of nuclear energy can be harmonised in accordance with said treaty, through discussions on the modification of the treaty, etc. This seems all the more so since the afore-mentioned treaty imposes serious obligations on the Member States; for instance, Article 37 requires that each Member State is to provide the Commission with general data relating to any plan for the disposal of radioactive waste. However, in the absence of clear mechanisms on the performance and control of obligations in the treaty and with the Member States themselves seeing Euratom as a more technical rather than political instrument, today, the most considerable attention is paid to the creation of a new legislative framework regulating nuclear energy. The article continues with a review of the most current and relevant national, EU and international legal acts regulating the development of nuclear energy.

1.1. National Legal Acts, Decisions Relevant to the VNPP Project, Commitments and Recommendations

The construction of a new NPP in Lithuania is regulated by the Law on the Nuclear Power Plant adopted in 2007, the resolutions of the Government specifying it, as well as the orders of the minister of economy and the minister of environment, environmental impact assessment reports and other documents. Among the most important instruments in this field (not to mention the plans, studies and strategies of construction-site evaluation, territorial planning, transportation, radioactive waste management, business model and financing, etc. prepared at the initiative of the VNPP) are Resolution No 300 of 22 April 2009 adopted by the Government of the Republic of Lithuania “On the Approval of the Strategic Directions of the Implementation of the New Nuclear Power Plant Project in Lithuania”, Resolution No 1143 of 9 September 2009 of the Government of the Republic of Lithuania “On the Setting-up of the Commission for the Supervision of Implementation of the Project of the New Nuclear Power Plant in Lithuania” and Resolution “On Draft Law No XIP-385 Repealing the Law on the Nuclear

All of the aforementioned documents essentially support the construction of the VNPP; all the legal, financial and organisational preconditions for implementing the project are met. Furthermore, it should be noted that all the said legal acts were adopted implementing the National Energy Strategy approved by the Seimas on 18 January 2007, which sets out the national goals of energy development in direct association with the nuclear energy in Lithuania²: 1) development of primary energy sources in restoring nuclear energy; 2) ensuring of continuity, succession and development of safe nuclear energy. Apart from other things, this strategy refers to the new NPP as one of the measures which are expected to increase Lithuania’s energy security and to tackle the problem of climate change.

The new National Energy (Energy Independence) Strategy (drawn up by the Government and still pending the approval of the Seimas in 2011) stipulates that the implementation of all long-term national goals in energy sphere rests on the construction of the new NPP. This document refers to the development of nuclear energy as a prerequisite for the country’s energy independence. Hence, the legislative framework currently applicable in Lithuania refers to the construction of the new NPP in the country as the key strategic goal in pursuance of the country’s energy independence, balance of production and consumption of electricity, efficient use of the existing energy system and the experience of operation of nuclear technologies.

1.2. EU Regulation

The EU treats nuclear energy as an important part of a balanced energy structure contributing to the objectives of the EU in reducing the carbon dioxide emissions and attaining other goals of the EU energy policy by 2020 and by 2050. These preconditions are also reflected in the medium-term scenarios of energy consumption.

² National Energy Strategy approved by Resolution No X-1046 of 18 January 2007 of the Seimas of the Republic of Lithuania
However, according to the case-law of the European Court of Justice, nuclear safety falls within the shared competence of the EU and the Member States\(^4\). This means that the Member States have a right and obligation to adopt mandatory legislation in the areas regulated by the Convention on Nuclear Safety (adopted in 1994). The EU has the priority in setting the general principles of legal regulation but it is up to the Member States themselves to decide on how to incorporate the decisions taken at the EU level to the national law, what national policy measures to apply and how to implement the minimum requirements set by the EU, taking into account the specific characteristics of the national energy policy and law-making.

As far as the EU responsibility limits are concerned, it is worth mentioning the Council Directive of 25 June 2009, which establishes a Community framework for the nuclear safety of nuclear installations\(^5\). The Nuclear Safety Directive also sets out other EU objectives in this area: 1) an obligation to establish and maintain a national legislative, regulatory and organisational framework for nuclear safety of nuclear installations; 2) an obligation to establish and maintain a competent regulatory authority in the field of nuclear safety of nuclear installations; 3) the general principle according to which the prime responsibility for nuclear safety of a nuclear installation rests with the licence holder, i.e. an organisation operating a nuclear installation; 4) an obligation to maintain and to further develop expertise...

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\(^4\) Cases of the European Court of Justice: *Land de Sarre and others v Ministre de l’industrie* (C-187/87), *Commission v Belgium* (C-376/90), *Commission v Council* (C-29/99).

and skills in nuclear safety; and, 5) an obligation to ensure that information in relation to the regulation of nuclear safety is made available to the general public.

Even though the EU institutions have not yet developed a legal framework prescribing the Member States what energy resources to use, what to produce or from where to import, the European structures (which, by the way, also refer to the Euratom Treaty) express their strong support to the research targeted at safety and technological development. Furthermore, among the four priorities for the general European energy policy enshrined in the Lisbon Treaty (creating an internal market; guaranteeing security of supply; promoting the use of renewable energy; and promoting efficient use), the first two also apply to the development of nuclear energy. In fact, at this point we face a dilemma – how to combine the plans of the EU infrastructure development and the establishment of a single market with rather diverging visions of the Member States as regards the values of traditional and alternative resources in their energy balances and with the decisions adopted at the national level as to the construction or decommissioning of nuclear power plants, conclusion of long-term agreements with resource suppliers, etc.

It is worth remembering that in the Euratom Treaty, the Member States resolved “to create the conditions necessary for the development of a powerful nuclear industry”. Relatively recently, in 2007, the European Nuclear Safety Regulators Group was established at the initiative of the EU, and in 2009 the Council adopted a directive on nuclear safety. At the first Special Energy Summit in February 2011, the European Council drew the Conclusions calling to uphold the highest standards for nuclear safety at the international level. It should be added that the expansion of nuclear energy in the EU is considered one of the measures helping to cope with climate change\(^6\). It can also be proven by the Council Conclusions of 4 February 2011\(^7\) recognising nuclear energy as a low-carbon energy technology along with renewable energy sources.

However, the EU is increasingly focusing on tightening nuclear safety requirements within the EU and beyond its borders at the initiative of the opponents to the development of nuclear energy (Ireland, Austria, Greece, Lichtenstein, Laskiai, Spain).

\(^6\) The EU Member States resolved to reduce the greenhouse gas emissions by an average of 20% (compared to 1990 levels); to increase the share of renewable energy sources in the final energy consumption to 20%; and to achieve a 20% increase in energy efficiency by 2020. COM(2010) 2020 final, Brussels 3 3 2010. (Communication from the Commission Europe 2020 a Strategy for Smart, Sustainable and Inclusive Growth).

\(^7\) European Council 4 February 2011 Conclusions.
Luxembourg, Malta and Portugal can be attributed to this group. On 25 March 2011, the Heads of States and Governments of the EU Member States concluded that the safety of all EU nuclear power plants should be reviewed on the basis of the so called ‘stress tests’. On 25 May 2011, the European Commission and the European Nuclear Safety Regulators Group (ENSREG) agreed on the scope and modalities for comprehensive risk and safety assessments of EU nuclear power plants. In accordance with the applicable requirements, the tests of resistance to the most unfavourable operational states (natural disasters, aircraft crashes, terrorist attacks, etc.) of 143 nuclear power plants operating in the EU based on a set of common criteria started on 1 June 2011. We may say that with this initiative the EU has taken an essential step towards a broader competence in shaping the nuclear energy policy of the Member States. However, it is yet too early to assert that the EU has taken the initiative in the area of construction of nuclear power plants – the national regulatory bodies of nuclear safety carry out the same ‘stress tests’ in the EU Member States.

1.3. IAEA and Espoo Mechanisms

After the Fukushima nuclear accident, United Nations (UN) Secretary-General Ban Ki-moon highlighted the need to strengthen the safety of nuclear power plants by establishing strong international safety standards. If the proposal was realized, it would also mean the strengthening of the capacity of the relevant international organisations – particularly the UN International Atomic Energy Agency (IAEA). However, Yukiya Amano, IAEA Director General, believes that it is only possible if governments, regulators and plant operators work together with the IAEA. Nevertheless, the IAEA has already showed its capacity in proposing certain specific initiatives, for instance, the Action Plan on Nuclear Safety. The 12-point action plan includes the recommendations to the countries: strengthen emergency preparedness and response; strengthen the ef-

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9 This tendency does not only reveal in the public commentaries and statements of the Heads of the EU Member States on this issue but also in the commitment of the European Commission to allocate an extra 110 million euro donation for the construction of a new sarcophagus over the exploded Chernobyl nuclear reactor.
10 Declaration of ENSREG - EU “Stress Tests” Specifications, 25.05.2011.
fectiveness of national regulatory bodies; ensure the ongoing protection of people and the environment from ionizing radiation following a nuclear emergency; enhance transparency and effectiveness of communication; effectively utilize research and development, etc. However, at this point the organisation limits with recommendations and does not interfere with cross-border or domestic disputes in relation to the construction of NPP.

The Convention on Environmental Impact Assessment in a Transboundary Context (Espoo) is yet another instrument targeted at the strengthening and implementation of nuclear safety requirements. In the framework of this Convention, the neighbouring countries undertake to inform on the planned construction of the objects which may have any potential adverse environmental impact and to involve the neighbouring countries in the environmental impact assessment (EIA) processes. The list of activities regulated by the Espoo Convention covers the nuclear power stations and other nuclear reactors, including installations designed for production or enrichment of nuclear fuel, also installations for the reprocessing of irradiated nuclear fuel or for the disposal of irradiated nuclear fuel. In other words, the provisions of the Espoo Convention regulating the environmental impact assessment procedures of the projected activity apply in respect of the aforementioned installations.

According to the agreements under the Espoo Convention, the final decisions on the projected NPP must be taken and the actual works must be commenced upon the evaluation of the environmental impact assessment results only, including the commentaries of the countries participating in the process and the conclusions of consulting with the said countries. It should be noted that the EIA procedures do not only seek to answer whether to allow the construction of a NPP or not but also to identify the alternatives for construction of a NPP and the possible measures for mitigating the environmental impact to make sure that the impact would not exceed the permissible limits, etc. The applicable national legislation, as well as normative and territorial planning documentation must answer a question whether the projected activity is essentially possible. If the projected activity is in breach of the laws or official normative documentation, the EIA procedures shall not be initiated at all. However, it can be concluded that, like in the case of the IAEA, the agreements binding in the framework of the Espoo Convention cannot be considered a decisive factor in accelerating or preventing from the construction of a specific power plant.
2. Development of Nuclear Energy in the Region: What Constructions are Projected and Where?

According to the current projects, four nuclear power plants in total are being planned for construction in Lithuania, Poland, Belarus and the Kaliningrad Region at a similar time; the construction of another nuclear power plant is already in progress in Finland. With the progress of development of nuclear power plant projects, the growing energy demand, the increasingly stringent environmental standards regulating CO₂ emissions and too little attention to alternative energy projects in mind, we may have no doubts that at least one nuclear power plant will definitely be constructed in the region in the upcoming ten years. Yet another question is: which one and what will happen to the remaining projects?

2.1. Projects of Construction of Nuclear Power Plants and Their Prospects

This sub-section gives a short review of all projects of construction of nuclear power plants discussed in the public domain and in progress of construction, as well as the prospects of their implementation.

2.1.1. Visaginas Nuclear Power Plant and Its Prospects

The Japanese company Hitachi Ltd. together with Hitachi-GE Nuclear Energy Ltd. were selected as the strategic investor for the VNPP. According to the Ministry of Energy of the Republic of Lithuania, by proposing a 1300 MW capacity advanced boiling water reactor (ABWR), the company made the most acceptable proposal in economic, legal and technical terms\(^\text{14}\). The nuclear power plant is expected to be built by 2020; it should supply electricity to the Baltic States and Poland; export opportunities to the directions of the East, the West and the North are under consideration. In the VNPP project, Lithuania should hold the largest portion of shares, i.e. no less than 34% of the shares; a part of shares will most likely go to the Japanese company, as well as Estonia and Latvia, who have participated in the negotiating procedure with them since the initial stage, and

\(^\text{14}\)Compared to other technologies, ABWR-type reactor is asserted to consume less nuclear fuel and stands out for its higher level of nuclear fuel combustion and longer estimated useful life. Four reactors of this type already operate in Japan, two more are under construction, other two reactors are in progress of construction in Taiwan.
possibly Poland. In line with the requirements of Article 41 of the EURATOM Treaty, the notification of the VNPP project was officially submitted to the European Commission. The American electricity infrastructure company Exelon joined the VNPP project in the middle of 2011 as a project engineer. Once the key principles of the Concession Agreement were coordinated in the second half-year of 2011, on 23 December Chairman of the Concession Tender Commission and Vice-Minister of Energy Žygimantas Vaičiūnas and Vice-President of the strategic investor Hitachi Masaharu Hanyu signed an agreement on the content of the Concession Agreement and the determination of the integral parts thereof.

However, the end of 2011 gradually showed that Lithuania’s regional partners in the VNPP project were driven by rather different goals in comparison to Lithuania’s. In the early December, the Polish energy company PGE announced its decision to freeze its participation in the project. The company’s decision can be seen as a tactical step (perhaps even without coordination with the government) in negotiating the long-standing requirement to dedicate at least 1000 MW of the energy capacities of the new NPP for Polish needs. However, the plans of PGE and the Polish government to construct several nuclear reactors on the territory of Poland with reference to the EU requirements on the reduction of carbon dioxide emissions as well as the deteriorated political relations between Warsaw and Vilnius must not be forgotten as well. The worst part is that Poland’s final withdrawal from the project may reduce PGE’s motivation to complete the construction of the Lithuanian-Polish interconnection LitPol Link – it is a decisive project in the endeavour of the Baltic States to connect to ENTSO-E’s synchronous grid of Continental Europe for synchronous operation\footnote{ENTS0-E (European Network of Transmission System Operators for Electricity) system connects 42 operators of transmission systems across 34 countries}. Latvia also asked Lithuania some additional questions by declaring that it was not convinced of the benefit of integration to the synchronous grid of Continental Europe (ENTSO-E). With these circumstances in mind, even if the VNPP project was realized, there is a chance that it would not guarantee energy independence in electricity sector for Lithuania. As a result, questions would be brought forward as to the purpose of implementation of the project itself.

2.1.2. Baltic Nuclear Power Plant

The construction of the Baltic Nuclear Power Plant (BNPP) in Kaliningrad Region (near the town of Neman) is being carried out by the Russian company Rosatom. Yet another Russian energy giant – InterRao JES – is responsible for
the project’s financial schemes and negotiations with potential foreign investors. Two VVER 1200/491 type reactors of 1200 MW capacity each supplied by the Russian company Atomstroyexport will be constructed. It is projected that the first reactor will be launched in 2016 and the second will be put into operation in 2018 (two more reactors can be constructed in Kaliningrad by 2025). It was planned to obtain the licences for the construction of the two reactors by the end of 2011, and the contracts for construction works are expected to be prepared by 2013. An important further note: the key political decisions on the construction of the reactors were taken as far back as 2008-2009; the preparations of the site for the power plant began in 2010. With Rosatom planning to sell up to 49% of the shares of the Kaliningrad Nuclear Power Plant, investors from Austria, Czech Republic, Spain, Italy, France and Germany are mentioned. According to official 2011 estimates, the nuclear power plant in Kaliningrad should cost 6 billion euro. The power plant is expected to supply the consumers of Kaliningrad Region with electricity (to ensure a reliable electricity supply to local consumers independently from the Baltic countries after they become a part of the ENTSO-E network), to reduce the consumption of natural gas for the production of electricity and to ensure conditions for the export of electricity to the neighbouring countries.

The chances that the power plant in Kaliningrad will be constructed are particularly high. It is determined by one major circumstance: Moscow takes advantage of nuclear energy (like oil and gas) in pursuit of political and economic goals in Russia and the neighbouring countries. For instance – to reduce gas consumption in the internal market (thus meeting gas export obligations), to block the construction of a power plant in Lithuania, thus maintaining the dependence of the Baltic countries on the import of gas and electricity from Russia, and to contribute to the compensation of Germany’s energy generation deficit determined by the Berlin decision to phase out nuclear energy. A new nuclear power plant in Kaliningrad would help to keep the countries of Western, Central and Eastern Europe “tied” to the Russian energy policy; hence, it can be seen as one of the priority instruments of the Kremlin strategy. These objectives may be realized irrespective of Lithuania’s attempts to neutralise them: in 2010 Russia made a proposal of collaboration to Poland in constructing the Baltic NPP, importing electric power and building a link between Kaliningrad and Elblag, which Russia could use for the export of energy to Poland and Germany.

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17 Ibid.
18 The French bank Société Générale has been selected as the investment consultant; the international company WorleyParsons is a technical consultant, while the company Norton Rose provides legal consultancy services.
Though back then PGE refused to participate in the construction of the BNPP, in 2010 it began the negotiations with Inter RAO on the opportunity to build a link between Poland and Kaliningrad.

However, there is also a chance that the nuclear power plant in Kaliningrad will not be constructed or it will not be exploited in full capacity if constructed. Such a scenario is possible if the BNPP failed to agree on the export of a substantial share of electricity to Western and Northern Europe – it would respectively increase the risk of investment, and could potentially deter foreign investors or slow down the production of electricity and increase its price. The Baltic States (they all are stakeholders in the VNPP project) and Poland (participating in negotiations over the VNPP project and planning the construction of its own nuclear power plant) would support such a sequence of events. It should be noted that the needs of Kaliningrad could be satisfied by exploiting the capacities of a new gas-fired power plant – if it is put into operation, the BNPP will have to export as much as 80% of the generated energy. However, the export of energy to Poland, Germany, and Scandinavia is limited by the lack of physical infrastructure – even though the link projects implemented by Lithuania and Poland would solve a part of the existing difficulties, at least Vilnius could succeed in preventing the use of the infrastructure for the export of electricity generated in an “unsafe” power plant. However, it is yet difficult to tell what the position of the Baltic States, Scandinavia, Poland and Germany (the said countries also have the power to determine the EU policy in terms of the BNPP) will be when the BNPP becomes a reality (Moscow can construct a nuclear power plant without a clear plan of how electricity will be sold)\(^{19}\). For instance, though officially Lithuania categorically objects to the construction of the BNPP (for the reason of the BNPP “unsafety”), in March 2011 InterRAO Lietuva signed an agreement with InterRAO JES on the opportunity to supply up to 1000 MW of electricity from the BNPP to the Baltic States and the neighbouring countries in 2017–2036.

### 2.1.3. Astraviec Nuclear Power Plant

The key political decisions relating to the construction of the nuclear power plant in Belarus were adopted in 2007–2008. The construction of the nuclear power plant is the responsibility of the state enterprise Belnipienergoprom; the Russian Atomstroyexport should supply the reactors; the agreement on the imple-

\(^{19}\) Baltes.ru *The Baltic NPP project meets all current international safety requirements. It combines active (requiring human interference and a power source) and passive (not requiring operator’s actions and a power source) safety systems http://baltaes.ru/wps/wcm/connect/baltaes/siteeng/temp/Nuclear+safety, 21.11.2011.*
mentation of the project was signed with Rosatom. Two reactors are projected to be constructed in Astraviec district: the first should be put into operation in 2017, while the second reactor will be fired up in 2018. According to the Belarusian authorities, the actual reactor construction work will start in spring 2012. The power of both reactors of the NPP is expected to amount to 2400 MW. The power plant will be equipped with new-generation Russian reactors AES-2006. According to the official estimates of 2011, the project value will equal to 9 billion US dollars (the initial estimate placed the value at 5 billion US dollars).

On 15 March 2011, Russia and Belarus signed an intergovernmental agreement on cooperation in the design, construction and operation on the Astraviec Nuclear Power Plant (NPP). Among other points, the agreement stipulates that Russia shall supply and Belarus shall purchase the nuclear fuel required for the NPP throughout the period of operation of the Astraviec NPP. On 11 October the same year, the Russian state enterprise Atomstroyeksport and the Belarusian state enterprise Belnipienergoprom signed a technical agreement on the construction of two reactors of the Astraviec NPP. On 25 November 2011, the Russian Prime Minister Vladimir Putin reported on the achievement of the agreement to lend 10 billion US dollars for the construction of the power plant for a period of fifteen years. According to the Belarusian Deputy Minister of Energy Michail Michadiuk, the amount should suffice to cover some 90% of the NPP construction costs. China promised a loan of other 3 billion dollars for the Astraviec NPP infrastructure works. It was planned to sign the so called “general contract” in the beginning of 2012.

However, despite the apparent progress, several aspects should be taken into consideration when evaluating the chances of construction of the power plant. First of all, Lithuania expresses active opposition to the Astraviec NPP construction plans. Even though according to A. Andrejev, Head of the Public Examination Board under the Ministry of Natural Resources and Environmental Protection of the Republic of Belarus, Belarus completed consulting with all countries (i.e. coordinated environmental impact assessment reports with them), Lithuania does not agree with it and brings up the issue of safety of the Astraviec NPP in international forums20. The Lithuanian requirements are also supported by the Belarusian Greens21 accusing the government of non-compliance with the Aarhus Convention as regards the public

21 Such movements as Belarusian Anti-Nuclear Campaign, Scientists for a Nuclear-free Belarus, Ekodom, Eko-klub, The Greens play an active role in Belarus. The residents of Astraviec district founded a regional public initiative A Nuclear Power Station in Astraviec is a Crime.
right to participate in environmental decision-making. Though the openly declared doubts on the safety of the Astraviec NPP expressed by Lithuania or the Belarusian NGOs gave no tangible results, the demand to comply with international safety standards may become an actual measure of impact in the future – when Belarus or Russia decide to export the electricity produced in those countries in pursuit of closer cooperation with the EU in other areas.

Generally speaking, the chances of constructing the Astraviec NPP by the expected date (2017–2018) are rather low. Belarus faces continual difficulties in paying for the electricity supplied, while Moscow encounters problems even in financing the construction of its own nuclear power plants (for instance, the construction of the reactor Belojaršk-4 falls behind schedule as a result of the shortage of funding). The manifestly political character is another reason for doubting the success of the Astraviec NPP project – even though the Belarusian government highlights the goals of strengthening energy independence, in reality, the financing of the new NPP, construction, supply of equipment and fuel, as well as waste disposal – everything will depend on the sole country and even on the sole corporation, i.e. Rosatom. Furthermore, the aforementioned intergovernmental Belarusian-Russian treaty on the construction of the Astraviec NPP was signed along with the agreement on the measures ensuring a parallel operation of the unified Russian and Belarusian energy systems. It means that the existing and newly built objects of energy infrastructure will have to operate in coordination of the actions of the two countries – a separate enterprise responsible for the modernisation of networks and the export of Russian and Belarusian energy to the third countries is to be established for that matter. In other words, Russia will have the capacity to control the export of Belarusian energy in the future – if there are any countries ready to import it. Hence, if, upon the change of circumstances, the Belarusian government nevertheless resolved to strengthen the energy independence of the country, the repeal of the agreements on the Astraviec NPP could become one of the first steps.

2.1.4. Is There a Chance to Construct Several NPP in the Baltic Sea Region?

There is a chance that only the Visaginas NPP will be constructed in the region in the upcoming ten years – in this case, despite the higher price compared to importing from Russia (but without the threat of energy blackmail), the Baltic States would satisfy all electricity needs, and could export a part of the electric energy generated in the region through the newly established links with Finland, Sweden and Poland to Western and Northern Europe. However, there is a chance that only the Baltic NPP will be built – in that case, the Baltic States would most
likely stay dependent on the supply of cheaper electricity from Russia or would be forced to consume far more expensive electric power generated by means of alternative, renewable or imported resources. The positive aspect of such a scenario is that the problem of disposal of nuclear waste would be redundant; conditions would be created for the development of alternative resources and the implementation of the programs promoting energy efficiency. In other words, the development of the Baltic energy sector would be more dynamic and flexible. The negative outcomes of such a scenario are that in the event of a failure to implement an ambitious program of development of alternative resources and energy saving goals, the suppliers of energy resources may start making a considerable impact on economic, political and social life of the region. Also, there would be additional problems in connecting to the European ENTSO-E system for synchronous operation.

Nevertheless, there is a strong chance that both nuclear power plants – the Baltic NPP and the Visaginas NPP – will be constructed. Such a result is determined by two circumstances: more progress has already been made in the implementation of the Visaginas NPP, but once the BNPP becomes a political project (supported by the Kremlin in political and financial terms), the power plant is to be put into operation even earlier than the VNPP. If both the VNPP and the BNPP projects were realized, the region may witness the surplus of electric power generation capacities, thus slowing down the development of alternative energy resources. It is very likely that the two power plants would sooner or later start competing between themselves over the establishment of their positions in the electricity market of Western and Northern Europe. If the Visaginas NPP lost this competitive fight (it could happen if the Baltic NPP succeeded in escaping the limitation on export and agreeing with Lithuania and Poland on the transit of electricity across their territory, as well as installing the required infrastructure), to meet the commitments made to the investors in the power plants, the consumers of the Baltic countries would be likely to use more NPP generated energy for a relatively higher price, thus generating the return on investments to investors.

In addition, apart from the Visaginas NPP, the Baltic NPP and the Astraviec NPP, Poland and Estonia are also discussing the projected construction of nuclear power plants on their territories. With 60% of the current energy consumption generated through coal power, by 2030 Poland expects to generate about 15% of the required energy in nuclear power plants. The Nuclear Power Programme for Poland approved by the resolution of the Council of Ministers of the Republic of Poland in 2009 provides for the construction of at least two nuclear power plants in the country: it is projected to build a 1000 MW capacity nuclear power plant by 2020 and to achieve the installed capacity of nuclear power plants of at least
4500 MW by 2030. The plans were reviewed afterwards, and it is now projected to have the first nuclear power plant of the capacity amounting to as much as 3000 MW as early as 2020–2022 (the value reaching approx. 10 billion euro). Not only is Hitachi Ltd. (part of the consortium GE Hitachi Nuclear Energy Americas), which has already stepped into Lithuania, offering nuclear technologies to Poland but also French EDF and Areva and the American-Japanese company Westinghouse Electric Company. With the increasingly stringent EU requirements on CO2 emissions, hardly reconcilable positions of the countries in the VNPP project, the growing demand of energy in Poland and Germany (which has refused large-scope electricity generation capacities), the local market size and other circumstances in mind, Poland’s plans to construct its own NPP are sufficiently realistic. Nevertheless, to meet its ambitious goals, Poland has to solve serious problems in relation to financial, technical and environmental aspects of NPP construction in a short term.

In 2009 the Estonian Government approved the National Energy Sector Development Plan until 2020 and the National Electricity Sector Development Plan until 2018, which anticipate the construction of a nuclear power plant on the territory of Estonia by 2023. It is projected to adopt the required amendments to the Estonian legislation by the end of 2012. However, at present the Estonian plans can be seen as merely theoretical possibilities, “fallback” variants or simply a method of imposing pressure in the negotiations over the VNPP or other projects. Hence, if the electricity demand in the region does not rise by 20–30% per year (for instance, due to the rapid development of electric vehicles or other similar factors which are difficult to forecast or are little likely), Estonia should give priority to the construction of the NPP in Lithuania for the reason of the NPP related costs, a small Estonian market, limited export possibilities, lack of experience in this sphere and other factors.

2.2. Role of International Instruments in the Implementation of the Visaginas NPP Project

There is no doubt that the prospects of the VNPP do not only depend on the progress of negotiations with the project partners but also on Russia’s determination to implement the BNPP and the ANPP projects. It is difficult for Lithuania to talk Moscow and Minsk out of construction of nuclear power plants through the measures of indirect pressure (such as the criticism regarding the process of construction of nuclear power plants in international forums, support to public campaigns highlighting environmental issues in the Baltic and Nordic
countries, Ukraine, Russia and Belarus, complaints to international institutions and courts). Also, Lithuania has few measures that would produce direct impact. Therefore, Lithuania chooses a different road – to draw the EU institutions into the discussion; to take advantage of the IAEA, UN Secretariat, other international formats. For instance, at the IAEA General Conference in September 2011, the Lithuanian representatives brought up the issues of safety of nuclear power plants, compliance with the international commitments and conventions, and highlighted the non-conformity of the BNPP and the ANPP with the highest international standards of nuclear safety. Similar methods are applied to raise the awareness of the issues of nuclear (non)safety and construction of specific nuclear power plants in Belarus and Kaliningrad in the framework of the OSCE and the EU. At present, the members of international organisations take diverging positions on the said issues but it is nevertheless possible to convert the problems that the international institutions are essentially aware of to specific instruments in respect of the neighbouring nuclear power plants through the chairmanship in international organisations, the growing concern over energy, in particular nuclear safety.

With reference to the EU instruments, the EU Commissioner for Energy Günther Oettinger himself had paid attention to the isolation of the Belarusian regime and the lack of transparency. However, he acknowledged that the EU institutions (the European Parliament and the European Commission) did not have efficient instruments for making an impact on Minsk. In fact, he was more optimistic in terms of the impact on Russia; he had hoped that Moscow would agree to carry out ‘stress tests’ in the NPP of the country (in particular, if they were planning to export electricity to the EU)\textsuperscript{22}. Nevertheless, Oettinger believes that it will be essentially difficult to block the import of electricity produced by the BNPP to the EU. If the construction of other NPP of similar safety level in the Baltic States becomes the key motive, it is generally naïve to expect that the EU will assume any ambitious measures against the NPP constructed beyond the borders of the EU and in non-conformity with the principles of the Espoo Convention. The obstacles which are most difficult to overcome in this context are the limits of application of the EU law and the plans of the EU Member States to import electricity from the reactors operating in the neighbouring countries.

However, the European Council has already paid attention to the growing public concern – on 25 March, the EU leaders applied to the European Commission and the European Nuclear Safety Regulators Group, requesting that they set the criteria and the scope of their application to the tests which the independent

\textsuperscript{22} As shown by subsequent events in 2011, under the EU pressure, Moscow and Minsk undertook to carry out ‘stress tests’ but their performance reports were never submitted.
national bodies would carry out in European countries. According to the Prime Minister of Spain Rodríguez Zapatero, the reactors that “failed” in the tests would have to strengthen their safety or be shut down altogether. It would be in the best interest of Lithuania to take advantage of the opportune moment to achieve the point that the said initiative would extend beyond the EU countries: the European Commission was already asked to consider how to promote the compliance with nuclear safety requirements in the neighbouring countries. In the case ideal for Lithuania, it would mean the creation of a platform through which the EU could make an impact on the development of nuclear energy in the third countries. The conditionality principle-based PHARE nuclear safety program, the Nuclear Safety Co-operation Instrument (NSCI) replacing the TACIS instruments in this sphere, the EU Regulatory Assistance Management Group (RAMG) supporting the implementation of the latter, also the committee set up by the European Commission to solve the nuclear safety cooperation issues in the third countries could become the key instruments of impact on the third countries.

Concerning other instruments of impact on Russia and Belarus, the IAEA Fundamental Safety Principles (2006) targeted at public and environmental safety are worthy of repeated mention. The said principles provide for several requirements which may be invoked by the Lithuanian Government in the negotiations with Belarus and Russia (by the way, one of the principles maintains that it is governments that shall assume responsibility for the implementation of safety requirements). According to one of them, facilities and activities that give rise to radiation risks must yield an overall benefit. Lithuanian scientists believe that an unacceptable risk to the city of Vilnius would arise in the case of a nuclear accident. Hence, in the event of a failure to “persuade” the neighbours into discontinuing the construction of reactors, Lithuania could at least request that they dislocate the nuclear power plant construction sites to a greater distance from Vilnius (thus potentially reducing the damage inflicted by incidents or at least delaying the beginning of construction).

However, viewed objectively, Lithuania’s argument can be disputed from the background of the constructions already in progress. The problem is that the permissible distance from a nuclear power plant to the capital of another country is not governed by international agreements. What is more – Vilnius would not be the sole capital in Europe with a nuclear reactor of another country constructed in the vicinity\textsuperscript{23}. The reluctance of Russia to ratify the Espoo Convention\textsuperscript{24}

\textsuperscript{23} The capitals of Luxembourg, Denmark and Croatia are at a distance smaller than 50 kilometers from the nuclear power plants of other countries.

\textsuperscript{24} Though Belarus ratified it, it did not essentially comply with the convention in the preparatory stage of construction.
and a technical (rather than political) role of the IAEA in this context are other obstacles that are not very easy to overcome.

Through Lithuania’s OSCE chairmanship in 2011, Lithuania sought to bring the issues of nuclear safety on the agenda of this organisation. Bearing in mind that the OSCE brings together 56 states, including the US and Russia, the OSCE mechanism of response to accidents and other emergency situations, the early warning system or similar instruments applicable in the OSCE framework could be more efficient. The striving for good governance and publicity, stability and predictability, investment protection, market openness, efficiency, diversification and solidarity could become the principles of cooperation in this sphere, according to Lithuania. After the evident EU hesitation in the Fukushima accident, Lithuania tried to reach a consensus of the member states on the setting-up of a task force in the session of the Ministerial Council closing Lithuania’s chairmanship in the OSCE. The task force would seek to coordinate the positions of the member states on the principles of the OSCE involvement, to analyse the situation, to assume the required actions to prevent potential crises from occurring or to mitigate the outcomes of emerging crises, as well as to promote the publicity and good governance through the existing mechanisms. The task force could not be established at the time of Lithuania’s chairmanship (essentially due to Russia’s opposition) but the idea can be again brought forward should the occasion arise.

3. Impact of Nuclear Energy Development on the Security of the Baltic States

3.1. Impact of Cooperation in the VNPP Project on Regional Cooperation

On 27 February 2006, at the meeting in Trakai, the Prime Ministers of Estonia, Latvia and Lithuania signed the first communiqué supporting the initiative to construct a new nuclear power plant in Lithuania. Lietuvos energija, Latvenergo and Eesti Energia were invited to invest in the design and construction of the new nuclear power plant in Lithuania on equal terms. On 8 March 2006, the state-owned energy enterprises Eesti Energia, Latvenergo and Lietuvos energija signed a memorandum on the construction of a new nuclear reactor in Lithuania. It provided for the participation of the parties under equal conditions and the coverage of costs relating to common interests in equal shares. The follow-up documents replaced certain aspects of the said agreements but the very
substance remained unchanged – Lithuania, Latvia, Estonia and Poland (which resolved to contribute to the project in the short run) still declare their political support to both the construction of the VNPP and the construction works of the infrastructure relating to the distribution (export) of energy generated in it.

The practical implementation of these agreements definitely depends on a broader context of the Baltic-Polish relations (which is not necessarily positive). However, a breakthrough in the negotiations with the promoters of strategic projects and a closer integration of energy sectors once the said projects are completed should make a positive impact on the desecuritization of certain topical problems in bilateral relations. In this context, Lithuania is hoping for the support from Polish, Latvian and Estonian diplomats in limiting the import of the electricity produced in unsafe nuclear power plants of the neighbouring countries to the EU. Occasionally, Lithuania does receive it – we may recall the meeting of the representatives of the Baltic States, Poland and the European Commission held in December 2010 where they resolved to establish and maintain common policy goals targeted at the trade with the third countries that do not belong to the European Economic Area (EEA). This idea, by simultaneously highlighting the necessity to integrate the Baltic States to the EU internal electricity market, was also included into the communiqué signed between the ministers of energy of the Baltic countries and Poland on 31 May 2010 (it is important to note that the European Commissioner for Energy attended the ceremony of signing the said communiqué). Hence, the discussion on the prospects of implementation of strategic energy and transport projects has already become a common item on the agenda in the meetings of Lithuanian, Latvian, Estonian and Polish presidents, prime ministers and ministers. Should this tendency continue, energy projects and coordination of initiatives in this sphere have a realistic opportunity to become the catalyst for the improvement of relations among the countries in the region.

However, it must not be forgotten that the interests of Lithuania, Poland, Latvia and Estonia in respect of the new nuclear power plant in Lithuania as well as the potential limitation on import of electricity from Kaliningrad and Belarus, are still rather divergent. In the beginning of his term of office, the President of Latvia Andris Bērziņš openly doubted the capacities of his country to participate in the joint project of construction of the VNPP due to lack of resources. It should be noted that after his visit in Vilnius and the meeting with the President of Lithuania, as well as the discussion on all the projects of regional relevance, the President of Latvia declared that the energy enterprise Latvenergo would continue its participation in the VNPP project and contribute to developing such a model of control of the nuclear power plant that would best meet the interests of Latvian
residents\textsuperscript{25}. However, it was followed by the declaration of the Polish company PGE of December 2011 on its decision to freeze participation in the VNPP project\textsuperscript{26}. Similar differences of opinion emerged in discussing the limitation on electricity import from the BNNP and the ANPP – Poland and Latvia are essentially concerned with as broad import possibilities as possible, whereas Lithuania would like to block the import from “unsafe” power plants right now or at least from 2020 (when the Visaginas NPP is expected to be put to operation). In principle, additional flows of electricity import until 2016 when the Narva oil shale fired power plant will be shut down are not in Estonia’s interest as well. After this date, Tallinn will seek to diversify the import of electricity at the earliest possible opportunity and on the broadest possible scope; hence, it would probably not be willing to limit the import from other countries. It will be rather difficult to coordinate the said national differences of opinion since the “concessions” made by the countries (i.e. the support to the interests of another country) would have a direct influence on their supply with electricity. If the disagreements on the common position are increasingly commonplace, it may result in the deterioration of relations in other areas as well.

3.2. Role of Nuclear Energy in Reducing Energy Dependence

Today, the raw materials used to produce the fuel for nuclear power plants are available from Australia, Kazakhstan, Russia, and Canada. Some 60\% of raw uranium mined in the world belongs to Australia, Kazakhstan and Canada, and the former two have the largest resources of raw uranium at their disposal. Russia has less than 9\% of the world’s uranium resources.\textsuperscript{27} Furthermore, regarding the enrichment of uranium to the level appropriate to a NPP, Russia is also neither the sole provider of this service nor the monopolist of its market. The Russian company Rosatom has exclusive rights of uranium enrichment for its manufactured VVER-type reactors in the EU but Rosatom/Tenex group of companies supplies fuel to 28\% of reactors worldwide only. The uranium enrichment capacities offered by the German, Dutch, British and American company Urenco and the French company Areva can fully satisfy the internal needs of the EU; the said

\textsuperscript{25} LETA-ELTA ir lrytas.lt, A. Bėrzinis pabrėžia ekonominį Visagino elektrinės aspektą [Andris Bērziņš highlights the economic aspect of the Visaginas Nuclear Power Plant], http://www.lrytas.lt/-1316700811311864264-a-b%41%97riznis-pabr%C4%97%5%BEia-ekonomin%C4%AF-visagino-elektrin%C4%97s-aspekt%C4%85.htm?utm_source=rss&utm_medium=rss&utm_campaign=rss, 18.08.2011 (in Lithuanian).
\textsuperscript{26} In fact, the declaration was immediately followed by assessments that such a step of the company was not coordinated with the Polish Government and the head of the company resigned.
companies supply fuel to 43% of reactors operating worldwide\textsuperscript{28}. In other words, an assumption that the development of nuclear energy reduces the country’s dependence on the supply of resources from a single country is essentially correct.

Table 1. *Uranium mining and enrichment*\textsuperscript{29}

<table>
<thead>
<tr>
<th>COMPANY/ COUNTRY</th>
<th>URANIUM CONVERSION (necessary before enrichment)</th>
<th>URANIUM ENRICHMENT (% of the total amount, 2009)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Atomenergoprom (RF)</td>
<td>32.9</td>
<td>45</td>
</tr>
<tr>
<td>Cameco (CAN+UK)</td>
<td>24.3</td>
<td>-</td>
</tr>
<tr>
<td>ConverDyn (USA)</td>
<td>19.7</td>
<td>-</td>
</tr>
<tr>
<td>Areva (FR)</td>
<td>19.1</td>
<td>-</td>
</tr>
<tr>
<td>CNNC (China)</td>
<td>3.9</td>
<td>2.2</td>
</tr>
<tr>
<td>Urenco (UK-Ge-NL)</td>
<td>-</td>
<td>20.3</td>
</tr>
<tr>
<td>Eurodif (FR)</td>
<td>-</td>
<td>18</td>
</tr>
<tr>
<td>USEC (USA)</td>
<td>-</td>
<td>13.3</td>
</tr>
<tr>
<td>JNFL (Japan)</td>
<td>-</td>
<td>0.3</td>
</tr>
</tbody>
</table>

Table 2. *Production of nuclear fuel*\textsuperscript{30}

<table>
<thead>
<tr>
<th>Country</th>
<th>URANIUM RESOURCES</th>
<th>URANIUM MINING (% of the total amount, 2009)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australia</td>
<td>22.5</td>
<td>15.7</td>
</tr>
<tr>
<td>Kazakhstan</td>
<td>13.7</td>
<td>27.4</td>
</tr>
<tr>
<td>Canada</td>
<td>8.4</td>
<td>20.1</td>
</tr>
<tr>
<td>Russia</td>
<td>8.4</td>
<td>7</td>
</tr>
<tr>
<td>South Africa</td>
<td>8.2</td>
<td>n.d.</td>
</tr>
<tr>
<td>Niger</td>
<td>5.8</td>
<td>n.d.</td>
</tr>
<tr>
<td>Namibia</td>
<td>5.1</td>
<td>n.d.</td>
</tr>
<tr>
<td>Ukraine</td>
<td>3.8</td>
<td>n.d.</td>
</tr>
<tr>
<td>Uzbekistan</td>
<td>2.1</td>
<td>4.8</td>
</tr>
<tr>
<td>USA</td>
<td>n.d.</td>
<td>2.9</td>
</tr>
</tbody>
</table>


\textsuperscript{29} Ibid.

\textsuperscript{30} Ibid.
3.3. Financial and Economic Aspects of Construction of a Nuclear Power Plant

Several aspects have to be highlighted when discussing the price of energy generated by nuclear power plants. First of all, it is not fuel, power plant maintenance or energy transfer costs that make up the largest share in the net price of energy produced in a nuclear power plant, but the costs of construction of the power plant itself. According to the estimates of the International Atomic Energy Agency, the investments to the construction of a power plant (according to the average construction costs of nuclear power plants in Canada, Japan, Spain, the USA) accounts for more than 60% of the final energy price. Fuel makes up only ~15% of the final energy price. For the sake of comparison: fuel costs in gas-fired power plants make up 70%, whereas investments to power plants account for 25% of the final electricity price. However, the often overly optimistic nuclear power plant decommissioning costs should also be added to the price of nuclear energy.

In the meantime, neither experts nor politicians can give a clear answer to the question as to how much the VNPP will cost and whether the price of electricity generated by it will be competitive. Some economists highlight enormous construction costs of the VNPP – according to their estimates, the price of the nuclear power plant could reach some 12 billion litas; the addition of extra costs and interest could boost the price to over 20 billion litas. By contrast, Rimantas Vaitkus, Director of External Affairs at the VNPP, believes that even inclusive of all the costs (construction and equipment of the power plant, capital costs, loan interest costs, fuel costs, maintenance and operation costs, taxes, etc.), the price of nuclear energy in Europe (12.5 – 20 ct/kWh) is lower than the price of the energy produced by means of combustion of natural gas (20 – 30 ct/kWh) or using wind energy (21.5 – 40 ct/kWh). When comparing the price per kilowatt-hour, Lithuanian scientists note that the net price of electricity generated in the gas-fired Lithuanian power plant in Elektrėnai currently equals to 31 ct/kWh. In 2011, Lithuania could purchase electricity from Russia at the price of 19-20 ct/kWh. By contrast, the price per kilowatt-hour of nuclear energy in the currently operating power plants varies from 0.04 – 0.3 USD/kWh (in LTL – 8-77 ct/kWh).

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kWh). Hence, the key question is: how much will the construction of the NPP and its putting-into-operation cost and what will be the price of gas, oil products and renewable energy resources at that time?

It is rather difficult to evaluate the price of traditional and renewable resources in ten years – it will definitely depend on economic, financial and political situations in developed countries, as well as the region’s rapid development. However, with technologies gradually developing, the reduction in the net price of renewable energy resources can be observed in several recent years – a number of experts assume that such a tendency should persist\(^\text{34}\). The resources of oil and natural gas are gradually shrinking; therefore, their extraction costs should show an upward trend in the future. As regards the VNPP construction costs, the loss of some orders by Hitachi corporation after the Fukushima accident is in the best interest of Lithuania and its regional partners. To achieve at least a partial compensation of the losses incurred, the said company may offer more favourable conditions of construction of a nuclear power plant. Furthermore, after the shutdown of the Ignalina NPP in Lithuania, the infrastructure required for the operation and maintenance of a NPP in Lithuania remained in a rather satisfactory condition; Lithuania still has the specialists with the required expertise in nuclear energy production (new experts are being prepared as well). In principle, the general public supports the construction of the NPP – it determines lower costs for public relations. Finally, the construction of the NPP is one of the key priorities of the Government in the development of energy infrastructure – it guarantees an important political support and reduces the costs of project implementation. These factors play an important role in negotiating the contribution of Lithuania and other stakeholders in the project (for instance, we may expect that seeing the government’s support to the project and evaluating it as one of a more important steps in the prospective restoration of its standing in the world and the establishment of its position in the local (Northern European region) market, the investor will agree to arrange a return-on-investment schedule for a longer period than usual). However, some experts note that the final price of nuclear power plants is always 2-5 times higher than initially projected\(^\text{35}\). Therefore, we should not reject the pessimistic scenario that, in view of the growing competition (and risk), the


investor may try to force the negotiators of the Baltic States and Poland into the commitment over the conditions that would guarantee a more speedy (or stable) return on investments, thus resulting in a higher electricity price to the consumers in the region.

Figure 2. Cost of energy produced in a nuclear power plant

3.4. Reactor Safety Problem

In the decision-making over the NPP construction, safety issues are as important as investments, technical power plant parameters, international cooperation and other related factors. As regards nuclear energy, safety is understood in two aspects: a) as prevention of unintentional conditions or events determining a nuclear leakage from a NPP and b) as protection from intentional actions causing damage (for instance, terrorist attacks against NPP or nuclear fuel storage facilities). Regarding the environmental aspect of safety, a comment made by Anne Lauvergeon, a representative of the French company AREVA, is worth mentioning, according to which nuclear energy determines the reduction in the

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annual carbon dioxide emissions by 630 million tonnes\textsuperscript{37}. In other words, those arguing that nuclear energy is not and may not be totally safe in environmental terms should not forget another aspect – in 2009, electricity generators released as much as 9 billion tonnes of carbon dioxide to the environment (out of 30 billion tonnes of the total pollution generated by industry and 50 billion tonnes of the total carbon dioxide emissions). It is estimated that once nuclear energy is phased out and the same amount of electricity is generated, 11 billion tonnes of carbon dioxide would be released to the environment. Furthermore, according to the data of the United Nations Environmental Programme, to reduce global warming by at least 2C, the total volume of CO\textsubscript{2} emissions should be reduced to at least 44 billion tonnes by 2020. If no measures are taken, by 2020 CO\textsubscript{2} emissions will amount to 54-60 billion tons; with ambitious goals, pollution can be reduced to 49 billion tons – the “surplus” of 5 billion tonnes would nevertheless remain. Thus, 2 billion tons which nuclear energy could save, do not guarantee a substantial breakthrough but it is still a factor of considerable importance.

Table 3. CO\textsubscript{2} emissions and impact of nuclear energy

<table>
<thead>
<tr>
<th>CO\textsubscript{2} emissions in 2009</th>
</tr>
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<tbody>
<tr>
<td><strong>Total</strong></td>
</tr>
<tr>
<td>50 billion tonnes</td>
</tr>
<tr>
<td><strong>Industry</strong></td>
</tr>
<tr>
<td>30 billion tonnes</td>
</tr>
<tr>
<td><strong>Electricity production</strong></td>
</tr>
<tr>
<td>Present</td>
</tr>
<tr>
<td>9 billion t</td>
</tr>
<tr>
<td>If nuclear energy was phased out</td>
</tr>
<tr>
<td>11 billion t</td>
</tr>
<tr>
<td>“Saved”</td>
</tr>
<tr>
<td>2 billion t</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>CO\textsubscript{2} emissions in 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>UN plan to reduce global warming by 2C</strong></td>
</tr>
<tr>
<td>44 billion t</td>
</tr>
<tr>
<td><strong>Forecasts if no measures are taken</strong></td>
</tr>
<tr>
<td>54-60 billion t</td>
</tr>
<tr>
<td><strong>Forecasts if immediate measures are taken</strong></td>
</tr>
<tr>
<td>49 billion t</td>
</tr>
<tr>
<td><strong>Surplus in the best case</strong></td>
</tr>
<tr>
<td>5 billion t</td>
</tr>
</tbody>
</table>

**Conclusion:** 2 billion tonnes which could be “saved” by nuclear energy do not guarantee a substantial breakthrough but it is nevertheless a factor of significant importance.

The year 2012 will most likely witness the endeavour to conclude a global and legally binding agreement on the issues of climate change – once the developing countries agree to meet the objectives which they can and are willing to pursue, the utmost responsibility for the reduction in CO\textsubscript{2} emissions will most likely fall on the EU Member States. Therefore, a number of the EU coun-

\textsuperscript{37} Bigot, B., Safe Management of Nuclear Waste, *The European Files*, 22, 2011, p. 34.
tries developing nuclear energy do not seek to “get rid of” nuclear energy but
to strengthen nuclear safety and to develop the systems of radiation monitoring
and early warning. In April 2011, the participants of the Review Meeting of the
Convention on Nuclear Energy highlighted that the new NPP should be built
in close cooperation with the neighbouring countries exclusively; decisions on a
construction site must be without prejudice to the IAEA safety standards focusing
on the NPP impact on people, society and environment. At this meeting,
the representatives from Lithuania supported the Action Plan on Nuclear Safety
drafted by the IAEA Director General, according to which not only the require-
ments but also the recommendations drawn by the IAEA would be binding to the
countries. Furthermore, all countries developing nuclear energy should transpose
the provisions of international conventions on nuclear energy into the national
law, to establish an independent regulatory body supervising the compliance with
the requirements of nuclear safety, etc. It proposed to adjust the applicable IAEA
safety standards to contemporary circumstances, to update the requirements of
design, operational management, structural reliability and prospective decom-
misioning, and to take into account seismic threats and climate change (the
growing number of hurricanes, floods, droughts, etc.).

When assessing the NPP resistance for terrorist and other targeted attacks,
the recent growth of concern of the international community with this safety aspect
deserves special notice. The majority of experts\textsuperscript{38} conclude that nuclear reactors
would withstand terrorist attacks much better than any other buildings. For in-
stance, the 2002 study of Electric Power Research Institute (EPRI) maintains that in
the US, NPP nuclear reactors could withstand the impact of a fully-fuelled Boeing
767-400 of over 200 tons as the basis flying at the maximum speed of 560 km/h\textsuperscript{39}.
Besides, there is only a very tiny chance for an aircraft to crash straight into a NPP,
the more so to the location of a NPP where a nuclear reactor is situated. According
to the 2003 study carried out by the Swiss Federal Nuclear Safety Inspectorate,\textsuperscript{40}
the chances of radioactive leakage after an aircraft crash are low in older-generation
NPP of the country, and especially low in more modern NPP. Similar results were
identified for a hypothetical terrorist attack against the used fuel storage facilities:
radioactive particles would not be released into the environment in the event of an

\textsuperscript{38} For instance, see Deterring Terrorism: Aircraft Crash Impact Analyses Demonstrate Nuclear Power Plant’s
Structural Strength (EPRI Study), http://www.nei.org/resourcesandstats/documentlibrary/safetyandsecurity/
\textsuperscript{39} According to the authors of this study, not even an armoured-concrete containment building would be
damaged in the event of an attack (it could only be damaged by several repetitive strong strikes).
\textsuperscript{40} For the study “Stellungnahme der HSK zur Sicherheit der schweizerischen Kernkraftwerke bei einem
vorsätzlichen Flugzeugabsturz”, see: http://static.ensi.ch/1312876660/fla-bericht_maerz03.pdf.
attack. Despite that, in the aftermath of the 11 September attacks, the USA worked to strengthen the safety of NPP in the country: it reformed and retrained security personnel, strengthened plant access control, surveillance and intrusion detection systems, etc.\footnote{United States Nuclear Regulatory Commission, \textit{Force-on-Force Security Inspections}, \url{http://www.nrc.gov/reading-rm/doc-collections/fact-sheets/force-on-force-fs.pdf}, 07.09.2011.}

When evaluating the safety of nuclear reactors in this context, conclusions on safe or unsafe reactors will definitely depend on the country and the approach of the NPP operator towards this problem. For instance, being one of the leaders of nuclear energy development, France continues to invest in nuclear energy and its safety. To reduce the pollution to an even greater extent, the used fuel is recycled (the processes of enrichment of uranium and plutonium are repeated) and repeatedly used or safely buried in deep geological layers (500 m deep). In the meantime, Russia is indeed facing difficulties in solving the safety problems of nuclear reactors of both types. We may remember the collapse of steel carcass structures at the site of the Leningrad NPP-2 under construction in 2011, which were supposed to protect the plant from external impact and to contain radiation in the event of a nuclear accident. In this context, it is worth mentioning the official 150-page report of the Russian Government presented at the meeting of the State Council of 9 June 2011\footnote{The report became public after it fell into the hands of the environmental NGO Bellona based in Norway.}, which listed as many as 32 problems identified in nuclear power plants in Russia – starting with a lack of tests for potential shocks that could be caused by natural phenomena and ending with the absence of control of the storage of potentially explosive materials\footnote{The said document states that the nuclear power plants in the country are not as safe as it was thought, in particular as regards their safety in the event of an earthquake (none of the nuclear power plants was tested for the shock which could be caused by an earthquake); the seismic level of most of the NPP sites is underestimated; some NPP “do not have an automatic shutdown mechanism” for the case of earthquakes.}. In the case of the VNPP, we may expect that the severe experience of the selected investor in Japan, the obligation to comply with the EU requirements and international agreements, project internationality and the focus on environmental issues in the discussion on the safety of reactors in the neighbouring countries should guarantee relatively scrupulous attention to the safety of a nuclear reactor in Lithuania and its safe operation respectively.

**Conclusions**

After the Fukushima nuclear accident, public trust in nuclear energy slumped from 45-75% to 21-51% across the globe. Governments are forced to...
react to such public opinion – some do it by reviewing the reactor safety requirements and strengthening the control of compliance with them, while others shut down unsafe nuclear power plants and refuse to plan the construction of new reactors. It is not very difficult to make nuclear phase-out decisions if there is political will – the useful life of a number of nuclear power plants in operation is running out anyway (the average useful life of reactors operating for an average period of 40 years is 27 years), and the energy generated in nuclear reactors makes up barely 14% of the total electricity consumption worldwide. Other arguments are no less strong: catastrophic outcomes of potential accidents, vast construction costs of nuclear power plants (due to more stringent safety requirements after the accident in Japan, nuclear reactors are expected to get even more expensive), pending problem of storage of used nuclear fuel, and substantial risk of operation (in the event of a nuclear accident, similar reactors running in other spots of the world may be shut down for safety reasons). A long and complex process of NPP construction, reducing costs of energy generation from renewable energy resources, as well as rapidly developing shale gas and energy saving technologies are equally deterrents to motivating the construction of new NPP. The NPP decommissioning also requires a special mention – the examples of the Ignalina NPP and the Greifswald NPP show that on the average the shutdown of a NPP costs over 3 billion euro.

As regards the EU, we should probably have no doubts that the requirements relating to reactor safety will get tighter at the initiative of the Member States taking an opposing position in respect of nuclear energy development; the shutdown of the reactors failing in ‘stress tests’ will be required. Notwithstanding the above, international organisations place the share of nuclear energy at the range of 5–12.5% in the total primary energy balance for 2050, whereas in electricity production nuclear energy may account for 9–22% (at present – 16%)\(^\text{45}\). In other words, the “sceptics” will most likely fail in contesting the “rational need” of Finland, France, the Czech Republic, the UK, the Netherlands and other countries to construct new-generation reactors. The failure of the European Parliament to adopt the resolution on nuclear energy is an excellent illustration of the difference of opinion within the EU, whereas the instruments of the general EU energy policy

\(^{44}\)The NPP decommissioning is not an issue of exclusively national importance for other than solely financial factors. For instance, Germany’s unilateral decision to phase out nuclear energy by 2022 received the criticism from both the EU Commissioner Günther Oettinger and the Member States. There is no doubt that the decision taken by Germany will affect the energy infrastructure development plans of its neighbours and across the EU.

do not yet have enough power to force France, for instance, to phase out nuclear energy. Therefore, the projects implemented by the EU Member States may become less ambitious, while some of them may be postponed, but the complete freeze of constructions can hardly be expected. The companies operating in the nuclear industry of the EU Member States may even benefit from the Fukushima accident – the manufacturers of new-generation “safer” reactors will get an excellent opportunity to justify their far higher prices.

The prospects of construction of the VNPP can also be evaluated in this context. The Lithuanian Government puts forth every possible effort to prevent the construction of the BNPP and the ANPP, while Poland and Estonia would contribute to the construction of the VNPP. The discussions on the construction of national nuclear power plants in Estonia can be treated as an objective to have a fallback plan in case the VNPP project failed. “Nuclear” plans in Poland, Russia and Belarus are a far more complex problem. Based on the progress made in project implementation, the VNPP is said to surpass the nuclear power plant in Kaliningrad by some three years. It is good news for the implementers of the VNPP project because the ability to ensure favourable conditions for selling the electricity generated in the VNPP before it is done by the stakeholders in the BNPP project is one of the key conditions of implementation of the VNPP project. Poland’s determination to invest in the construction of local nuclear power plants may not only determine the increase in the tension in bilateral relations with Lithuania but also the need to review the strategy and the deadlines of construction of a nuclear power plant in Lithuania. However, in its primary stage, the VNPP project was planned without Poland’s participation; therefore, Poland’s withdrawal should not make essential influence. The process of construction of a nuclear power plant in Belarus is not in the best interest of Lithuania as it reduces the confidence in nuclear energy in general. Hence, we may conclude that the pace of implementation of the VNPP project will depend on the following circumstances: 1) the faculty of the three Baltic States and Poland to agree on the conditions of investment and the distribution of powers in the new nuclear power plant; 2) the capacity of the three Baltic States and Poland to agree with the company Hitachi awarded the contract in the tender on the conditions of construction of the VNPP in favour of the countries participating in the project; 3) the ability to solve the key problems of financing of construction of the VNPP and the disposal of used nuclear fuel; and, 4) the pace of construction of nuclear power plants in the neighbouring countries.

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Lithuania’s Eastern Neighborhood
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Energy Security in the Baltic-Black Sea Region: Energy Insecurity Sources and their Impact upon States

Over the past twenty years, the biggest challenge to the national security of the independent states from the Baltic to the Black Sea region has been in the energy sector. The problem has mostly been the failure to secure stable energy resource provisions. This is mostly due to systemic and historical as well as internal political factors. This paper examines the problems related to the energy security of the following three ex-Soviet bloc countries: Lithuanian, Belarus and Ukraine. The main energy problem areas discussed here are oil and natural gas resources. Because the three countries have pursued very different internal and foreign security policies, their energy needs are equally divergent. Therefore, the paper presents case study for each state. Each case study, firstly, identifies a number of possible threats to energy security, secondly, examines the influences that these threats may exact on national as well as foreign policies and, thirdly, discusses how different national and foreign policies influence the resolution of energy security problems.

Introduction

The former Soviet bloc countries of the Intermarum region¹ have been unable so far to decrease their dependence on imports of energy resources from the Russian Federation even though it has been more that twenty years since the Soviet Union fell apart. In the region, Russia remains the primary and in some cases the only supplier of energy resources. The energy resource dependence was created in the twentieth century as a result of the Soviet policy carried out in the 70s and 80s seeking to expand its energy supply infrastructure. According to the

¹ Geopolitical term defines the states located between the Baltic and the Black Seas. The exact borders of the region may vary according to different authors although general consensus holds that the principal area is comprised of states that now exist within the territory of the former Polish-Lithuanian Commonwealth.
policy there were no alternative energy supply established for Soviet Russia’s satellite
states. The Soviet Union supplied the states with its own energy resources as the Soviet
Union was world’s leader in energy resource production and exploitation. However,
the primary energy resource supply was designed to be one way only, running from
the Eastern, as well as Central Asia regions, to the West. The lack of any alternative
supply routes made the satellite states inevitably dependent on Russia.

Energy dependence on Russia does not present any direct danger to the ex-
satellites states per se however, a high level of dependency upon one single supplier
increases the vulnerability of energy and national security\(^2\). The threat arises as a result
of the fact that Russia views and seeks to use its energy resources as a tool of foreign
policy as well as a weapon that would allow it to increase its power and influence
through the manipulation of energy resource supply level and prices in the Eastern
European geo-energetic area\(^3\). Russia’s active manipulation of energy resources in an
attempt to increase its power and influence can be defined as energy diplomacy. In
this paper the definition of energy security corresponds to Danyel Yergin’s definition:
namely, “[the ability] to assure adequate, reliable supplies of energy at reasonable
price and in ways that do not jeopardize major national values and objectives”\(^4\). It
can be seen that the states in the region are vulnerable in the energy security area.
Domination of Russian energy companies in the ex-Soviet bloc presents a clear
opportunity for Russia to reclaim its former power and influence. Russian energy
diplomacy policy often opposes the national and foreign interests of the states in the
region and, as a result, influences their policy developments.

The purpose of this paper is to explore and discuss the reasons, processes and
effects of the energy insecurity in the three states of the Intermarum region—Li-
thuania, Belarus and Ukraine—since the collapse of the Soviet Union until 2011.
In order to investigate the origins of energy insecurity and its impact, a historical,
descriptive, comparative analysis of three states was conducted. The reasons for
the particular three countries being chosen are the shared energy dependence
on Russia, similar historical background and geographical proximity. However,
the states’ internal differences also allow broader analysis of the causes of energy
related violations and threats and their consequences, as these are influenced by
internal factors.

\(^2\) The term in the liberal sense vulnerability was used in Barry Buzan’s book: *People, States and Fear: interna-
tional security studies after the Cold War*. It refers to the attributes of security and/or the attributes of subjects
related to security that could potentially damage security.

\(^3\) “No legitimate interest is served when oil and gas become tools of intimidation or blackmail, either by sup-
ply manipulation or attempts to monopolize transportation”. Dick Cheney, US Vice President May 4, 2006

All three countries have different political regimes: a consolidated democracy was anchored in Lithuania; Belarus was seen as an increasingly authoritarian regime; while Ukraine had troubles establishing a stable democratic regime. In addition, they also pursued different foreign policy directions: Lithuania, immediately after the independence, sought the policy for integration into Euro-Atlantic zone; Belarus focused almost exclusively on Russia, but in some cases, in order to have a more balanced relationship, it also sought an increasing co-operation with the European Union (EU) and its Member States; Ukraine pursued multivectoral foreign policy, primarily it centred on Russia, the EU, and, to a lesser extent, the United States. Lithuania has successfully integrated into the EU and the North Atlantic Treaty Organization (NATO). On one hand, Belarus belongs to the Commonwealth of Independent States (CIS) as of 1996 and is cooperating with Russia in the process of building the Union State. In addition, as of 2010, it has also become a part of Russia, Belarus and Kazakhstan Customs Union. Ukraine is maintaining its multivectoral foreign policy, only nominally belongs to the CIS and avoids deeper integration with the EU or Russia. Therefore, these factors imply that the analysis of structural power is very different. All three states differ in their energy resource needs and the importance in energy resource transit from Russia to Europe and its capacity.

The specific choice of the subject for this case study firstly allows a wide in-depth analysis of energy insecurity of causes and origins, and, secondly, explains why one country faced specific energy security issues when compared with others. A lot of attention is given to Lithuanian, Belarusian and Ukrainian relations with Russia. Nevertheless, Russia is not the only source of energy insecurity as the processes that take place, within the states studied, often can lead to energy and national insecurity. The paper focuses on the region's energy insecurity resulting from two types of primary energy resources: oil and natural gas. Processes associated with other types of energy resources in the analysis will only be considered as long as they influence the energy security related to natural gas and oil.

The historical comparative method of analysis used for the three state case studies in analysing energy security is a new phenomenon in Lithuania’s energy

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5 According to “BP Statistical Review of World Energy June 2011”, in 2009, Lithuania imported 2,5 billion m³, Belarus 17,6 billion m³, Ukraine 37,8 billion m³ of natural gas exclusively from Russia. In 2010 Lithuania consumed 2,7 million tones, Belarus 6,6 million tones and Ukraine 11,6 million tones of crude oil over the year, not including its refined products their export. The main bulk of crude oil came from Russia while crude oil imports from other suppliers do not provide even the minimal viable alternative.

6 Lithuania is only important in ensuring natural gas transit to Kaliningrad oblast, with the maximum capacity of up to 2,5 billion m³ in 2010. Belarus is capable of providing transit capacity of up to 51 billion m³, whereas Ukraine has the transit capacity of up to 117 billion m³. Družba crude oil pipeline infrastructure spanning across Belarus and Ukraine, is one of the most important supply chains in delivering crude oil from Russia to European states with the capacity of 1.2 to 1.4 million barrels per day.
security and international relations studies. The authors analyzing the energy security, such as G. Vitkus, T. Janeliūnas, or A. Molis, present detailed analyses of threats to Lithuania’s energy security; however, they do not consider other examples in the region. The comparative three cases analysis method makes it possible to identify the causes of energy security threats, their differences and advantages, and how energy security affects economic, social and political processes. In addition, it allows evaluating the evolution of the energy security of each country specifically, while identifying general trends at the same time.

1. Lithuanian Case Study

1.1. Energy Insecurity at the Beginning of the Independence of the Republic of Lithuania and Its Consequences for the Further Development of the State

Lithuania’s energy security issue arose immediately after its declaration of independence. On March 11, 1990, Lithuania declared the restoration of its independence and in the period between the 20th of April and the 2nd of July of that year, Moscow suspended oil supplies to Lithuania. Moscow was convinced that the economic and energy dependence of the Soviet republics on the Soviet Union will maintain its own integrity. In turn, Moscow’s oil embargo and political pressure forced Lithuania to declare moratorium on the Independence Act. However, the disintegration of the Soviet Union became inevitable after the August Putsch in Moscow in 1991. Despite the disintegration of the Soviet Union, Russia has sought to maintain its influence through economic and energy measures in the ex-Soviet bloc region.

In 1992 Russia seized oil supplies to Lithuania again, this time for four days, asking to pay for energy resources in “hard currency” rather than goods and

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products⁹. Russia began to sell oil at market price to the Baltic States, while CIS members purchased the oil at much lower “subsidized” price¹⁰. Between July and August in 1992, Russia again seized the supply of oil to Lithuania and reduced the natural gas supply by 55 percent because of the debt for energy resources. Russia also banned Lithuania form re-exporting oil¹¹ as the re-export of oil would have allowed the acquisition of “hard currency”, which would facilitate the settlement of energy imports. In autumn of 1992 Russia suspended oil supplies to Lithuania, where there is the only oil refinery in the Baltic countries, Mažeikiai, causing it to suspend its operations¹². Suspension of energy resource supply in winter of 1992 - 1993 and a fourfold increase price facilitated the growth of economic, social and political unrest. Suspension of supply, higher prices, together with the parallel processes of economic downturn, declining standard of living, the growth of unemployment and lack of policy stability increased dissatisfaction with the Sąjūdis government and increased the popularity and subsequent election of the former communist party, renamed the Lithuanian Democratic Labour Party, in the premature parliamentary elections in autumn 1992¹³.

Resource supply suspensions between 1990 and 1993 to Lithuania produced internal political affects. By interrupting the resources supply, Moscow sought to preserve the Soviet Union, and as that failed it then manipulated the political process in the Baltic countries. According to the statement by the then Russian Foreign Minister’s First Deputy Vitalii Churkin, energy supply interruptions were Russian policy “one of the probable options” in Estonia, Latvia and Lithuania¹⁴. These types of statements indicate that Moscow, immediately, after the disintegration of the Soviet Union, realized that energy resources were perceived as foreign policy tools to maintain and expand Russia’s influence abroad.

Russian manipulation of energy supplies and prices affected the price increase of Lithuanian goods. This, along with other economic factors, such as low attractiveness of Lithuanian goods on the Western markets and the inability to

¹¹ Larsson, (note 9), p. 185.
¹² Ibidem, p. 185.
¹⁴ Larsson, (note 9), p. 190.
compete, was leading the state towards economic and social crises\textsuperscript{15}. Lithuanian economic recovery was long and complicated. Energy price shock forced Lithuania to transform and modernize its economy and develop energy-efficient industries\textsuperscript{16}. Energy price shock had a negative effect in the short term, but it led the industry to become more efficient, in the long term, Lithuania became less vulnerable to energy price changes. Another possible assumption is that almost exclusive purchases in cash, with some exceptions of barter exchange, partially limited Russia’s ability to manipulate Lithuania using energy supplies and their prices, reducing Lithuania’s national security vulnerability.

1.2. The Energy Insecurity in the Oil Sector: Mažeikiai Oil Refinery Privatization Process

Between 1993 and 1998 there were comparatively serious political tensions between Lithuania and Russia over the issue of the Russian military withdrawal from Lithuania and the Kaliningrad region transit problems\textsuperscript{17}. Lithuania also declared ambitions to join the EU and NATO, which opposed Russian interests in the Baltic region. Lithuania’s aspiration to integrate into NATO defied Russia’s ambition to maintain influence in its “traditional zone of influence” and its security interests. However, in the period of 1993 to 1998, there were no significant energy conflicts between Russia and Lithuania. This was determined by the fact that the Russian government lost its power in the energy sector due to its privatization and the creation of independent energy companies\textsuperscript{18}. In addition, Russian primary focus in that period was primarily the expansion of their influence in the priority area: Belarus, Ukraine, South Caucasus and Central Asia.

\textsuperscript{15} The GDP levels were up again in 2004, to their previous high of 1991 when compared with the GDP levels of 2000. Lietuvos statistikos departamentas, \textit{M2010201: Bendrasis vidaus produktas (BVP). Požymiai, metai}, http://db1.stat.gov.lt/starbank/SelectVarVal/saveselections.asp, 17 06 2011.


\textsuperscript{18} State power is a component of the national power, which the state can utilise in furthering its own goals and interest. Privatisation reduced the Russian government’s ability to directly use Russian energy resources as a foreign policy tool, however, with the rise of Putin increased the government’s direct influence in the Russian energy sector and strengthened Russia’s state power to utilise energy resources in order to pursue its foreign policy interests. One of the first popular uses of the term \textit{state power}, is attributed to Fadreed Zakaria in his book \textit{From Wealth to Power: The Unusual Origins of America’s World Role} (Princeton University Press, 1998). The term \textit{state power} is translated in Lithuanian as \textit{vyriausybinių galia}. 
Conflicts in the energy field between Russia and Lithuania renewed, when Lithuania declared its plans to privatize the oil refinery. The Russian oil company Lukoil sought to privatize the oil refinery, but the Lithuanian government took the position expressed by the Minister for Economy Vincas Babilius’ “not to allow Ivan [Russia] to the pipe” 19. As a result, the Lithuanian government sold the oil refinery company in conjunction with the Būtingė oil terminal including pipeline infrastructure throughout Lithuania, to a U.S. corporation, Williams International. Such a broad privatization of the oil infrastructure would have greatly expanded Russia’s influence, since the processing plant was and remains the largest tax contributor to the Lithuanian budget20 21. The company owning the processing plant has the capacity to influence political processes in Lithuania; therefore, it was natural that Lithuania was inclined to allow the privatization of the refinery to the American company, as the U.S. is its key strategic partner as well as key NATO member.

The Russian state-owned oil company Transneft halted oil supplies to Lithuania nine times between 1998 and 199922. The oil supply disruptions meant financial losses. As a result of oil supply disruptions the oil refinery became unprofitable. The oil supply suspensions by Transneft showed that profitability mostly depends not on the owner of oil processing plant, but rather the supply reliability. In 2002 Williams International decided to withdraw from the oil refinery. Lukoil sought again to buy the oil processing plant, but the Lithuanian government this time decided to sell to the Russian oil company Yukos. Yukos positioned itself as a company independent from the Kremlin, interested only in economic benefits and not representing Russian foreign policy23. The Lithuanian government found this Yukos position agreeable. Yukos managed Mažeikiai from 2002 to 2006; however, in 2003, at beginning of the Yukos affair the Kremlin planned to take over Yukos’ assets, nonetheless Lithuanian government was the first to take over Yukos-controlled oil refinery stocks24. Lithuania’s government

22 Larsson, (note 9), p.185.
goal was to avoid the oil refinery being controlled by the Russian government. International energy companies such as TNK-BP, Conoco Philips, Kazmunaygaz and PKN Orlen, also wanted to buy the Yukos share of the oil refinery. The Kazakh company Kazmunaygaz was one of the most realistic investors as it was capable of supplying its own oil, but Russia pressured Kazmunaygaz not to invest in Lithuania. Transneft, thus, nullified a ten-year oil supply contract with Kazmunaygaz\textsuperscript{25}. Transneft again, just as in 1998, sought to create a favourable environment for Lukoil to acquire the refinery. The Lithuanian government in 2006 as in 1998 took the same position: to prevent the privatization of the oil refinery by a Russian company which is linked to the Kremlin. The Lithuanian government even planned to nationalize the oil refinery, if the Russian government had taken over the whole of Yukos’ assets\textsuperscript{26}.

In May 2006 the Lithuania government approved the sale of Yukos-owned oil refinery shares to the Polish company PKN Orlen. The sale of the oil refinery was finalized in December of that year, but before the completion of the sale, on the 29\textsuperscript{th} of May 2006, Transneft announced likely oil supply disruptions. The oil supply was interrupted in July due to the technical accident on Druzhba-2 oil pipeline and the oil spill. International rating agency Finch Ratings said that the reasons behind the disruption were of a political nature and the technical accident served only as a pretext\textsuperscript{27}. There have been suggestions that the oil supply disruptions to Lithuania were planned even before the accident in July 2006\textsuperscript{28, 29}. The Russian delegation promised that the pipeline repair plans will be prepared and submitted to Lithuania before 2007, but these plans were never submitted\textsuperscript{30}. In the spring of 2007, Russian officials said that oil supplies will not be renewed, and the Russian Ambassador to Lithuania Vladimir Chikikvadze proposed that Lithuania itself should repair the pipeline. After the oil supply disruptions on Druzhba-2, Lithuania was


\textsuperscript{27} Virkus (note 23), p. 23.


only able to import oil only through the Butingė and Klaipėda oil terminals and via railway from Russia. Considering the rising cost of transport and the fact that the cheapest oil transport is via pipeline, this reduces the now PKN Orlen owned oil refinery’s profitability.

Uncertainty in Lithuania’s energy and the national security arises due to the categorical statements circulating in the media concerning the investments from Russia to Lithuanian energy sector, which are propagated by various government representatives. These assessments provided opportunities for fear manipulation in Lithuania. PKN Orlen privatised Mažeikiai and wanted to buy Klaipėda Nafta (Klaipėda oil) shares also. By controlling Klaipėda Nafta, PKN Orlen could have restricted competition in the oil sector, thereby increasing the oil refinery’s production and profitability. Klaipėda oil terminal allows for balancing the oil market in Lithuania and its import and export capabilities are of a strategic importance.

As of 2010, the Polish company, in a way, was using blackmail by claiming in the press that the refinery could be sold to one of Russia’s energy companies, such as TNK-BP, Rosneft or Surgutneft, if the Lithuanian government was not going to allow privatisation of Klaipėda Nafta. It is doubtful whether the sale of the Mažeikiai refinery would have been beneficial in the long term for PKN Orlen. The Mažeikiai refinery acquisition was more important to PKN Orlen as it allowed them to reduce the competitive pressure of the Russian companies on the Polish fuel market. Nonetheless, PKN Orlen, through the media, sought to maximize pressure on the Lithuanian government. At the same time, there are indications that the view of Russia as a threat to the energy security, at least in the public opinion, is changing; however, an overall general view on Russian investments remains unchanged. In 2010 Lithuanian President Dalia Grybauskaitė said that the oil refinery is no longer of a strategic importance to Lithuania, so it can be sold to Russian investors. However, Mažeikiai oil refinery in Lithuania remains

important economically because its income is the highest in Lithuania, meaning it is the largest tax payer. Therefore, the largest company engaged in the strategic resources processing, such as oil, certainly has political implications. In addition, Transneft’s decision to suspend the supply of oil illustrates that Russia perceives the oil refinery as a strategically important. The change in rhetoric is likely focused on minimizing tensions with Russia. This more moderate rhetoric is expected to indirectly reduce the possibilities of attempts against Lithuania’s vulnerability of energy security.

Oil supply interruptions were not linked to market mechanisms, but rather to economic and political interests. The sale of the oil refinery to Russian oil companies would not only have increased their capacity and profitability, but would have also increased Russian influence in the Lithuanian energy sector and the overall economy of Lithuania. Lithuania sought to prevent Russian energy companies, associated with the Kremlin, such as Lukoil, which is considered “the Russian ambassador”, from dominating the domestic market. Oil supply disruption only further entrenched the government’s positions of not selling the refinery to Lukoil. Privatisation of the Mažeikiai refinery by a Russian company, linked to the Kremlin, would have not only created supply monopoly, but would have also allowed it to control singlehandedly the strategic oil and gas sectors. This would have created a critical dependency of Lithuanian economical and political spheres on Russia. Lithuania’s integration into the EU would have only been de jure as Lithuania would have become a de facto colony of the Russian economy, as its policy would have been mostly influenced by the Russian energy companies. This explains why the Lithuanian government made an effort to limit the participation of the Russian companies in the Lithuanian energy sector.

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1.3. Energy Insecurity Due to Natural Gas and the Growth of Energy Dependence

In 2004 Gazprom, the Russian gas company, acquired Lietuvos Dujos, the major natural gas importer and distributor in Lithuania. Gazprom bought 34 percent of the shares for 37 million U.S. dollars\(^{38}\). According to analysts, Gazprom acquired Lietuvos Dujos at a lower price than the company was actually worth\(^{39}\). Later, Gazprom increased its stake in Lietuvos Dujos to 37.1 percent\(^{40}\). The largest part of the Lietuvos Dujos shares - 38.9 percent was owned by the German energy giant E. ON Ruhrgas International, which together with Gazprom, is constructing a gas pipeline under the Baltic Sea known as Nord Stream and, depending on the time, holds anywhere between 2 to 6 percent of Gazprom shares. In Lietuvos Dujos there are often conflicts between Gazprom and the Lithuanian government, which owns 17.7 percent of the shares, about natural gas prices. The Lithuanian government and Gazprom, particularly disagrees over natural gas prices in Lithuania and the EU’s 3\(^{rd}\) Energy Package, approved in 2009, which stipulates the separation of ownership in supply and transmission of natural gas and electricity. In order to protect their interests, Gazprom means to put pressure on Lithuania through higher natural gas prices as well as by means of a submitted appeal to Stockholm Arbitration seeking to prohibit the Lithuanian courts from investigating Lietuvos Dujos activities. Successful implementation of the 3\(^{rd}\) Energy Package would allow the development of alternatives to natural gas import and transport, avoiding the Lietuvos Dujos participation in these projects and to reduce Lietuvos Dujos major shareholder’s influence in the Lithuanian natural gas sector.

Lithuania’s natural gas sector is known for its corruption, which hurts Lithuania’s energy security. Since 1993, various intermediary gas trading companies were established in the Lithuanian gas sector, which bought gas at cheaper price from Gazprom and sold it to other consumers and the then state own enterprise, Lietuvos Dujos. Companies such as Jangila, Stella Vitae and Dujotekana had the financial capacity to influence the political processes in Lithuania\(^{41}\). It is worth noting that Lithuanian politicians, law enforcement and security services failed to remove intermediaries, whose actual need for existence remains questionable,


\(^{41}\) Vitkus (note 23), p. 34-35.
from the energy market chain as that in turn would have allowed Lietuvos Dujos to purchase gas directly from Gazprom without mediators. The mediators’ business influence was in part abolished by Gazprom’s decision to sell gas to all customers at the same price. Interestingly, the mediators’ collapse coincided with Gazprom’s successful share acquisition in Lithuanian gas sector - Lietuvos Dujos.

The second most important importer of natural gas to Lithuania was Dujotekana, which used to import up to a quarter of all natural gas to Lithuania is also indirectly controlled by Gazprom. Unlike other natural gas importers in Lithuania, Dujotekana buys natural gas indirectly through a Swiss-registered intermediary called LT Gas Stream AG, which, in turn, purchases its gas from Gazprom. The former U.S. Ambassador to Lithuania Keith C. Smith and the Lithuanian media point out that the main Dujotekana shareholder is a former KGB officer. This increases the vulnerability of national security, because Dujotekana repeatedly sought to lobby Lithuanian politicians. Smith also notes that there were questionable ties between the former Lithuanian Prime Minister Algirdas Brazauskas and Lukoil CEO Vagit Alekperov. Robert L. Larsson points out that the questionable ties between Lithuanian officials and politicians and the Russian companies Gazprom and Lukoil impact the energy insecurity, saying that “unbroken links” with the Russian government creates vulnerability of the energy issue and ability to influence policy through bribery. Russian owned energy giants control their subsidiary energy companies in the Lithuanian natural gas and electricity sectors, which, in turn sponsor politicians and political parties. While monitoring the press, it is clear that certain political parties are protecting the interests of the energy companies that have close ties to Russian companies, which contradict the state interests.

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42 Ibidem, p. 35.
44 Smith, (note 38) p. 2-3.
46 Larsson, (note 9), p. 189.
cians and energy companies do not favour the policy decisions that primarily reflect the interests of the State of Lithuania; thus, vulnerability in the political sphere remains high however indirect it may be. This creates a situation where at the state level there is a need to increase energy security and diversify energy supplies, but on the individual level self-interest serves to increase vulnerabilities in energy and national security. It can be assumed that the energy security project underdevelopment relates specifically to corruption, which increases the energy vulnerability in a long and very long term.

Lithuania should have achieved energy security in the natural gas sector once it had started paying the same price for natural gas as the other EU countries. However, Russia, by having a dominating position in the market, retains the ability to manipulate energy prices. Gazprom discriminates against Lithuania when compared to the other gas importers. Lithuania for natural gas pays on average 30 U.S. dollars more than Germany\(^50\), while Lithuania is geographically closer to Russia, and therefore closer to the natural gas resources, than Germany. That means lower transit expenses compared to Germany. This illustrates that Gazprom’s gas prices are at odds with economic rationality. Every single energy price manipulation by Gazprom that does not comply with the logic of the market pricing may be regarded as politically motivated, as it hampers the competitiveness of the state’s economy. The lack of transparency in determining natural gas prices and the fact that Lithuania is ready to purchase it at a price paid by the other users, create for Lithuania the cause for appeal to the EU and other partner countries, seeking to include them in the conflict resolution over the price of energy resources in order to gain political support for the projects that increase energy independence development and to exert political pressure on Russia.

Lithuania’s energy insecurity also stems from the 1994 commitment to close the Ignalina NPP as a result of the European Bank for Reconstruction and Development financial assistance agreement in exchange for improving the Ignalina NPP safety. This obligation was transferred to Lithuania’s negotiations for accession to the European Union. In 1999 Lithuania committed to closing the Ignalina NPP by 2010 in exchange for financial support granted for the closure of NPP\(^51\). Lithuania agreed to close it while aware that joining the EU would provide more

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\(^{50}\) In December 2010, Lithuania paid about 345 U.S. dollars per 1000 cubic meters of for natural gas, while natural gas price for Germany was at about 314 U.S. dollars per 1000 cubic meters. Valstybinė kainų ir energetikos kontrolės komisija, *Gamtinių dujų kainos struktūra buitiniam vartotojams* [‘Structure of Natural Gas Price for Domestic Consumers’], http://www.regula.lt/lt/dujos/duju-kainos/index.php, 19 06 2011 (in Lithuanian).

economic and political benefits more than the prolonging of the Ignalina NPP operation, at the same time increasing its national security. If Lithuania would have not closed the Ignalina NPP by 2010, unavoidably it would have had to close later nonetheless, but then it would have been without the EU funding. NPP closure negatively affected the energy security of Lithuania because it increased Lithuania’s dependence on energy resources imported from Russia. As well Lithuania began to import electricity generated in Russia. Lithuanian dependence on Russian energy resource imports in 2010 reached 79.4 percent. Russian energy dominance in Lithuanian economy increases Lithuania’s vulnerability, as the use of energy diplomacy by Russia becomes more efficient. However, the main vulnerabilities to energy and national security stem from the fact that Lithuania has passively developed energy diversification projects.

Over the twenty years of its independence, Lithuania only slightly reduced its energy dependence on Russia by diversifying its energy supplies and developing its own renewable resources. The projects that would have reduced Lithuania’s energy dependence, such as the 2003 initiative for a liquefied natural gas terminal, a new NNP initiative of 2006, the electrical connections with Western Europe and Scandinavia initiative of 1995, the natural gas storage initiative of 2004 or natural gas pipeline to Poland initiative of 2004 remain unfinished or only in their initial development phases. The only successful project so far has been the Butingė oil terminal, which was launched in 1999, after the oil pipeline Druzhba-2 closure. Butingė and Klaipėda terminals are the main components of the oil imports to the Lithuanian oil refinery. The position on the building of Butingė terminal was not consistent. Immediately after the interruption of oil supply between 1990 and 1993 the support for the project was huge, but declined when the oil supply to Lithuania was constant in the period between 1993 and 1998. This illustrates that the energy security projects were discussed in the light of ongoing processes, not specifically looking at the long term effects. However the 15th Lithuanian government is actively pursuing energy security projects, compared with the preceding governments. It is worth noting that Lithuania’s energy security is increasing due to its increasing integration into the EU. The EU financial assistance, joint institutions, policy of solidarity and a united energy policy is presenting advantages when it comes to guaranteeing energy security when compared to Belarus or Ukraine.

53 Vitkus (note 23), p. 28.
2. Belarusian Case Study

2.1. Energy Insecurity from Independence until the End of the Boris Yeltsin Era

When Belarus became independent, it lacked the national identity of a sovereign state, and this significantly influenced the development of Belarus. Leonid Zaiko writes that Belarus was prone to see itself as a part of the Russian Empire or the Soviet Union, and its domestic, foreign and security policy was dominated by provincially predisposed nomenclature\(^{54}\). Independence in Belarus was associated with negative impacts, as it created a lack of goods and products as well as energy resources, which it had previously received from the Soviet Union, that were necessary for the continuation of its trade and economic activities.

After the disintegration of the Soviet Union, Belarus joined the CIS. Russia has been supplying energy to CIS countries at lower prices than for other importers, and the price for Belarus was even lower. Nevertheless, already in 1993, Belarus owed Gazprom about 100 million U.S. dollars. As a result, Gazprom seized supplying gas. Belarus borrowed funds from the International Monetary Fund (IMF) to pay for the gas debt\(^{55}\). In order to maintain low-cost energy supplies Belarus in 1994 authorized the deployment of Russian troops on its territory\(^{56}\) as an exchange for the continued discount. Belarus did not see the establishment of Russian military bases as a threat to its national security and sovereignty, because Belarus was seeking closer integration with Russia.

The president of Belarus, Alexander Lukashenka, began to encourage socialist-oriented economic development. This type of economy was met with popular support as Belarusian people were accustomed to a similar economic system in times of the Soviet Union; as a result this increased the support for Lukashenka. However, the socialist-oriented economic development increased the financial pressure on the public budget. In 1995, Belarus owed 428 million U.S. dollars for natural gas, the price of which was much lower than for other importers and


\(^{56}\) Larsson, (note 9), p. 221.
equal to the price applicable to the Russian domestic consumers\textsuperscript{57}. Nevertheless, Belarus did not experience disruptions in natural gas supply, in contrast to the Baltic States. Russia did not interrupt energy supplies for three major reasons: firstly, Russian Belarus Customs Union was in its initial stages of formation, secondly, negotiations on Yamal-Europe natural gas pipeline project were under way, and thirdly, the idea to create a Union State between Russia and Belarus was being developed\textsuperscript{58}. Russia was willing to forgo Belarusian debts for greater political and economic influence in Belarus and the promotion of the integration process. For example, in 1996 Gazprom threatened to terminate the supply of natural gas, but the Belarusian debt was written off in exchange for increased number of Russian troops in Belarus. Once again Belarus managed to reach a favourable agreement by exploiting Russia’s geopolitical, rather than pragmatic way of thinking, and Russia’s aims of deeper integration. Russian internal political processes were important to Belarusian energy security. Boris Yeltsin’s re-election as the Russian President was important to Gazprom, and Yeltsin’s election campaign focused on the importance of good relations with the CIS countries; therefore, the energy conflict between Gazprom and Belarus and the deterioration of bilateral relations would have negatively affected his re-election chances\textsuperscript{59}.

Since 1997, the situation changed since the Russia-Belarus Union was not going anywhere while the Belarusian government continuously pursued the policy of “promises for energy privileges”. Gazprom’s situation had also changed as it needed income to pay taxes it owned to the Russian state reaching in excess of 1.2 billion U.S. dollars\textsuperscript{60}. Gazprom made a hard-line decision and, subsequently, three times in that year reduced the supply of gas by 50, 30 and 40 percent respectively\textsuperscript{61}. In exchange for a debt write-off Belarus was ready to continue with the integration and to sign additional contracts to further integration. For these reasons, the Union State creation in 1998 was back on the agenda of Russia-Belarus bilateral relations. Belarus received 200 million U.S. dollars in loans from Russian banks to pay its debt to Gazprom. The money from Gazprom was transferred to the Russian Defence Ministry which in turn purchased the Belarusian goods for the Russian military. The remainder of the debt was covered by commodities, currency and government bonds\textsuperscript{62}. This type of debt write-off was beneficial for Belarus in the short term as it erased the debt while at the same time stimulating the economy. This case also

\textsuperscript{57} Ibidem, p.221
\textsuperscript{58} Chloe (note 55), p. 4-5.
\textsuperscript{59} Larsson (note 9), p. 222.
\textsuperscript{60} Chloe (note 55), p. 5.
\textsuperscript{61} Ibidem, p. 5.
\textsuperscript{62} Ibidem, p. 6.
illustrates the closeness of cooperation between Gazprom and the Russian government, even when the government’s control of the company was in decline.

2.2. Belarus and Gazprom Energy Conflicts: the Beltransgaz Privatization

Once Vladimir Putin became the president of Russia, relations with Belarus began to change. Geopolitical policy which had dominated since Yevgeny Primakov became the Russian Minister of Foreign Affairs gave way to Putin’s pragmatic foreign policy approach. Changing Russia – Belarus relations particularly affected gas prices for Belarus. Belarusian gas debt allowed Russia to expand its energy diplomacy. As a result of the 260 million U.S. dollars debt to Gazprom it temporarily cut the gas supply by 40 percent to Belarus in year 2000 and Gazprom reached an agreement with Belarus whereby as of 2001 Belarus was to pay 30 U.S. dollars per 1,000m$^3$ of natural gas; however it was to make huge concessions in gas transit rates, which turned out to be three times lower than the rates that Ukraine or Moldova were charging. These agreements with Belarus were alluding to the Russian-Ukrainian energy conflict, as the gas transit routes were being reoriented to bypass Ukraine.

As part of the deal to establish the Union State, Belarus, in 2001, was willing to sell 50 percent of the shares of Belarus state owned natural gas pipeline operator company Beltransgaz to Gazprom in exchange for natural gas prices close to those offered to the Russian domestic consumers for a five-year period. The Russian ambition was to seek to structure the Union State similarly to the EU or, alternatively, Belarus was to be fully integrated into Russia. Once Lukashenka figured this out, he was dissatisfied. As a result, the Union State project came to a dead end, as well as bargaining on Beltransgaz. However, as Russia sought to expand its influence in Belarus, it was important for it to take over Beltransgaz because that would increase the pressure on the Belarusian government. In order to further press Belarus to allow for the takeover Beltransgaz, Russia cut natural gas supplies by 50 percent and called for a full Beltransgaz privatisation for the reasons being that Belarus had gone over the maximum agreed quote in gas usage by 15 to 20 percent. In response to the pressure, the Belarusian parliament repealed the restrictions on the privatization of Beltransgaz.

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64 Chloe (note 55), p. 7.
In autumn 2003, Gazprom again demanded for Beltransgaz privatization, in order to acquire a controlling stake and higher prices for gas. Belarus and Gazprom reached an agreement to lease Beltransgaz for 99 years in exchange for an increased natural gas supplies and the potential of re-export, but no agreement was ratified by the Belarusian parliament\(^\text{66}\). In 2004 Gazprom seized gas supplies to Belarus in order to increase the pressure. Belarus arranged on the natural gas supply with Itera, SIBUR and Transnafta. All these companies are connected to Gazprom as all these companies trade Gazprom’s extracted natural gas and distributed via the Gazprom owned infrastructure, so perceived diversification was an illusion\(^\text{67} \text{68} \text{69}\). In February, Itera and Transnafta stopped natural gas supplies due to the end of short-term contracts and the Belarusian debt owed to those companies\(^\text{70}\). In addition, the Russian government also favoured the termination of gas supplies to Belarus\(^\text{72}\). The termination also affected Lithuania, Latvia and Poland, as the pressure in pipelines fell within their territories. In trying to meet its gas consumption needs, Belarus began siphoning gas form the transitional Yamal-Europe gas pipeline. Finally, Belarus and Russia agreed that the natural gas price for Belarus would increase reaching up to 47 U.S. dollars per thousand m\(^3\), which still was considerably lower than for the other importers in Europe, Russia has also provided 200 million U.S. dollar loan to enable Belarus to pay the debt\(^\text{73}\). Russia allowed Belarus to have lower natural gas prices but that meant that Belarus remained more vulnerable to price manipulation and at the same time it increased its economic dependence. The Russian government, through Gazprom’s gas supply interruption, in the long term demonstrated Russia’s ability to expand its influence by exploiting the long-term energy supply outages.

Because of the discontinuation of the integration process and the lack of real influence development it was not useful for Russia to continue subsidizing the Belarusian economy\(^\text{74}\). At the end of 2006, Gazprom began negotiations on

\(^{66}\) Larsson (note 9), p. 224.
\(^{71}\) Larsson (note 9), p. 224.
gas prices for the year 2007 and demanded from Belarus to pay 200 U.S. dollars per thousand m$^3$, which was the price close to what Lithuania was paying$^{75}$. At the same time, Gazprom offered to supply gas at 120 to 140 U.S. dollars per thousand m$^3$, if Belarus was to agree to sell 50 percent of Beltransgaz shares to Gazprom$^{76}$. By Gazprom estimates Beltransgaz was worth 3.5 billion U.S. dollars. Finally, on 18th May 2007, agreement was reached whereby Belarus was to sell 50 percent of the Beltransgaz shares in instalments over four year period for which 2.5 billion. U.S. dollars will be paid. Belarus was also to pay 75 percent for the price of gas in currency while the remainder 25 percent were to be deducted from the negotiated 50 percent share sale price. In addition, gas transit tariffs were to be increased by 70 percent. The agreement also stipulated that Belarus was going to gradually pay higher price year by year until by 2011 it was similar to the price that was being paid other importers in Europe$^{77}$. By acquiring the 50 percent Beltransgaz stake, Russia expanded its economic and political influence in Belarus and retained the ability to manipulate natural gas prices. However, for Belarus, this deal is also satisfactory, since it still retained the possibility to negotiate natural gas prices and to offer political deals in exchange for more favourable gas prices.

There were no serious conflicts between Russia and Belarus concerning the privatization of the two refineries at Mozyr and Novoplock. In 1994, the joint Russian-Belarusian company Slavneft acquired 42.6 percent of Mozyr oil refinery shares. Today, the 99.7 percent of Slavneft is owned equally by TNK-BP and Gazprom Neft. More than 90 percent of Novoplock refinery shares remain state owned. However, Lukoil has repeatedly expressed interested in privatizing Belarusian oil refineries, and it is likely that it supported Lukashenka’s re-election in 2001 in exchange for promises that Novoplock oil refinery would be sold to Lukoil$^{78}$. Lukashenka stated that he does not plan to privatize oil refineries.

The end of 2006 saw the beginning of negotiations on natural gas prices and a Beltransgaz takeover as well as the start of the conflict between Russia and Belarus over oil export duty, which increased the pressure on Belarus. In 1995 Belarus and Russia agreed that Russia will not apply customs duties on oil exports to Belarus in exchange for 85 percent of the profit from the refined Belarusian oil products exported to third countries. In 2001, Belarus violated this agreement and

$^{77}$ Ibidem, p. 361.
continued exporting refined oil products to European markets, while retaining all the profits. Nevertheless, Russia continued with its side of the agreement and its obligations. Russian oil companies refined oil in Belarus and exported it to the European markets. As a result of this scheme, the Russian budget revenues derived from oil processing decreased while the Belarusian oil refining sector became very attractive to Russian companies. On 16<sup>th</sup> December 2006, Russia introduced a $180 per tonne export duty on oil exported to Belarus<sup>79</sup>. Russia sought to stop subsidizing the Belarusian economy and boost its oil processing capabilities, thus increasing its own economic capacity.

In response to Moscow’s actions Belarus introduced a fixed oil transit tax, in addition to the transit rate, as high as U.S. $45 per tonne<sup>80</sup>. Transneft stopped oil supplies via Druzhba pipeline on the grounds that in the oil trade there is no such type of practice where a transit country applies a fixed transit tax. In response to this Belarus began siphoning oil from the transit pipelines destined for other countries. On 10 January 2007 Belarus and Russia agreed to resume the normal oil supply, but exports taxes were introduced on exported oil and its products to Belarus, in addition Belarus also had to introduce export taxes on oil and its products exported to the third countries to match the applicable Russian taxes.

This conflict resolution made the Belarusian oil refining industry unattractive to the Russian companies, and reduced the Belarusian state income from oil refineries and oil and oil products exports, which in 2006 amounted to 5.4 billion U.S. dollars<sup>81</sup>. Belarus could have avoided this type of scenario and received extra income from oil and its re-export, if it would have respected the 1995 agreement. This agreement did not significantly increase the revenue from oil and its re-export; however, it allowed Belarus to import oil for domestic consumption at a lower price, thus increasing the competitiveness and profitability of the budget. Russia’s decision to impose an export duty for oil exported to Belarus should be seen as a consequence of the Belarusian policy, which in turn allowed Russia, in furthering its own political and economic interests, to exploit the fact that Belarus failed to uphold its end of the bargain. Russian political motivation is exposed by the fact that it choose not to introduce oil export duties on oil to Belarus for more than five years after the contract violation. Russia could have imposed sanctions earlier or seek through negotiations to return to the status quo, but Russia saw a


<sup>80</sup>Ibidem, p. 14.

<sup>81</sup>Tax contributions to the budget from the oil sector were close to 5.4 ml. US dollars. Kononczuk (note 73), p. 42.
political advantage in allowing Belarus to violate the agreement and subsidizing the Belarusian economy.

2.3. Belarus-Russia Energy Conflicts over a Partial Beltransgaz Takeover and Energy Security Expansion

After a takeover of Beltransgaz, Gazprom repeatedly threatened to terminate the supply of natural gas to Belarus. In August 2007, Gazprom threatened to cut natural gas supplies to Belarus by 45 percent, if it did not repay 456 million U.S. dollars in debt. However, Belarus was able to repay the debt within the specified period of time. In June 2010, Gazprom threatened gas supply cuts, if it was not paid back 200 million U.S. dollars debt for gas. In turn, Belarus demanded payments of 217 million U.S. dollars in debt for natural gas transit. Then, natural gas supplies to Belarus were reduced by 60 percent, which also resulted in reductions of gas supply to Lithuania by 40 percent. The conflict was resolved when both sides agreed to settle their debts to each other. The gas conflict was purely politically motivated. Russia pressured Belarus to sign the Russia, Belarus and Kazakhstan Customs Union treaty. Lukashenka, however, was exploiting the conflict in order to boost support for himself in the (then) upcoming presidential elections in 19th December 2010.

The 2010 conflict was the result of non-transparent gas pricing. In the first quarter of 2010, Gazprom demanded payments of 169.20 U.S. dollars per thousand m³ as Belarus was paying only $150 as this being the price paid by Belarus in 2009, which was half the price paid by Germany. Transparency in energy resource trade between Russia and Belarus would eliminate, or at least reduced energy conflicts, but the current situation satisfies both sides, because they retain the ability to use non-transparent pricing to achieve political goals. It is likely that

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87 BBC, (note 83).
Russia will not increase gas prices for Belarus to match the prices charged other importers in Europe. Lower prices maintenance enables Russia to better manipulate the pricing to suit its political and economic goals. Lukashenka, while exploiting lower gas prices, gains the advantage of ensuring public support and Belarusian trade competitiveness. However, political stability that is maintained through low energy prices is actually a vulnerable political system and in addition it does not provide incentives for energy-efficient economic development and technological innovation. If the energy resource price would be made equal to that of the other importers in Europe it would limit Russia’s opportunities to expand its political influence. Belarus does not object to it as long as it is beneficial to its public system, as its priority is socialist-oriented economic development, rather than energy and national security.

Belarus did not look for alternative energy supplies while Russian companies did not try to take over Beltransgaz and the relations with Russia were in line with its interest. As Russia started to aggressively expand its own interests using of energy resources, Belarus began looking for alternatives. However, the NPP project, which has been undergoing since 2008, cannot be seen as an alternative, because Belarus is planning for the plant construction to be financed and carried out by Russian companies, the reactors to be installed are assembled and made in Russia, while the power plant is to be provided with a Russian nuclear fuel and personnel. This would reduce the need for Russian natural gas, but would increase the threat to Lithuanian national security as the power plant is planned just 50 kilometres from the capital Vilnius, and the reactors are likely to be cooled with the water from the river Neris. The power plant project in Belarus complicates the realization of the Lithuanian Visaginas NPP project and its electricity price competitiveness on the market.

The Yamal-Europe transit gas pipeline has strengthened Belarusian energy position in respect to Russia; however, in 2007 Russia has abandoned its plans to build the second Yamal-Europe transit gas pipeline, which would have further increased the importance of Belarus to Russia and would have strengthened the Belarusian negotiating position. In order to increase the energy independence, Belarus is implementing projects aimed increasing its own local and renewable resources, with particular emphasis on electricity and heat generation capacities. At

the end of 2011, the Grodno oblast intends to complete the 17.8 MW hydroelectric power plant and expand biomass preparation and use operations. Even though local and renewable resources will grow, most of the Belarusian energy resources will still have to be imported. Thus, Belarus intended to import 10 million tons of oil annually from Venezuela between 2011 and 2013\textsuperscript{91}. This amount of oil would meet domestic Belarusian consumption needs, but it is not enough for the re-export of oil and oil products to third countries. The agreement with Venezuela temporarily increased the Belarusian energy security and improved its bargaining position with Russia. However, the Venezuelan oil could not bring significant revenue to the Belarusian budget as Venezuelan oil prices are higher than those imported from Russia, and in addition, the supply is to be done via oil tankers through the neighbouring port of Odessa in Ukraine and Odessa-Brody pipeline, while the transportation oil from Venezuela is much more costly than the pipelines from Russia\textsuperscript{92}. Russia, in response to Belarusian cooperation with Venezuela, was ready to cancel export duties on oil and natural gas since 2011, on the condition that Belarus would agree to ratify the Single Economic Space Treaty\textsuperscript{93}. This type of customs union, though, allows Russia, as the largest and economically most capable state, to extend its economic muscle on other union members and through tariff restrictions regulate their trade with third countries.

There is no doubt that energy trade between Russia and Belarus is affected by corruption. Assumption is supported by the Transparency International Corruption Perceptions Index data showing that corruption in Belarus is high\textsuperscript{94}. To explore the impact of corruption on the energy security of Belarus is difficult due to character of its political system. It can be assumed, though, that corrupt practices are associated with the highest state authorities and these institutions are well protected and defended, thus, corruption cases mostly remain undetected. Dependent law enforcement and judicial authorities, the weakness of the opposition and lack of independent media, all create an environment in which corruption cases cannot be objectively tested and evaluated.

Nonetheless, while energy prices for Belarus have been lower, energy efficiency in Belarus increased, yet it still remains low, almost twice as low as in


Increasing energy efficiency directly influences the reduction of fuel and energy consumption, which produces a lesser need to import energy resources and attaches greater importance to local and renewable resources in the final balance of energy consumption. Russia will remain the main energy supplier in the long run as geopolitical position of Belarus isolates any other possible energy supply alternatives. If it attempted to develop its energy and geopolitical orientation to the West, its energy and national security could be particularly negatively affected by Russia, and especially in the short and medium terms, because Belarus would not be able to abruptly re-orientate its energy supply infrastructure.

3. The Ukrainian Case Study

3.1. Ukraine-Russia Energy Relations before Major Energy Conflicts

Upon the disintegration of the Soviet Union, Ukraine joined the CIS, yet it was keen to keep its multivectoral foreign policy. After the disintegration, the price of oil for Ukraine reached world market price, but natural gas prices were being fixed by bilateral agreement with Russia. The price of gas for Ukraine, as for a CIS state, was lower than for other European consumers. Lower natural gas prices stimulated the Ukrainian economy, but like Belarus, Ukraine’s gas debt to Russia rose. The debt allowed Russia to demand a takeover of the Ukrainian energy infrastructure in exchange for the debt write-off. As a result of debts, Russia periodically discontinued natural gas supplies to Ukraine in 1992, 1993 and 1994. Thus, the debt issue and the possible suspension of gas supply were included in the agenda of bilateral talks. Gas supply suspension created a favourable political and economic environment for the expansion of Russian influence in Ukraine.

After the Soviet Union broke apart, some nuclear weapons remained in Ukraine; however, the U.S. and Russia did not want another nuclear power state to exist. Therefore, the U.S. and Russia applied pressure on Ukraine to return the nuclear weapons to Russia or dismantle them. Nonetheless, from 1991 to 1994...

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95 Enerdata (note 16).
97 Ibidem, p. 18.
Ukraine sought to take control of the nuclear weapons in its territory or at least retain some of these weapons. In 1993 Russia issued an ultimatum demanding a full return of Ukraine’s nuclear weapons arsenal and the transfer of the Black Sea fleet of Russia. One week prior to the negotiations, as means of increasing pressure, Russia reduced natural gas supplies by 25 percent on the grounds of Ukrainian debt. Russia also threatened further subsequent energy supply suspension, if Ukraine fails to implement the Russian requirement. At the same time, Russia proposed to write off the debt, if Ukraine would agree with the demands. President of Ukraine Leonid Kravchuk failed to pass the agreement with the then Russian president Yeltsin because of the political opposition.

From 1994 to 1995 Ukraine’s debt for natural gas amounted from 4 to 4.5 billion U.S. dollars. It was seeking to write off the debt in exchange for Gazprom takeover of Ukraine’s natural gas transmission pipeline. The feasibility of a joint Russian - Ukrainian gas transit company in exchange for partial debt write-off was also considered. The Parliament of Ukraine opposed Leonid Kuchma’s initiatives and barred the Russian energy companies from Ukraine’s natural gas infrastructure sectors.

In 1995 Russia also sought to consolidate the former republics of the Soviet Union in order to expand economic and political influence by creating the CIS Customs Union. Therefore, in 1995, Russia raised export duties on oil exported to Ukraine, as a result, Ukraine ended up paying more than market price for its oil from Russia. Increase of oil export duty was to make Russia the Ukraine to join the CIS Customs Union. By increasing the duties, Russia hoped this will lead eventually to Ukraine’s accession as a full member of CIS Customs Union, but Ukraine joined only as an observer.

From independence until 2000, Ukraine and Russia did not apply market principles to natural gas trade. In 2000 Viktor Yushchenko became the Ukrainian Prime Minister, he and the Deputy Prime Minister for Energy Yulia Tymoshenko wanted apply market principles to Ukraine’s energy sector, but these attempts were not successful due to the oligarchy’s resistance. In addition, Ukraine was not a reliable gas transit partner, as when, for example, in 2000 Ukraine’s state energy company Naftogaz Ukrainy, (further Naftogaz), siphoned 8.7 billion m$^3$.

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100 Ibidem.
101 Larsson (note 9), p. 202
of natural gas destined for European consumers. Ukraine’s actions contributed
to Russia’s search for an alternative transit; thus, increasing its natural gas transit
through Belarus seeking to develop alternative transit pipeline projects like the
North Stream via the Baltic Sea and the Blue Stream via the Black Sea. Eventually
Ukraine’s actions negatively affected the whole of Eastern Europe and the Baltic
region’s energy and national security. Pipelines passing via the Baltic and the Black
Seas, the development of Primorsk port in the Baltic Sea and the development of
the Baltic Pipeline System II, made the Intermarum region more vulnerable to
the Russia’s energy foreign policy. Russia, thus, is becoming less dependent on
transit countries while, at the same time, it is increasing its dominance of those
transit countries, furthering their asymmetric dependence.

3.2. Ukraine’s Orientation towards the West
in the Ukrainian-Russian Energy Conflict of 2006

The period of 2005 - 2010 was marked by intensive energy conflicts with
Russia, which were mostly politically motivated. During this time, Russia sought to
influence Ukraine’s pro-Western orientation, and keep it in their area of influence
by supporting the pro-Russian government. As a result, Russia was manipulating
the natural gas supply and prices for these reasons. The indication of this is the
different Russian energy policy practices at different times as for example during
the presidency of the pro-Western Viktor Yushchenko, on one hand, and pro-
Russian President Viktor on the other.

Before the 2004 Ukrainian presidential elections, Gazprom supported a
Yanukovych-led government by offering low natural gas prices. At that time,
Gazprom sold gas to Ukraine at 50 U.S. dollars per thousand m$^3$, while the average
price of natural gas for European consumers was 140 U.S. dollars for the same
amount. However, after the “Orange Revolution” in 2005, Yushchenko won the
presidency and Ukraine-Russia energy relations changed radically.

In December 2005, Gazprom decided to increase the price of natural gas
for the ex-Soviet states. Gazprom proposed a gas price increase in the area of
160 to 230 U.S. dollars per thousand m$^3$ for Ukraine, while at the same time
providing an alternative proposal that the gas price could be lowered if joint
consortium between Gazprom and Naftogaz were to take over management of
The proposed consortium idea did not satisfy Yushchenko and in addition he suggested that the consortium ought to build new pipelines, rather than seek to control the existing pipelines. Thus, Ukraine was ready to pay the natural gas price paid by the other users, but requested for the price to be increased gradually and in 2006 agreed to pay only 80 U.S. dollars per thousand m$^3$. A sudden increase in gas prices would have forced Ukrainian industry into bankruptcy as Ukrainian industrial sector, with its developed chemical and metallurgical industries made up about 42 percent of Ukraine’s GDP and consumed a lot of energy; therefore, Ukraine was very sensitive to changes in energy prices. This economic structure means that Ukraine is the second largest importer of Russian gas in Europe. Putin at the same time expressed the view that Russia should stop subsidizing Ukraine, because the cheap prices of energy resources are costing Russia a billion dollars annually. The decision to increase gas prices for Ukraine can be seen as politically motivated, since for the previous eight years the gas price for Ukraine had been stable and had not been considered a subsidy. Only after the political changes in Ukraine did Moscow’s assessment of the gas prices for Ukraine change.

In order to meet the payments for gas, Kiev proposed a barter exchange of Ukrainian made weapons. Ukraine was not ready to begin currency settlements and forego the barter exchange arrangements. Gazprom was not interested in the proposal since for the company it was not viable to acquire weapons and then resell them to the Russian military, and besides Russian military needs new type of weapons and technology not the Soviet-design weapons offered. In addition, it would have not been in the Russian interests to stimulate the Ukrainian arms industry.

Gazprom proposed that Ukraine set up a joint company that would manage the transit pipelines and Gazprom would then hold shares in it. Such Gazprom

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105 Ibidem, p. 4.
110 Larsson (note 9), p. 214.
gas transit operator schemes already began operating as Polish Europol GAZ, Slovakian Slovrusgas and Hungarian Panrusgas\textsuperscript{112}. According to this type of business scheme, the energy supplier ends up paying itself for the transit of its own resources. Gazprom, by controlling over 48 percent of Europol GAZ, effectively manages the Yamal - Europe gas pipeline that passes through the territory of Poland and, as a result pays, itself for the transit almost half of the transit price, which is 2.1 U.S. dollars per thousand m\textsuperscript{3} over a hundred kilometres, so it receives 48 percent of that company’s total profit\textsuperscript{113}.

Natural gas conflict between Ukraine and Russia escalated as both sides did not seek common solutions. Ukraine threatened Gazprom with partial natural gas appropriation on the grounds that the contract did not specify how much of the transit gas moving across Ukraine was to reach Europe\textsuperscript{114}. Gazprom, in turn, threatened to terminate the gas supply agreement on price was not reached. Gazprom and Naftogaz agreement stipulated that the conflicts and disputes over natural gas supplies and prices should be dealt with in Stockholm Arbitration Court, but Gazprom chose not to appeal\textsuperscript{115}. This suggests that the gas conflict was politically motivated, while the Stockholm arbitration decision, likely, would have not been favourable for Gazprom.

Russia also sought to restrict Ukraine’s economic development, by offering to settle the conflict by means of 3.6 billion U.S. dollars loan from the European and the U.S. banks that it would arrange for, so that Ukraine would be able to cover the price difference for the gas purchased from Russia while it then would be able to maintain the unchanged price for its domestic customers\textsuperscript{116}. This type of loan would have had a negative impact on the Ukrainian economy because it would not only end with a price increase but would also need to pay the loan interest.

In addition to the price factors, the natural gas conflict was also being provoked by Ukrainian Naftogaz. In 2005 Naftogaz sold or stole 7.6 billion m\textsuperscript{3} of Gazprom-owned natural gas which had been in Ukrainian storage facilities\textsuperscript{117}. Ukraine and Gazprom failed to agree on damages settlement for the missing gas.

On January 1, 2006, Gazprom seized gas supplies to Ukraine. On the same


\textsuperscript{114} Socor V., \textit{Kremlin has Upper Hand in Gas Negotiations with Ukraine}, 12 December 2005., http://www.jamestown.org/programs/edm/single/?tx_ttnews%5Btt_news%5D=31210&tx_ttnews%5BbackPid%5D=176&no_cache=1, 25 06 2011.

\textsuperscript{115} Larsson (note 9), p. 205.

\textsuperscript{116} \textit{Ibidem}, p. 205.

\textsuperscript{117} \textit{Ibidem}, p. 203.
Gazprom recorded a decrease in gas pressure in its transit pipelines and accused Naftogaz of siphoning gas destined for Europe. A little later Naftogaz admitted it. This incident, once again, showed that Ukraine is not a reliable gas transit partner and prompted European users to search and support alternative pipeline development projects which would bypass Ukraine and other transit countries. Such actions had a lasting negative impact on Ukraine’s energy security, on its role as a transit country and on its geopolitical importance.

On January 4, a five-year gas supply contract was negotiated; however, only stipulated the price for the upcoming a six-month period. According to the Gazprom and Naftogaz agreement, they were to trade through an intermediary, the RosUkrEnergo company, which was to purchase gas from Gazprom at 230 U.S. dollars per thousand m$^3$ and mix it with a cheaper gas from Turkmenistan and Kazakhstan and then, sell it to Naftogaz at 95 U.S. dollars per thousand m$^3$. Under this scheme, RosUkrEnergo had to buy annually 16 billion m$^3$ of Gazprom’s gas and 40 billion m$^3$ of gas from Turkmenistan and Kazakhstan, which ranges in price from 50 to 65 U.S. dollars per thousand m$^3$. The agreement, also, stipulated that the transit rate would be increased to 1.6 U.S. dollars per thousand m$^3$ over one hundred kilometres. Some analysts say that RosUkrEnergo could not be financially viable if it were to respect the stipulated sales and purchase volumes and prices. Thus the Ukrainian-Russian agreement lacked transparency and it also created opportunities for energy conflicts in the future.

The lack of RosUkrEnergo’s operational transparency adversely affected Ukraine’s energy security. 50 percent of the company’s shares are owned by Gazprom through an intermediary Rosgas Holding AG, while the remaining 50 percent belongs to the Centragas Holding AG. Centragas Holding AG was managed by two Ukrainian businessmen, Dmitry Firtash and Ivan Fursin, both are suspected to have links to organised crime. These links have been highlighted by Ukrainian Prime Minister Tymoshenko. The activities of Centragas Holding AG were also investigated by the U.S. Department of Justice. Ariel Cohen

said: “[RosUkrEnergo] company is a shady entity with allegedly illicit ties, and is an intermediary that benefits businessmen and government officials who prefer anonymity.” Energy relations between countries cannot be transparent when they involve a company with a questionable reputation. However, certain government officials and businessmen are interested in this type of company’s involvement. These companies allow Gazprom to extend its influence through corruption while government officials and entrepreneurs profit from it.

3.3. The Ukrainian – the Russian Gas Conflict of 2009 and the Return to Multi-Vector Policy

2007 - 2009 period was marked by constant conflicts between Gazprom and Ukraine, which often arose as a result of short-term agreements on gas prices and Ukraine’s inability to pay for gas in a timely manner. Poor coordination between Ukrainian government authorities and energy companies in Ukraine determined its weaker bargaining position, especially when it was negotiating for the price of gas that it had already consumed.

In November 2007, natural gas prices reached 180 U.S. dollars per thousand m³. In February 2008 the Russian and Ukrainian presidents decided to replace the mediator RosUkrEnergo to replace by jointly managed company under the control of Gazprom and Naftogaz, Ukraine also committed to pay for gas in advance. Gazprom continued its threat to reduce natural gas supply by 25 percent on the grounds that the availability volumes of gas from the Central Asian had dropped, and as a result Gazprom had to compensate for the decrease with the more expensive Russian gas. For this reason, the Ukrainian debt for gas rose rapidly and the gas supply was reduced. However, Gazprom and Naftogaz managed to reach an agreement, yet the cabinet refused to ratify the previously reached agreement by the Russian and Ukrainian presidents that called for the establishment of Gazprom and Naftogaz jointly managed company and to pay

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for gas in advance. Eventually, in October 2008, Russian Prime Minister Putin and Ukrainian Prime Minister Tymoschenko signed a three-year agreement, which stipulated that Ukraine will pay a higher price for natural gas, but Ukraine’s gas transit rates will also increase. Later on, Gazprom and Naftogaz came to different arrangements from the agreement signed by the Prime Ministers. This shows the lack co-ordination between the political institutions and energy companies. Different positions prevailed not only between the Ukrainian and the Russian governments, but also between the two state owned energy companies. The biggest problem was that there was a difference of opinion on the issue between the two executive branches of the Ukrainian government, as well as, the difference in opinion between the Ukrainian executive government’s position as a whole and the position of the energy companies. Therefore the lack of unified bargaining position was increasing the vulnerability of energy security.

At the end of 2008, Gazprom demanded payments for the consumed gas, as well as to pay the debt that has resulted from the cost difference between Russian and Central Asian gas, however, due to the lack in transparency, there was a disagreement between Gazprom and Naftogaz on the actual amount owed. Ukraine argued that it owed only for two months and said it was not going to pay it in 2008. Gazprom refused to postpone the debt payments until 2009, which shows an inflexibility and possible political motives to increase the pressure on Ukraine. At the same time, it must be taken into consideration that the Global Financial Crisis (GFC) had particularly severely affected Ukraine’s financial capacity, but Gazprom did not agree on providing alternatives. Therefore, GFC strengthened Russia’s ability to exploit economic and financial measures to enhance its influence on Ukraine.

Gazprom again seized gas supplies to Ukraine on the 1st of January 2009; however, the supply of gas to European countries continued as usual. Thus, Ukraine’s gas needs were met from its own natural gas reserves. President Yush-

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chenko appealed to the EU Commission regarding the suspension of gas supply\textsuperscript{134}. The EU took no effective action until January 4, when it noticed the drop in gas pressure being delivered through transit pipelines coming from Ukraine\textsuperscript{135}. The EU became more involved in seeking the energy conflict resolution only after it had affected the EU Member States. This shows that the EU is not really concerned which state in Eastern Europe has the greatest geopolitical influence as long as the region is stable and does not affect the EU Member States interests.

On January 5, Gazprom, with the approval of Prime Minister Putin, reduced natural gas supplies to Europe by the amount equal to that of the transiting gas Ukraine used for the technical purpose of transportation and pressure maintenance\textsuperscript{136}. On January 6, Gazprom claimed that Ukraine was blocking three of the four transit pipelines. Both sides sought to exploit the energy conflict in their own favour and win the support of the EU\textsuperscript{137}. Both sides blamed each other for the natural gas supply termination to EU Member States. On January 7, it was announced that Gazprom was suspending all natural gas supplies, as Ukraine had suspended the gas transit. Naftogaz, in turn, announced that it suspended transit because Gazprom had, in the first place, stopped supplying gas\textsuperscript{138}. In order to restore natural gas supplies to the EU Member States, the EU became a moderator between Russia and Ukraine. The EU proposed to establish a gas monitoring mission on the Russian-Ukrainian border. Ukrainian Prime Minister Tymoshenko demonstrated a lack of competence and responsibility when, to an already negotiated and drafted protocol regarding the EU Monitoring Mission, he suddenly added a piecemeal declaration which stated that Russia was singlehandedly responsible for the crisis. Russia immediately rejected the protocol\textsuperscript{139}. In turn, Tymoshenko’s actions prolonged the crisis and showed the inability of Ukrainian politicians to achieve conflict resolution.

Eventually, after the protocol had been signed on January 12, the EU Monitoring Mission was still unable to begin work. Ukraine had changed the direction of one of the transit pipelines so that it could supply its gas consumers in the eastern regions; hence, the transit pipeline became unsuitable for gas transit to Europe. The restoration of the pipelines direction would have meant the end

\textsuperscript{136} BBC, Russia to cut Ukraine gas supply, 2009 January 5 d., http://news.bbc.co.uk/2/hi/europe/7812368.stm, 30 06 2011.
\textsuperscript{137} Pirani S., Stern J., Yafimava K., (note 130), p. 21-22.
\textsuperscript{138} Ibidem, p. 22.
\textsuperscript{139} Ibidem, p. 22-23.
of gas supply to Ukraine’s eastern regions\textsuperscript{140}. Gazprom then began to specifically insist on using that particular transit pipeline, which direction had been changed, in order to recommence the gas transit to the EU as that particular transit pipeline was exactly what was preventing them from being able to deliver gas to the EU\textsuperscript{141}. This incident showed that Russia was reluctant to resolve the conflict and was not willing to be flexible on the issue. Russia also sought to exploit its position to encourage the EU to increase pressure on Ukraine.

On January 18, Ukrainian and Russian Prime Ministers signed a ten-year agreement on natural gas supply. In 2009, Ukraine had to pay 80 percent of gas prices compared to European consumers, and since 2010, Ukraine had to pay the same price as other European consumers. It was also agreed that Gazprom was going to sell gas directly to Naftogaz without any intermediary, and the transit rate was also increased.

This agreement with Russia was unfavourable for Ukraine as it negatively influenced Ukraine’s financial capabilities, and increased public debt. For Ukraine, higher natural gas prices prolonged the economic crisis, caused a decrease in the competitiveness of its goods and products, and reduced its domestic consumption\textsuperscript{142}. Yushchenko had assessed the agreement as discriminatory agreement which must be renegotiated in the future\textsuperscript{143}. The agreement had an effect on the internal political situation. Higher gas prices, GFC and domestic political instability reduced Ukrainian popular support for pro-Western parties. Subsequently, these factors led to Yushchenko’s defeat in 2010 presidential election.

When Yanukovych was elected President of Ukraine, Ukraine’s position on Russia changed strongly; it returned to the former foreign policy of the Kuchma presidency. Russia, once again, began to be viewed as a strategic partner. The increased Russian influence was related to energy resources as well. Former President Yushchenko was opposed the continuation of the Russian military deployment at the Sevastopol naval base after the contract expires in 2017. Yanukovych’s position was that the deployment contract of Russian military at the base could be extended in exchange for lower natural gas prices. On April 21, 2010, Ukrainian and Russian Presidents signed an agreement according to which the price of natural gas for Ukraine was decreased by 30 percent. In addition, Ukraine leased


\textsuperscript{141} Pirani S., Stern J., Yafimava K., ( note 130), p. 22-23.

\textsuperscript{142} Ibidem, p. 28-29.

\textsuperscript{143} Pirani S., Stern J., Yafimava K., ( note 130), p. 30.
of the Sevastopol naval base to Russia until 2047. Ukraine’s decision to allow the lease extension for Russia’s naval deployment in Sevastopol in exchange for cheaper gas will have long-term consequences on Ukraine’s geo-political position, actions and orientation. Through this agreement, Russia increased its influence in Ukraine’s economic, political and military spheres, this will naturally cause Ukraine to orientate itself to and gravitate towards Russia, even if it will be instituting multivectoral foreign policy.

Yanukovych maintained that the agreement was the only way, without the reduction of public expenditure, to limit the federal deficit as demanded by the International Monetary Fund (IMF). This shows the Yanukovych’s inclination for Ukrainian to become a Russian satellite rather than his determination to implement unpopular economic and political reforms. Public expenditure cuts would increased the government’s efficiency and reduced public debt. However, these actions would reduced popular support for leading political parties and the president, especially, among low-income groups. Ukraine still remains one of the most energy inefficient countries. Higher natural gas prices would prompt a reform of Ukraine’s economic structure, the development of lower energy consuming segments of the economy and an increase in energy efficiency. These changes would adversely affect the Ukrainian economy, social and political environment in the short term. In the long run, it would develop more energy efficient economy, which would lead to lower energy imports and enhance energy independence; also, local and renewable energy resources would become more significant in terms of the total energy consumption.

During Ukraine’s pro-Western orientation, pipeline projects that would allow alternative supply of energy resources were being created. However, given the change of government and the presidency, it is unlikely that the current White Stream pipeline project, which was presented in 2007 Vilnius Energy Security Conference, connecting Azerbaijan, Georgia and Ukraine via the Black Sea, which would allow the supply of gas bypassing Russian territory, will be built. By maintaining the pro-Russian policy, Yanukovych does not support the development of the pipeline. As early as 2008, Yanukovych objected to the idea of the project.

147 Enerdata, (note 16).
3.4. Ukraine’s Oil Sector and Corruption Problems

After the disintegration of the Soviet Union, Ukraine inherited a large and capable, but aging oil infrastructure. Ukraine has six oil refineries capable of processing 0.87 million barrels of oil per day, but some oil refineries were built before the Second World War, and oil processing depth did not exceed 50 percent. Therefore, they needed to be modernized, requiring huge investments, which Ukraine did not have. In addition, it was difficult for Ukraine to secure an adequate supply of oil to its refineries.

Ukraine’s total fuel consumption needs made up only 30 percent of its oil refining capacity, but the refineries were not sufficiently loaded. In the last decade of the twentieth century, Ukraine’s refineries did not manage to satisfy its internal needs due to insufficient crude oil supply from Russia. In order to increase oil supplies the Ukrainian government sold part of its refinery shares to oil supplying companies. In 1999 Lukoil managed to acquire 51.9 percent of Odessa refinery shares and later increased its stake to 99.57 percent\(^\text{149}\). In July 2000, the Russian company Tiumenskaja Neftianaja Kampania (TNK), through its subsidiary TNK – Ukraine, acquired 67 percent of Lisichansk refinery shares and, in October of the same year, it increased its stake to 94 percent\(^\text{150}\). Kremenchuk, the largest oil refinery in Ukraine, had been operated by Ukrtatnafta company since 1994; its shareholders included the Ukrainian state owned Neftegaz company, Russia’s Tatneft company and its subsidiaries and the Government of Tatarstan. The Ukrainian government and Tatneft were at odds over the control of Ukrtatnafta shares, as 18 percent of Ukrtatnafta shares were transferred to offshore companies, which were associated with Tatneft, the Ukrainian government; in turn, they insisted that these shares should in reality be considered as part of Neftegaz shares. In 2010 Ukraine’s Naftogaz took control of the largest stake of Ukrtatnafta, and sold part of it to the Ukrainian business Privat Group, whose activities included finance, metallurgy, energy, food and media. The group managed several businesses in Dnepropetrovsk, which were associated with Tymoshenko. In total, 46.9 percent of Kremenchuk refinery shares were held by Privat, 43 percent were held jointly by Ukrtatnafta and Naftogaz, while 10.1 percent belonged to Tatneft\(^\text{151}\).


\(^{150}\) Ukraine’s Oil and Gas Sector http://www.thedeanegroup.com/Refining.html, 3 November 2011.

In 2011, the Kremenchuk oil refinery became the largest purchaser of Azeri crude oil in Ukraine. The Drogobych and Nadvirna oil refineries are also controlled by the Ukrainian Privat Group, the Ukrainian State Property Fund, and smaller shareholders. The imports of Azeri crude oil, through the Odessa terminal, partially offset the deficit of Russian crude oil. In 1999, Kherson oil refinery, the oldest in Ukraine, was privatized by Alliance Group, the Russian company, and in 2007, sold to Kontinum Group for 32 million U.S. dollars, owned by Igor Eremeev, a former member of the Verkhovna Rada of Ukraine. Since 2005 the refinery has been shut down and is now being rebuilt. Oil refineries, which were directly owned by Russian companies, were processing 390 thousand barrels of oil per day. Then, since 2001, Russian companies’ share of Ukraine’s oil refining sector began declining, while that of the Ukrainian private companies’ share began increasing, mainly as a result of the Privat Group’s purchases.

The Odessa-Brody oil pipeline, which was dedicated to the transit of Caspian oil to Brody and Plock in Poland, was completed in 2002. However, as of 2003, the pipeline was operating in a reverse mode to deliver Russian oil exports to world markets via the port of Odessa. Then, at the beginning of 2011 the pipeline began operating as it was intended, namely, for importing Venezuelan oil to Belarus and for Azeri oil imports to Ukraine and Belarus. The Druzhba oil pipeline project development cannot be considered an energy resource supply diversification project. The Druzhba oil pipeline expansion increases Ukraine’s importance as a transit country for Russia, as well as makes Russia dependent on Ukraine. Russia’s growing dependence on the transit states allows a partial balance of the dynamics of energy dependence and increases energy security of the transit states, which, in turn, allows them to use the transit network as a tool of political pressure by suspending the transit of energy resources. Such policy can be used only in extreme cases, as it increases the likelihood of exporters and importers applying political pressure on the transit state.

Corruption has a huge, negative impact on Ukraine’s energy security. This is demonstrated by the origins of the energy conflicts of 2006 and 2009, which could be associated with corruption issues. Lukoil had corrupt dealings with Viktor Pinchuk, former Ukrainian President Kuchma’s son-in-law, and Yury Boyko, former head of Naftogaz. Former Prime Minister Pavlo Lazarenko was prosecuted in

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152 Socor V., Odessa-Brody Pipeline Operating On Azerbaijani Oil, Eurasia Daily Monitor Volume: 8 Issue: 59, 5 March 2011., http://www.jamestown.org/single/?no_cache=1&tx_ttnews%5Btt_news%5D=37701&tx_ttnews%5BbackPid%5D=512, 03 11 2011.


154 Telegraf.by, (note 92).
the U.S. for bribes received for the support of the Itera company on the Ukrainian market. Former Energy Minister Serhiy Yermilov said that state-owned company Ukrtransnafta represented the Transneft stakeholder interests. The established state-owned venture of Naftogaz Ukrainy, for the two years, from 1998 to 2000, failed to provide any financial information to the auditors. The company also managed a private slash fund for Kuchma’s political purposes. In 2001, Tymoshenko was accused of illegal financial operations for gas imports and trade in last decade of 20th century. Tymoshenko’s government was also accused of improper use of 378 million U.S. dollars generated from the sale of Ukrainian carbon quota to Japan. Privat Group’s links with politicians and former politicians as well as its acquisitions energy sector are also likely related to corrupt practices. Greater transparency would help avoid conflicts over energy resources or at least to resolve them quicker. Ukraine’s corruption perception index in 2010, according to Transparency International, was only 2.4—Ukraine is seen as a highly corrupt country.

Figure 1. Corruption Perception Index in Lithuania, Belarus and Ukraine

155 Smith, (note 45), p.3.
156 Pirani, (note 96), p. 23.
158 According to the data available from Transparency International.
Corruption in Ukraine does not allow it to reduce its energy dependence on Russia and to diversify its energy supplies. The Transparency International Corruption Perception Index shows that the threat posed to Ukraine’s energy security by corruption is twice as high as that in Lithuania, and in Belarus the situation is constantly deteriorating, but due to the specifics of the political regime in Belarus it is difficult to assess the reliability of the data available. During the period of orientation towards the West and when Yushchenko held key government positions, Ukraine was pursuing greater energy independence from the Russian government. However, energy security was being hampered by the political and private business groups and their non-transparent dealings.

Conclusion: External and Internal Sources of Energy Security in the Baltic-Black Sea Region

In general, the origins of energy insecurity in Lithuania, Belarus and Ukraine can be divided into two groups. The first group consists of the external factors causing energy insecurity stemming from the main energy supplier’s, more precisely Russia’s energy and foreign policy. The second group are the internal energy importing agents which cause insecurity and are far less emphasised than the external factors in analytical and political debate. Respective individual analyses of these two factors are not possible, since the two spheres are interconnected. Thus, energy security and vulnerabilities are the result of the interaction between the internal and the external factors.

The energy insecurity environments of Lithuania, Belarus and Ukraine were developed by Russian manipulation of energy resource prices and supply. Russian energy resources are sold at different prices to different individual states. These prices are determined by the state’s predisposition towards Russia. Igor Torbakov, a Kremlin strategist, assess there to be two types of the former Soviet Union republics: pro-Western and pro-Russian. The author argues that the West will seek maintain the policy of “spreading democracy”, which would inevitably lead to the fact that more and more countries will be “torn out of Russia’s ambit”. In order to avoid erosion of Moscow’s influence, the Kremlin has to transform Russia’s economic influence in the ex-Soviet bloc into its political influence. Russia’s energy diplomacy allowed it to extend its political influence using energy

resources as leverage. Energy prices for Belarus were lower while it participated in the creation of the alliance under the conditions laid down by the Russia. Russia supplied Ukraine with natural gas at a lower price, while Ukraine maintained multivectoral foreign policy and its government was pro-Russian. Natural gas prices were higher for Lithuanian than for other European countries because of its Western-oriented foreign policy.

Russia does not apply market principles to the energy resource trade in order to maintain flexibility and to create opportunities for political manipulation. Long-term natural gas supply contracts with Russia provide it with opportunities to manipulate natural gas prices and affect the buyer’s domestic and foreign policy, expanding its influence. In an effort to negotiate the lowest price possible for natural gas, state, when compared to their neighbours, create a favourable environment that allows for the manipulation of the inter-state relationships to achieve economic and political goals. Application of the market principles to energy resource trade, such as the SPOT price\(^{160}\) that is applied in trade of oil and liquefied natural gas, would allow more transparent energy resource trade and increase the consumer’s energy security. The market principles would eliminate the Russian policy that, in 2005, was summarised by its State Duma Foreign Affairs Committee Chairman Konstantin Kosachyov whereby “Moscow will continue to subsidize energy supplies to its ‘allies’. At the same time, it will promote ‘purely market mechanisms’ in bilateral relations with those neighbours that are not sufficiently loyal and that display a ‘suspicious’ geopolitical orientation”\(^{161}\). Market mechanisms are not beneficial to Russia’s interests, as well as to the interests of today’s Belarus and Ukraine, as this would violate the interests of governmental groups’ that greatly benefit from opaque resource trade. Wider cooperation between the consumer countries in the region, in order to expand market principle application to energy resource trade, is not possible due to the competition among them for lower energy prices and favourable supply conditions. Belarus is an example of this as it allowed increasing gas transits through its territory from Russia, during the Russia-Ukraine energy crisis of 2009, to generate more revenue.

Gazprom’s requirements to take over the Belarusian and Ukraine gas transit pipelines are in conflict with market principles. Abandoning barter exchange for energy resource and the transition to currency only settlements would increase energy availability and national security. Currency settlements in a transparent

\(^{160}\) The market price for a currency or commodity that is quoted for immediate settlement (payment and delivery) (i.e. immediate transaction).

environment would limit Russia’s state influence in takeovers of strategically important energy infrastructure. However, Belarus and Ukraine are not likely to refuse to barter. Currency settlements would allow Russia to accumulate only the financial capabilities, but would restrict the development of its political influence.

Reductions and seizures of energy resource supplies were last resort measures to pressure Lithuania, Belarus and Ukraine to adopt domestic and foreign policy that would be favourable for Russia. Most of these cases occurred when Russian energy companies sought to expand their influence and as a result that would lead to Russian state influence expansion through the companies. Furthermore, Russia used energy supply interruptions as a way to punish the states for overzealous pro-Western orientation, or create a favourable environment for pro-Russian political groups. This Russian policy has been used in Lithuania in 1992 to 1993 and Ukraine in 2005 to 2010.

Russian gas pipelines, through the Baltic and the Black Seas, Nord Stream and South Stream, allow Russia to supply 118 billion m$^3$ of gas annually, which will be almost identical to the Russian capabilities of natural gas supply to Europe of 2007. The pipelines, by the Baltic States, Belarus and Ukraine, are perceived as Russia’s bid to isolate the area by maintaining energy resource supply monopoly and increase the vulnerabilities for natural gas supply manipulation, because the gas pipeline will supply natural gas to European countries, while at the same time it will enable Russia to seize the natural gas supply to the Baltic States, Belarus and Ukraine. In terms of energy dependence issues, Russia is seeking to increase the asymmetric dependence of the consumers.

Nord Stream and South Stream gas pipelines are useful to Russia not only geopolitically. Russia is dependent on the transit countries, politically and financially, hence, the new pipelines will reduce its dependence on Belarus and Ukraine, which in 2004 and in 2009 tried to manipulate the supply of gas to Europe. The pipelines are also important to Gazprom financially as the company has to pay transit fees. Calculations show that the Nord Stream gas pipeline construction will pay off in 7.25 years, just as a result of it being tariff-free, as Gazprom currently pays for transit to Poland and Belarus. The decreasing dependence on transit countries allows Russia to expand its’ relative power in the Intermarium region.

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165 Spiegel.de, Denmark Approves Russian Baltic Pipeline, 20 October 2009 d., http://www.spiegel.de/international/europe/0,1518,656229,00.html, 30 06 2011.
166 “Gazprom” pays the fee of US$1.88 for 100 kilometers transit of 1000 m$^3$ natural gas to Belarus and to Poland it pays the fee of US$2.1 for 100 kilometers transit of 1000 m$^3$ natural gas.
Opposition to the Nord Stream project was expressed only after the decision for the project to start had been taken. The Nord Stream gas pipeline's leg to Kaliningrad oblast will reduce the importance of Lithuania and Belarus in conveying gas to the Kaliningrad oblast of Russia and expand its capacity to act in these countries through manipulation of natural gas supply. If Russia were to extend the Nord Stream to the United Kingdom, the Netherlands and France, then Russia would be able to cooperate with these countries in economic and political spheres more actively. This is not in the interest of Intermarum region, as the strengthening of the Western European and Russian co-operation would mean that the Western powers would be unlikely to prioritize cooperation with the Intermarum region rather than Russia. Most EU Member States support the Nord Stream and South Stream pipelines, because the majority of EU countries do not care what state dominates Eastern European geopolitical space, so long as the majority of EU energy and economic needs are secure. This was demonstrated by the 2009 Russian-Ukrainian energy conflict.

The analysis shows that Lithuanian, Belarusian and Ukrainian domestic political factors did not significantly increase energy security, but the differences between these three countries is evident. Belarus and Ukraine can be considered short-term interest maximizers, since while they were aiming to secure cheaper energy resources, they chose the pro-Russian policies, and relinquished their sovereignty to Russia. Russia can be seen as a long-term interest maximizer, since it chose to subsidize energy while losing part of its potential income in exchange for political influence expansion. Belarus and Ukraine, being short-term interest maximizers, through their actions created a favourable environment for Russia to expand its influence there. According to Larsson, economic and political dimensions are important for Russia and they cannot function in isolation from Russian goals. Lithuania should be seen as a long-term interest maximizer. Lithuania sought to preserve its sovereignty from Russia and integrate itself into the West, and because of that it was seen by Russia as having an anti-Russian orientation. For these reasons, Russian energy resources to Lithuania were more expensive than to other European countries. Lithuania chose financial loss in order to maintain their freedom in terms of foreign policy choice. Events between 1990 and 1993 caused

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an increase in energy prices in Lithuania which forced it to reform and increase energy efficiency of its economy. The Belarusian economy marginally increased the energy efficiency of its economy, but it was still less efficient than Lithuania. Ukraine’s economy remains energy inefficient. Because Lithuania can import oil from the world market through the Baltic Sea oil terminals, it applies market principles to the oil trade, but continues to import oil from Russia. Lithuania is also planning to apply market principles to the natural gas trade by implementing the EU 3rd Energy Package principles. The application of market principles will be effective only when Lithuania will have natural gas supply options. Belarus seeks to diversify oil supplies, while Ukraine was not observed as taking any steps towards diversification.

Over the twenty-year period Lithuania only partly succeeded in diversifying its energy supplies, while Belarus and Ukraine had even less success. In 2009, the closure of the Ignalina NPP reduced Lithuania’s energy security and increased its dependence on Russia. After it joined the EU, it now can hope to more easily develop alternative energy supply projects due to the financial and political support from the EU. However, implementation of projects in cooperation with the Baltic and Scandinavian countries and Poland, that had been previously initiated, intensified only recently. Belarus and Ukraine have fewer opportunities to develop energy security projects which would encourage the development of closer cooperation with the EU.

Countries in the region failed to find constructive alternatives in response to the energy and national security-damaging actions, such as Nord and South Stream gas pipeline infrastructure. The states failed to convince the EU and Russia to extend Gintarinis pipeline (Eng. Amber Pipeline) in the Baltic States and to build the second Yamal - Europe gas pipeline. The intensity of regional cooperation on planning and development for the alternative energy projects fluctuates. The most prominent result of cooperation was the Odessa-Brody-Plock oil pipeline project, but the project was implemented only partially, because the Brody-Plock section was not built and the Odessa-Brody pipeline only became operational in its projected direction in 2011, rather than exporting Russian oil.

External factors, lack of transparency in energy relations between suppliers and consumers, and corruption were the main causes of energy insecurity in the region among others. Russian energy companies established themselves in Lithuanian natural gas and electricity sectors, allowing them to influence Lithuanian political processes. Through means of corruption, Russia’s energy companies were increasing their influence in Ukraine. Due to the specifics of the Belarusian political system, it is difficult to assess the impact of corruption on the energy
security of Belarus. Lack of transparency in pricing of natural gas and oil exports and constantly changing export duty fees create greater energy insecurity and affect the economic development of Belarus.

*Kaunas, August 2011*
The Dilemma of Azerbaijan’s Security Strategy: Energy Policy or Territorial Integrity?

Azerbaijan, the strongest state of the South Caucasus, at the same time is one of the most vulnerable countries in the region. On the one hand, the country has faced the problem of territorial integrity for more than two decades already because of frozen conflict with Armenia over Nagorno Karabakh. On the other hand, Azerbaijan’s importance in European energy policy is constantly growing. If Azerbaijan would start a war with Armenia in order to restore its control over Nagorno Karabakh, the ambitious energy policy aiming to turn Azerbaijan into important oil and gas transportation link between East and West that has been developed for a decade, would end without a success. Thus at the same time the problem that Azerbaijan does not control part of its territory is a major obstacle for sustainable development of the country and for Azerbaijan’s international cooperation. In this context, Azerbaijan faces a dilemma – to take up measures of hard security for restoring its territorial integrity, what has been frequently stated by high politicians, or to rely on the measures of soft security, focusing on the development of EU-orientated energy policy that has a positive impact on Azerbaijan’s internationals prestige. Moreover, maybe a „third way“, enabling Azerbaijan to reach both abovementioned goals at the same time, exists? In this research paper, using the conceptions of relational and structural powers, the factors of Azerbaijan’s security balance are analysed and suggestions on the stabilisation of the country’s security situation are provided.

Introduction

Azerbaijan could be called the most important state of the South Caucasus: due to a beneficial geostrategic situation, the ability to maintain dialogue with the East as well as with the West and an ambitious energy policy the state managed to transform itself from a typical “grey zone” country that finds itself in a difficult transition and suffers from internal conflicts to an important partner of the US and the EU. Talking about the South Caucasus as a “bridge“ between East and West, Azerbaijan is the first state to have in mind, because without Azerbaijan, the „link“ function of the South Caucasus would make practically no sense. According to Zbignev Brzezinski, Azerbaijan is a geopolitical centre of the South Caucasus.

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Nevertheless, Azerbaijan finds itself in the epicentre of intersecting geopolitical interests, and it seeks to keep a healthy balance between different geopolitical powers as much as possible in order to maintain its neutrality. The country is quite far from the theoretical model of neutrality, not least because it fails to fulfil the main criterion for a neutral country – the absence of any foreign military forces in its territory. As for today, about one fifth of the territory of Azerbaijan is controlled by the military forces of Armenia.

After regaining its independence in the last decade of the twentieth century, Azerbaijan became a typical „complicated“ post-soviet state suffering from a painful frozen conflict – a distinctive problem for post-soviet space. When Azerbaijan failed to win the war for Nagorno Karabakh, the country was faced with permanent threat for its territorial integrity, which was accompanied by an avalanche of economic and social problems. It is important to emphasize that Baku not only lost the physical control of the part of its territory but also was defeated by Yerevan in an informational war – a competition for consolidating its own version on the conflict of Nagorno Karabakh within wide international community.

Thus during the first decade of the twenty-first century Azerbaijan managed to retrieve its prestige in the eyes of international community – after combining its strategic geostrategic position and great potential in the energy sector with the interests and policy directions of the USA and the EU, Azerbaijan became an important element in the USA-led antiterrorist campaign and the vital link in large scale oil and gas transportation routes.

On the one hand, unresolved conflict of Nagorno Karabakh still persists. Moreover, as it has been noticed by the experts, time in the process of regulation of Nagorno Karabakh conflict runs against Baku – anymore there is no real control of Azerbaijan authorities in the territory of the frozen conflict, as it will become more difficult to reintegrate this region into the political, economic and social environment of the Azerbaijan which has moved forward a lot. Moreover, for the successful realization of Azerbaijan’s long-term development strategy based on the transportation of energy sources, peace and stability are vital. Unresolved frozen conflict permanently forces Baku to balance on the edge between peace and war, which fails to increase the trust of the international community and the investors in Azerbaijan. The war between Georgia and Russia that broke out in August 2008 demonstrated the price of instability for Azerbaijan – during the war, due to security reasons the main oil and gas pipelines that cross Georgia were temporarily stopped. At this time the only operating oil pipeline pumping Azeri oil was Baku-Novorossiysk, which Azerbaijan authorities intended to close several years before the war because it was economically inexpedient.
On the other hand, a single-sided and rushed attempt to force the problem of territorial integrity could end up with not only one more defeat of Azerbaijan in the front of Nagorno Karabakh but also with the collapse of the country’s energy policy – the main “window to the world” of Azerbaijan that was being developed for more than a decade. Azerbaijan realizes that in case of war for Nagorno Karabakh, it will find not only Armenia, but also Russia on the other side of the front. In addition, an attempt to solve the Nagorno Karabakh problem by force not only would fail to offer a fast solution but also would complicate the situation even more. Finally, in case of war in Nagorno Karabakh, Baku would be seen by the international community as an aggressor that stepped away from the principles of peaceful resolution of conflicts and non-usage of force. The decrease of trust in Azerbaijan in international arena would definitely limit the potential of Azerbaijan’s energy policy – the main engine of Azerbaijan’s development. At the same time Azerbaijan understands the negotiation with Armenia on the peaceful resolution of the conflict is purely the simulation of the process of negotiations that fails to lead to the resolution of the problem, since until now both conflicting sides have failed to find any compromise on the main principles of the regulation of the Nagorno Karabakh conflict.

The rise in importance of the energy policy “rescued” Azerbaijan from the status of “a single-problem state” that is characteric for the states suffering from frozen conflicts. In the academic literature both the conflict of Nagorno Karabakh and Azerbaijan’s energy policy receive proper attention. International Crisis Group, Warsaw-based Centre for East European Studies and Defence Academy of the United Kingdom, has contributed greatly to the analysis of Nagorno Karabakh conflict. The Defence Academy of the United Kingdom has made significant input in the analysis of Caspian energy issues. Nevertheless in the most of the research studies the issues of frozen conflict of the Nagorno Karabakh and Azerbaijan’s quickly developing energy policy are being analyzed separately, giving the impression that these issues do not influence each other.

The aim of the research presented in this paper is to analyze Azerbaijan’s energy policy, which catalyzes the development of the state, and the frozen conflict of the Nagorno Karabakh, which serves as a brake for Azerbaijan’s development as two discrete but closely interconnected elements of the same security strategy, the combination of which determines Azerbaijan’s fragile security balance. The main goal of the research presented is to identify the factors of Azerbaijan’s security balance and to evaluate their impact for the state’s security strategy. The concepts of the relative and structural power serve as a theoretical background for the analysis that allows an evaluation of Azerbaijan’s security policy in the context
of growing global interdependence and multilateralism. In the empirical part of
the research, the analysis of Azerbaijan’s global and regional security environment
and the country’s security strategy as well as the overview of Azerbaijan’s energy
policy are provided.

1. Power and Security:
The Aspects of Relational and Structural Power

According to the representatives of realism, if the main goal of the state is
survival (programme minimum) and the ability to influence other actors of inter-
national relations (programme maximum), so the increase of power is the necessary
presumption for successful functioning of the state in the international system.

The term “power” has intentionally been split into two categories – structural
power and relational power, which is proposed by the representatives of the neo rea-
listic approach in international relations when analysing the impact of a state’s power
for its security in the context of growing interdependence in the international arena.

Relational power, or power-potential, is an aggregative indicator of a state’s
potential in the international arena from the comparative perspective. According
to Susan Strange, relational power is the ability of state A to force state B to
behave in a way that it would not do otherwise2. Relational power includes phy-
cisal characteristics (territory, number of inhabitants, valuable excavations, etc.),
military (size of the army, military budget, infrastructure, etc.), economic (GDP,
size of the national market, etc.) parameters, the whole of which shows the state’s
“weight” in comparison to other states. Although relational power, unless it is
easy to operationalize and evaluate, is a static indicator, it shows only the potential
of the state but is silent about state’s ability to use this potential for the sake of
realisation of its national interests.

Structural power, or power-influence, could be considered the dynamic
element of the term “power”. Structural power is described as a state’s ability to set
or to influence the rules of inter-state relations, the international agenda or inter-
national decision-making procedures.3 Structural power includes such parameters
as a state’s status, its international prestige, the importance of the state for global
geopolitical players, the control of particular sector or structure, etc. Structural
power is measured by qualitative parameters, and at the same time relational power

3 Statkus N. et al, Geopolitiniai kodai: tyrimo metodologija [“Geopolitical Codes: the Methodology for
is decided by quantitative ones. In other words, structural power shows the ability
of the state to act in the international arena for the sake of its national interests.
Structural power can also be divided into two dimensions: aggregated structural
power (the position of the state in international arena) and specific structural power
(the position of the state in the context of particular question or issue)⁴.

Nevertheless structural power is not easy to evaluate general, this parameter
is crucial in contemporary international relations because it shows the state’s ability
to act in the context of growing interdependence in the international arena – the
sociability of the state.

According to neorealists, structural power arises from repeatedly using rela-
tional power and can positively impact the rise of the latter. In the contemporary
international system, which can be characterised by the growing importance of
multilateral relations, the importance of structural power is constantly growing.
Structural power not only reflects repeated usage of relational power but creates
additional value for the state’s power. For example, the prestige of the state in the
international arena can be created without using the “material base” of relational
power; instead it can come from the state’s foreign policy guidelines, know-how in
the particular field, and the willingness to support international decisions based on
particular norms and values. At the same time the gaining of prestige could bring
particular material benefits for the state by facilitating the inflow of foreign invest-
ments or promoting the inclusion of the state in broad international projects.

Moreover, it is important to mention that for a small state the element of
structural power is of crucial importance. For a small state, the growth of relational
power is limited – even if the state seriously improves its relational power com-
ponents, in the context of international arena the change would hardly influence
the position of the small state. At the same time the limits for the spread of its
structural power in the international arena are much broader and more flexible.
In other words, even if the state has fewer resources at its disposal, but directs its
actions in the appropriate direction, it can achieve a high spread of its structural
power despite its relational power remaining modest. The rise of structural powers
makes a positive impact on the rise of overall state’s power.

Looking at the dilemma of Azerbaijan’s security strategy from the pers-
pective of relational and structural power, two ways of action can theoretically
be distinguished. The first way of action would consist of increasing the state’s
military power – an important component of relational power. With the help of
enhanced military power Azerbaijan could manage to resolve the frozen conflict

⁴ Aquirre F. J. G., *Power, Asymmetry and Negotiation: a Theoretical Analysis*, Kent Papers in Politics and Inter-
of Nagorno Karabakh quickly, and, after restoring its control over the occupied regions, Azerbaijan would eliminate the threat to its territorial integrity. After resolving the main hard security threat, Azerbaijan would become more stable and attractive in the eyes of the international community for enhanced political and economic cooperation. This trend would lead to an increase in Azerbaijan’s structural power. Realised growth of the state’s structural power would lead to the increase of Azerbaijan’s relational power.

However this scheme would function in the way shown if and only if the conflict over Nagorno Karabakh with Armenia would be resolved in a peaceful way – due to the sharp increase of military power the strategy of deterrence would play its role. If Azerbaijan attempted to solve the problem of Nagorno Karabakh in the military way, the state’s structural power would decrease and this fall would not depend on the result of these attempts; therefore the increase of Azerbaijan’s aggregated power would become frozen. Moreover, the increase in Azerbaijan’s military power could provoke the so-called security dilemma phenomenon – the state of play when the state increases its military power in order to strengthen its security, in reverse, decreases due to the fact that neighbouring countries (in the case of Azerbaijan – Armenia, Iran, potentially – Russia) begin to view the state as a threat. This phenomenon would create additional tensions in the region, and could provoke an arms race that would diminish the security of all players included in the phenomenon of the security dilemma.

The second possible way of action for Azerbaijan is the concentration on the growth of structural power. In the case of Baku, one of the most important elements of structural power is the West-oriented energy policy. It is useful to note that energy policy is considered an element of the structural power; for example, mineral resources by themselves are indicators of relational power, but the energy policy indicates the behaviour of the state when choosing between several alternatives when one or other choice can influence state’s international position.

Achieving a favourable image and solid status in the international community (aggregated structural power) could be transformed into increased international support for Azerbaijan’s position on the Nagorno Karabakh issue (specific structural power). In this case Azerbaijan would get additional leverage in soft power for the faster resolution of Nagorno Karabakh conflict. The result of the increase in structural power would be the fastest possible growth of relational power, which would also generate a further increase in the structural power. However the most

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problematic moment is that the increase of structural power is reflected in the
growth of Azerbaijan’s power only in a medium-long term, which means that it
is not possible to reach a desirable result immediately.

As far as we can see, in the case of Azerbaijan (or any other small state)
the growth of relational power does not necessarily lead to a notable increase in
structural power due to size (smallness) factor. At the same time the increase in
structural power always has a positive impact on the steady upgrade of relational
power, but the positive effect could be observed only in a medium-long term.

2. International Environment of the Azerbaijan’s Security

The external environment of Azerbaijan’s security could be described
as very heterogeneous. On the one hand, the external relations of Azerbaijan
could seem to be trapped in historical grievances and multi-decaded inter-state
disagreements. On the other hand, several questions of international cooperation
policy agenda, such as energy policy or fight against terrorism, are developing
very quickly. In order to better understand the choices of Azerbaijan’s security
strategy, it is important to become acquainted with the global and regional
context of Azerbaijan’s security.

2.1. The Place of Azerbaijan in the Strategies of the USA and the EU

The importance of Azerbaijan for the West – the USA and the EU – could
be called a phenomenon of XXI SE century since earlier Azerbaijan did not play
an important role in the global strategies of these grand geopolitical players. The
importance of Baku for the West is decoded by three main factors – fight against
terrorism, energy security and global spread of democracy.

After 9/11 Baku was actively involved in the USA-led fight against terrorism.
Baku gave permission to the USA for using its air space and airports in support of
Washington’s actions against the Taliban regime in Afghanistan⁶. Supplementary to
favourable geostrategic position, Baku’s importance for the West was enhanced by the

⁶ Mehtijev E., “Perspectives of the Security Development in the South Caucasus”, Peace and Cooperation
fact that Azerbaijan is a secular Muslim state. Baku’s importance for Washington’s fight against the states belonging to the “axis of evil” today also remains relevant, since Iran has refused to stop its nuclear programme. In light of the tensions in bilateral relations between Azerbaijan and Iran, Baku support for Teheran in the case of the Iran-USA conflict would be hardly presumable. Nevertheless Washington also would not benefit from direct support from Baku in case of conflict with Teheran since Azerbaijan and Iran have a bilateral agreement in which both states commit not to permit using their territories for fighting against each of the countries.

The approval of Azerbaijan’s importance in the USA-led fight against terrorism serves the fact that since 2002 Azerbaijan receives annual USA financial support for the modernisation of its military forces. In order to maintain regional parity, Armenia and Nagorno Karabakh also receive parallel military support from Washington (the latter enjoys the direct support from 1998). Georgia also receives direct assistance from Washington for enhancing its military sector, but this support could be considered a result of the close bilateral cooperation and does not come under Washington’s efforts to maintain parity in the South Caucasus.

It is worth mentioning that the policy of the USA regarding Azerbaijan is based on permanent balancing. On the one hand, Azerbaijan is a very important partner of Washington in the region of South Caucasus. On the other hand, the USA has a very strong and powerful Armenian diaspora, which has strong lobbyist groups. As a result of their activity, a pro-Armenian policy direction (which at the same time in most cases is anti-Azerbaijan) is strongly promoted in USA.

Currently one of the most important fields of bilateral cooperation for Washington is energy. The function of Azerbaijan as the supplier of hydrocarbonates (oil and gas) for the West presently is realised quite well. The oil pipeline Baku-Tbilisi-Ceyhan (BTC), which pumps Baku oil to the Turkish port of Ceyhan with the capacity of 50 m tones of oil per annum (1 m of barrels oil daily) began to operate in 2005. After one year, in 2006, the gas pipeline Baku-Tbilisi-Erzurum (BTE) with the capacity of 20 bn cubic meters of natural gas was set into operation. The successful realization of both projects is considered to be the most important geopolitical victory of the USA in the South Caucasus.

The function of Azerbaijan in the Western energy strategy that is still not
realized but which has a great potential is a link between oil and gas rich Central Asian states (particularly – Kazakhstan and Turkmenistan) and the final beneficiaries in the EU. The transportation of the hydrocarbonates (oil and gas) from the Eastern Caspian shoreline via Azerbaijan would add to the diminishing of EU energy dependence on Russia and unstable states in the Middle East\textsuperscript{11}.

One more reason for enhanced involvement of the USA and the EU in Azerbaijan is the objective to promote democracy, universal norms and values. The efforts of the USA and the EU in democratization of Azerbaijan fulfils two functions – negative (democratic Azerbaijan would serve as a barrier fro the West from the threats spreading from the Middle East) and positive (democratic Azerbaijan would serve as a bridge between Europe and Asia). The USA and the EU are seeking to minimize Azerbaijan’s “permeability” to the activities of international organized crime by supporting political, legal and administrative reforms, civil society initiatives, and promoting an open society.

In addition, the USA and the EU receive criticism and accusations related to a double-standard policy regarding Azerbaijan for turning a blind eye to the processes in the Azerbaijan’s domestic policy. According to the critics, Azerbaijan together with Belarus are the two Eastern Partnership states that are most far away from the EU standards and values\textsuperscript{12}.

The processes in Azerbaijan’s domestic policy could become a serious obstacle in the country’s enhanced cooperation with the West down the road. In early 2009 Azerbaijan approved constitutional reform which abolished the limitation of two consequential terms for the same person in the post of the president\textsuperscript{13}. In 2008 the incumbent president Ilham Aliyev was elected for the second term, and the constitutional reform which was negatively assessed by the West, has opened the way for Mr. Aliyev to remain in the post of the president for an unlimited number of terms. Azerbaijan also fails to implement the division between military and civil authorities – the country’s Ministry of Defence is being headed by colonel general Safyr Aliyev. Moreover, the authorities of Azerbaijan are systematically limiting the freedom of speech, press and assembly, especially regarding the opposition.

Nevertheless it can be said that Azerbaijan’s cooperation with the West is well institutionalized and has already moved from the political-declarative level to the practical level.

\textsuperscript{11} Herd G. P., Moutsakis F., \textit{Black Sea Geopolitics: Dilemmas, Obstacles and Prospects}. Conflict Study Research Centre, UK Ministry of Defence, G84, July 2000, 16.
Azerbaijan and NATO signed the first Individual Partnership Action Plan (IPAP) in 2005, the second IPAP was signed in 2008, the third – in late 2011\textsuperscript{14}. Azerbaijan also supports International Security Assistance Forces (ISAF) – presently 94 troops from Azerbaijan serve in the ISAF. Moreover, Azerbaijan has given permission to NATO to use its air space, land and sea passages in order to implement the supplying of the ISAF. In addition, the centre for training of Afghan specialists in various fields is operating in Azerbaijan\textsuperscript{15}. In the past Azerbaijan actively supported ISAF in Iraq and Kosovo.

Azerbaijan, together with Armenia and Georgia, was included in European Neighbourhood Policy in 2004, and the first Action Plan between EU and Azerbaijan was signed in 2006. The signing of the Action Plan in the framework of European Neighbourhood Policy was delayed almost by a year because Azerbaijan’s business entities affiliated commercial and communicational relations with unrecognized Northern Cyprus; so, due to the veto from Greece it was decided that they should wait until Azerbaijan resolves this problem\textsuperscript{16}. The possibility for the EU to sign the Action Plans with Armenia and Georgia which were ready in 2005 already first and with Azerbaijan later, when it ceases all connections with Northern Cyprus, was considered. Nevertheless the EU decided to maintain the regional approach towards the Southern Caucasus and to wait for Azerbaijan to resolve the problem. From 2010 Azerbaijan and the EU are negotiating the Association Agreement.

In May 2009, Azerbaijan, together with other five Eastern European and South Caucasian states (Belarus, Ukraine, Moldova, Armenia and Georgia) was included into EU’s Eastern Neighbourhood initiative.

Nevertheless, regarding cooperation with the EU, Azerbaijan’s position is weaker than those of other states of the South Caucasus – Armenia and Georgia. The fact that Azerbaijan is the only state in the South Caucasus that is not a member of the World Trade Organization (WTO) could be one of the reasons for this. The absence of WTO membership serves as an obstacle for liberalization of trade relations between EU and Azerbaijan – and the negotiations on Deep and Comprehensive Free Trade Agreement (DFTA) cannot be initiated\textsuperscript{17}.

In light of the cooperation between Azerbaijan and the West, which is a new phenomenon, it is worth to mentioning that in this case the absence of a

\textsuperscript{14} RFE/RL, AZERBAIJAN STEPS UP COOPERATION WITH NATO, 11 January 2012.
\textsuperscript{17} Sadowski Rafal, PROGRESS IN INTERATING THE SOUTH CAUCASUS COUNTRIES WITH EUROPE, Centre for Eastern Studies, Warsaw, 03 07 2012.
common history serves as a strength since this factor allows the development of mutually beneficial cooperation that is not interrupted by painful historical memory or disagreements.

An important feature of the policy of the USA and the EU regarding Azerbaijan is the regional approach – the Western powers apply a single formula of cooperation for all states of the South Caucasus. A similar trend is also observed from the side of Azerbaijan – Baku seeks to be involved in all forms of cooperation with the USA and the EU in order not to be left behind Georgia and Armenia in this field.

2.2. Regional Peculiarities of the Security of Azerbaijan

In contrast to neutral, interest-based Azerbaijan’s relations with the West, Baku’s regional relations are strained and oversaturated with various disagreements and historical grievances.

The relations with neighbouring Armenia could be called the most problematic regional relations of Azerbaijan – because of the unresolved conflict of Nagorno Karabakh the countries have failed to hold any inter-state relations since 1992, the beginning of the war in Nagorno Karabakh.

It can be observed that the Armenian factor affects the relations between Azerbaijan and its strategic partner Turkey. As a sign of support for Baku in the Nagorno Karabakh war, in 1992 Ankara closed the state border with Armenia that remains closed until present. From 2008 efforts to normalize the mutual relations both from the side of Turkey and Armenia have been observed and called “soccer diplomacy”\(^\text{18}\). The efforts of Ankara to normalize its relations with one neighbour led to the serious deterioration of relations with the strategic partner Azerbaijan, which resulted in various disagreements over the conditions of the transportation of energy resources through the territory of Turkey.

Azerbaijan’s relations with another neighbour, Georgia, could be evaluated as very good. Georgia is an important partner for Azerbaijan in the implementation of large-scale regional energy and transportation projects. The only disagreement between the countries has erupted due to disagreement over delimitation of the state border, which runs through the historical heritage site in Georgia called the monastery of David Gareja. Nevertheless, this issue has not been escalated in the bilateral relations.

\(^{18}\) The apellation of „soccer diplomacy“ came from the fact that the first meeting of the presidents of Armenia and Turkey took place in Armenia at the soccer match that was played between Armenin and Turkish teams.
Azerbaijan’s relations with Iran could be evaluated as the most trouble-spotted ones in the region. First of all, Iran provided assistance for Armenia during the war in Nagorno Karabakh in 1992-1994. Moreover, presently Teheran holds close relations with Yerevan. Second, nevertheless both Azerbaijan and Iran are Muslim states; Baku emphasizes its secularity and religious moderation, avoiding any affiliations with radical Islam in Iran. Third, Iran and Azerbaijan are involved in the disagreement over the legal status of the Caspian Sea. The unresolved legal status of the Caspian Sea freezes the development of energy projects in the Caspian basin and limits the growth of the power of Azerbaijan.

One of the factors that forces both Baku and Teheran to be committed to moderate positions in relation to each other is the huge Azeri diaspora that lives in Northern Iran. According to different sources, from 20 to 30 of ethnic Azeri live in Iran (Azerbaijan has 9 m of inhabitants). On the one hand, Iran is afraid of the rhetoric of “Great Azerbaijan” from the side of Baku that could stimulate separatist trends inside Iran. In fact, the idea of restoring of “Great Azerbaijan” was quite popular in the early 1990s\(^\text{19}\). Moreover, in February 2012 several of Azerbaijan’s parliamentarians made the proposal to rename the country to „Northern Azerbaijan” in order to emphasize that a large part of Azeri live in South (contemporary Iran)\(^\text{20}\). On the other hand, Baku is highly interested in Teheran not worsening the living conditions for ethnic Azeri. One of the fields of cooperation between Azerbaijan and Iran is supplying Iranian energy resources for Azerbaijan’s exclave – Nakhichevan Autonomous Republic.

The relations between Russia and Azerbaijan also fit into the framework of regional rivalization. Russia’s strategy of “divide and rule” and a difference-based Moscow policy towards the South Caucasus also adds to the high sensitivity of bilateral relations.

Firstly, the mutual cooperation between Baku and Moscow has been slowed by the fact that Russia supported Armenia during the war over Nagorno Karabakh in 1992-1994. The Russian army was fighting at Armenia’s side, Moscow supplied Yerevan with weapons, food, and also provided financial assistance. Moreover, Yerevan remains Moscow’s strategic partner in the South Caucasus.

Secondly, Moscow still views the relations with Azerbaijan through the


lenses of imperial memory; at the same time Baku does not agree with the status of the object of Russia’s exceptional interests. For Moscow it is still difficult to bear the fact that it has only a few points of leverage for influencing Baku’s policies. One of the sound examples of such a trend is the case of the Gabala radar station in Azerbaijan. Moscow has been renting the radar station in Azerbaijan, and the agreement runs out in 2012. Despite Russia’s efforts to maintain its presence in Azerbaijan’s radar station, Baku seems decided on not prolonging the agreement.

Thirdly, Moscow finds it difficult to accept the fact that Baku is an active and enthusiastic participant in large scale regional energy supply projects that bypass Russia. Russia seeks to control the routes of energy transportation so that the pipelines would run through its territory. In this light one of the most powerful leverages of Moscow regarding Azerbaijan – the issue of the legal status of Caspian Sea. Regarding this issue, Russia supports the rigid position of Iran, which “freezes” the development of the energy projects in the Caspian basin, serves as an obstacle for trans-Caspian cooperation and slowens the development of the alternative energy transportation routes towards the EU.

2.3. Azerbaijan’s Security Strategy

In this research the security strategy is defined as the complexity of state’s long-term political choices in the field of foreign and security policy that are fixed in strategic documents and are constantly observed in the political practice. It is important to mention that the security strategy is composed of two categories – the guarantees and the aspirations in the fields of state’s foreign and security policy.

If the principles of the state’s security policy are not fixed in the strategic documents (for example, such documents are not adopted), then monitoring of the political practice is usually used. Nevertheless one of the functions of the strategic documents in the field of foreign and security policy is to help maintain the continuality of the foreign and security policy directions, especially during the rotation of the political elites. Another core function of the strategic documents is to inform the international community about state’s intentions regarding the foreign and security policy.

The main principles of the security strategy of Azerbaijan are fixed in The

Concept of National Security adopted in 2007\textsuperscript{22}. The main threats for Azerbaijan’s security that are named in the document are as follows\textsuperscript{23}:

- attempts against the independence, sovereignty, territorial integrity and constitutional order of the Republic of Azerbaijan;
- actions undermining the ability of the State to ensure the rule of law, maintenance of public order and the protection of human rights and fundamental freedoms;
- separatism, ethnic, political and religious extremism (this threat includes the existence of territories occupied by Armenia that Azerbaijan is not controlling);
- terrorism and proliferation of weapons of mass destruction;
- regional conflicts and transnational organized crime;
- actions against energy infrastructure of the Republic of Azerbaijan (defining this threat, the big attention is paid to the importance of the income from the trade and transportation of energy resources\textsuperscript{24}, but the importance of the status of Azerbaijan as stable and reliable partner in energy field in international arena is ignored);
- external political, military or economic dependence (dependence on external forces is defined as a threat – it explains why Azerbaijan chose neutral security strategy);
- economic destabilization (the threat of overdependence from oil and gas is emphasized);
- inadequate professional human resources;
- regional militarization (it is stressed that disproportionate accumulation of weapons and the existence of foreign military bases in the country is a threat to regional security. It is paradoxical but in several past years Azerbaijan has been the state that had the fastest scope of militarization in the region nevertheless it has no foreign military bases in its territory);
- environmental challenges.

Experts say that Azerbaijan’s Concept of National Security is a very loose document that is very close to a sampler documents of this type. Before the adoption of the Concept of National Security, Baku faced accusations by the international


\textsuperscript{23} Ibidem (note 22), p. 5.

\textsuperscript{24} Ibidem (note 22), p. 6.
community that the country protracted the adoption of the main security policy document on purpose, avoiding disclosing its priorities in the field of foreign and security policy. Having in mind the loose content of the adopted Concept of National Security, it could be said that Baku has successfully avoided the need for clear-cut choices even after adoption of the document. Thus the Concept of National Security discloses several special features of Azerbaijan’s security strategy.

The first group of threats includes the attempts against independence, sovereignty, territorial integrity and the constitutional order of the Republic of Azerbaijan (this threat opens the list of threats and is set as the threat of highest priority), the threat of separatism. It is interesting that the list of threats includes the threats the source of which is Azerbaijan itself (the threat of regional militarization).

The second group of threats that included separatism, ethnic, political and religious extremism, terrorism and proliferation of weapons of mass destruction, actions against energy infrastructure of the Republic of Azerbaijan, indicates Azerbaijan’s attempt to be stable and reliable partner in the international community.

Finally, in Azerbaijan’s Concept of National Security a lot of attention for the maintenance of Azerbaijan’s independence from external forces and self-sufficiency in the international arena is paid. The emphasis on the threat of political or economic dependence on external forces allows us to make an assumption that Azerbaijan chooses neutral security strategy nevertheless the word “neutrality” is not directly mentioned in the document.

Azerbaijan’s efforts to remain outside the epicentre of intersection of different geopolitical forces are better felt in the political practice that is reflected in the Concept of National Security. Azerbaijan has neither any external security guarantees (Armenia has security guarantees provided by Russia) nor aspirations for receiving them in the future (Georgia is aspiring for NATO membership). Azerbaijan’s participation in IPAP with NATO is more the result of NATO’s regional approach in South Caucasus, and not the result of the efforts from the side of Baku. Moreover, Baku openly declares that it is not interested in the membership in the Alliance but rather views the cooperation with NATO as an opportunity to modernize its military forces. In addition, for Baku cooperation with the Alliance helps to form positive image of the country in the international arena and the international prestige is a viable source for enhancing structural power of the state.

26 Iš pokalbio su Azerbaidžano karinių pajėgų atstovu plk. Vugar Asgarov tarptautinio seminaro “Enlargement experience course: Lithuania’s experience of integration into transatlantic community”. Political science department, Military Academy of Lithuania, Vilnius, 2007 05 18
In mid-2010, three years after the adoption of the Concept of National Security, Azerbaijan adopted the Military doctrine. Two ideas dominate the document – Azerbaijan’s neutrality and the problem of the unresolved conflict over Nagorno Karabakh. Experts say that the Military Doctrine of the Azerbaijan could be understood as a warning to the international community that, if no viable measures for rapid peaceful resolution of Nagorno Karabakh conflict will be found in the meantime, Azerbaijan could consider a military solution of the conflict.

One of the main reasons why Azerbaijan, the country that encounters the threat for its territorial integrity, has chosen a neutral security strategy is its willingness to develop its energy policy in all directions possible. Streaming to maximize the possibilities provided by the existence of vast oil and gas deposits, Azerbaijan is forced into a permanent balance between two major geopolitical powers – Russia and the West.

3. The Conflict over Nagorno Karabakh as the Core Threat for Azerbaijan’s Security

The conflict over Nagorno Karabakh between Armenia and Azerbaijan could be described as the major source of tensions in the region of South Caucasus. The conflict of Nagorno Karabakh is the reason for the existence of the rigid and inflexible regional division of “friends” and “enemies”.

The protracted frozen conflict over Nagorno Karabakh serves as a threat of the highest intensity for Azerbaijan - a threat to its territorial integrity. The situation is even more complicated by the fact that Armenia and Azerbaijan have failed to find a “positive sum” solution for this situation.

In this chapter internal (processes among conflicting Armenia and Azerbaijan) and external (direct and indirect involvement of the international community in the process of resolution of the conflict) aspects of the frozen Nagorno Karabakh conflict are analyzed.

3.1. The Conflict over Nagorno Karabakh – the Evolution and Specifics

The conflict over Nagorno Karabakh was “programmed” at the beginning of formation of the Soviet Union already. In 1921 it was decided that the region

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with the majority of Armenian inhabitants and complicated history would be attached to the Azerbaijan Soviet Socialist Republic. The attachment of the ethnically disputed region to the state was a typical Soviet practice based on the “divide and rule” principle that was supposed to deter states from leaving the Soviet Union.

In 1998 the representatives of the Armenian community of the Nagorno Karabakh Autonomous Region decided to approach Armenian SSSR and Azerbaijan SSR with the request to let Nagorno Karabakh autonomous Region join the Armenian SSR. At this time the first signs of ethnic tension in the region were observed. On the 1st of December 1989 the supreme Council of the Armenian SSR adopted the decision regarding the attribution of the Nagorno Karabakh Autonomous Region to Armenian SSR. Nevertheless, the Supreme Council of the USSR rejected this move by the Armenian SSR since the agreement of the Azerbaijan SSR was not received.

Azerbaijan proclaimed its independence on August 30, 1991, with no territorial claims from the Armenian side. Nevertheless, ethnic tension in the Nagorno Karabakh was further escalated. Military actions in the territory of Azerbaijan began early in 1992 and lasted until May 1994, when a cease-fire agreement between Armenia and Azerbaijan was signed. This agreement is still in force. From May 1994 the conflict of Nagorno Karabakh can be considered as “frozen”.

Military forces of Armenia, receiving direct assistance from the Soviet Union (and later – Russia’s) military forces and indirect assistance from Iran, managed to overtake the control not only of the disputed Nagorno Karabakh, but also of other seven Azerbaijan’s regions that form a cordon among Nagorno Karabakh. Presently Azerbaijan fails to control about one-fifth of its territory.

The war over Nagorno Karabakh resulted in the loss of 22-25 thousand people. About 17 thousand Azeri became refugees, and about 660 thousand of Azeri became internally displaced persons (IDPs). From the Armenian side, 18 thousand Armenians became refugees, and 8 thousand became IDPs. After the end of the military actions in Nagorno Karabakh, Azerbaijan has the highest

share of refugees and IDPs (about 10 percent of total population) in the world\(^{33}\). Azerbaijan’s state committee for the affairs of the refugees and IDPs provided calculations that due to the conflict of Nagorno Karabakh since the beginning of military actions Azerbaijan has experienced the damage of the amount of 87 bn US dollars\(^{34}\).

Presently the situation at the contact line is far from calm – the cross-fire from both conflicting sides causes about 25-30 troop deaths annually\(^{35}\). Moreover, Baku is constantly rejecting the demands of the international community to redraw its snipers.

As a result of the frozen conflict, Nagorno Karabakh is functioning as de facto state. During a referendum held in 1991 the local population of the Nagorno Karabakh voted for the full independence of the region although still not a single state has officially recognized Nagorno Karabakh. Armenia periodically uses the leverage of the possible recognition of Nagorno Karabakh in order to blackmail Azerbaijan and to press international community\(^{36}\).

It is worth noting that the conflict over Nagorno Karabakh is specifical in the overall context of the frozen conflicts in post-soviet space. First and foremost, the conflict is the only frozen inter-state conflict (the others are intra-state ones). Second, Russia is involved in this conflict indirectly – through the participation in OSCE Minsk Group and overall support to Armenia. Third, no peacekeeping forces are dislocated in the region. Russia seeks its peacekeepers under the mandate of OSCE to be dislocated in the conflict zone, at the same time Azerbaijan does not support such an idea. Azerbaijan first of all sees no necessity for peacekeeping forces in Nagorno Karabakh, but if such a decision would have to be taken, Baku supports the dislocation of neutral (not dominated by Russia) multinational peacekeeping forces. Moreover, Azerbaijan is an active participant of GUAM – an international organisation established by Georgia, Azerbaijan, Ukraine and Moldova (GUAM is claimed to be anti-Russian block). Baku supports the formation of peacekeeping forces within GUAM that would primarily be used in the zones of frozen conflicts in the organization’s members (Azerbaijan, Georgia, Moldova), but also could be used in wider international context.

Finally, the behaviour of unrecognized Nagorno Karabakh seems to be different from the way of action of other unrecognized entities within the post-soviet space (Abkhazia, South Ossetia and Transnistria). Nagorno Karabakh rejected


\(^{35}\) International Crisis Group, *Conflict Resolution in the South Caucasus: the EU’s Role* (note 16), p. 3.

\(^{36}\) Asbarez., *Armenia will Recognize Karabakh if Azerbaijan Resorts to Aggression, Says Sarkisian*, 2 December 2010.
the offer to joint the Community for Democracy and Human Rights, established in 2006 in Sukhumi that unites the de facto republics of the post-soviet space. Moreover, Nagorno Karabakh avoids any kind of affiliation with these entities.

3.2. Positions of Armenia and Azerbaijan Regarding the Frozen Conflict

The scope of interference of outside forces (Russia) in the frozen conflict over Nagorno Karabakh is smaller in comparison to other frozen conflicts in the post-soviet space; never the less the process of the resolution of Nagorno Karabakh conflict is highly complicated.

The first obstacle to progress in the process of conflict resolution is the opposite positions of Armenia and Azerbaijan, which lack any point of accord. In the process of peaceful resolution of Nagorno Karabakh conflict, Armenia points at the principle of peoples’ right to self-determination and calls for settling the status of the disputed region via referendum. In the aftermath Armenia claims to be ready to redraw its military forces from the occupied territories of Azerbaijan. At the same time Azerbaijan does not reject the idea of a referendum, although it could be held only after Armenia withdraws its military forces from the territory of Azerbaijan and all refugees and displaced persons that left their homes during the war are returned to the occupied territories. Until the breakthrough of hostilities in Nagorno Karabakh, 21.5 per cent of local inhabitants were Azeri. Moreover, Azerbaijan would agree only with the status of Nagorno Karabakh that is in line with the principle of the territorial integrity of Azerbaijan. Accordingly, the greatest amount of freedom for the disputed region that Azerbaijan would agree with is vast autonomy.

The second obstacle in the process of searching for a compromise regarding the problem of Nagorno Karabakh is the high level of sensitivity of both societies regarding the question of Nagorno Karabakh. Both Armenian and Azerbaijani societies are much more radical regarding the Nagorno Karabakh than the political elites of the responding countries and the slightest compromise in the front of the conflict is being viewed as the betrayal of the national interests. Because of this the politicians are trying to overcome the threat of becoming unpopular and to be voted out of the political scene by committing to rigid positions regarding Nagorno Karabakh. “Windows of opportunity” – the periods when huge political

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events (elections, referendums) are taking place neither in Armenia nor in Azerbaijan— are a rare phenomenon that adds only a few to the speed of the resolution of the frozen conflict since the way to the compromise is a long process based on mutual concessions.

Finally, Azerbaijan holds no direct dialogue with Nagorno Karabakh itself— the zone of frozen conflict was excluded from the table of the negotiation by the initiative of Baku in 1998 and since then has not been returned to. In the negotiations the interests of Nagorno Karabakh are being represented by Armenia. On the one hand, the seat for unrecognized entity at the table of negotiations could provoke the problem of “permanent brake” (as in the case of Transnistria). On the other hand, if the solution found on the peaceful regulation of Nagorno Karabakh conflict will not satisfy the region itself, this would leave the threat of separatism open even after the final agreement by Armenia and Azerbaijan will be negotiated.

So for nearly two decades both conflicting sides have stuck to their rigid positions, which have absolutely no common touching points. The main reason why they are not moving towards a compromise is that Azerbaijan refuses to compromise on its territorial integrity; and, at the same time Armenia is satisfied with the status quo situation. The current balance over Nagorno Karabakh is on Armenia’s side. Firstly, the frozen conflict is not in the territory of Armenia, so in the case of breakthrough of military actions the war would be fought on the Azerbaijan’s soil. Second, the unresolved conflict over Nagorno Karabakh serves as one of the strongest leverages of Armenia in the international community and helps to maintain the appropriate level of international attention for the country.

Azerbaijan has repeatedly announced its readiness to use military force for the resolution of the conflict over Nagorno Karabakh if Armenia does not stop the simulation of the negotiations. In other words, if the negotiations remain fruitless, Azerbaijan does not exclude the option to leave the table of negotiations and to use military force for the resolution of multi-decade conflict.

The dynamics of Azerbaijan’s military budget serves as a justification of bellicose statements by Baku. In late 2003, former president of Azerbaijan Heydar Aliyev was replaced by his son Ilham Aliyev who has stricter approach regarding the resolution of the conflict over Nagorno Karabakh. From 2004 a sharp increase in the military spendings of Azerbaijan can be observed – in 2003 Azerbaijan’s annual military budget amounted to 135 m US dollars, although in 2011 military spendings jeopardized to the level of 3,12 bn US dollars resulting in the increase.

38 German T., (note 9), p. 2.
40 German T. (note 9), p. 3
over 23 times. In 2011 the military budget of Azerbaijan consisted 20 per cent of country’s GNP\textsuperscript{41}. Moreover, in 2005 Azerbaijan established two new power ministries – Military Industry Ministry\textsuperscript{42} and Ministry of Emergency Situation\textsuperscript{43}.

In the context of the fast growing military potential of Azerbaijan, the military spendings in Armenia have also tended to increase. Thus the potential of Yerevan to accumulate military power is much more limited in comparison to Baku, so the enhancement of Armenia’s military power could be considered as the tactical move in order to resist the pressure from the side of Azerbaijan.

Evaluating the attitude and the behaviour of both conflicting sides, it can be observed that Armenia fills the gap of minor military potential by external security guarantees from Russia.

At the strategic level the guarantee of Armenia’s security is the country’s membership in the Russia-led Collective Security Treaty Organization (CSTO). The Collective Security Treaty includes the provision of collective security that the attack against one of the members of the organisation is considered as an attack against all members\textsuperscript{44}. Nevertheless Nagorno Karabakh and other Azerbaijani regions controlled by Armenia are not in the territory of Armenia. And taking into consideration the precedent of Russia’s actions against Georgia in August 2008, Moscow’s actions in the context of a possible war between Armenia and Azerbaijan can be unpredictable. This unpredictability is strengthened by the insight that Moscow is interested to maintain the problem of Nagorno Karabakh which serves as a leverage for permanent interference in the region of South Caucasus, especially in order to influence the policy of Azerbaijan. Moreover, Russia’s military forces have quite strong positions in Armenia. The 102nd Russian military base is dislocated nearby Gyumri, near the border with Turkey and Russian troops are participating in the in the Armenian-Turkish border guard activities. The term of the presence of this base was extended in 2010 until 2049 in interchange of Russia’s direct security guarantees for Armenia\textsuperscript{45}.

As previously mentioned, Azerbaijan has chosen a neutral security strategy so the country has no external security guarantees and does not demonstrate any aspirations in receiving ones in the short-medium term. In the case of military conflict with Armenia over Nagorno Karabakh, Azerbaijan could expect the support from its strategic partner Turkey; although Turkey is a member of NATO, its possibilities of unilateral direct support for Azerbaijan are very limited.

\textsuperscript{41} Jarosiewicz A., Strachota K., „Nagorno-Karabakh – Conflict Unfreezing”, OSW Commentary, p. 3.
\textsuperscript{42} Regnum, Создано Министерство оборонной промышленности Азербайджана, 16 December 2005.
\textsuperscript{43} Regnum, В Азербайджане создано Министерство чрезвычайных ситуаций, 16 December 2005..
\textsuperscript{45} Express.am, Rusia Gave Guarantees to Armenia After Clinton’s Visit: Ariel Cohen, 11 August 2010.
In this context, the “classical” deterrence strategy applied by Azerbaijan has been overcome by Armenia’s external security guarantees. In other words, in the framework of frozen conflict over Nagorno Karabakh Azerbaijan, it seems it is not Armenia that is deterred – Armenia occupied and controls a huge part of Azerbaijan’s territory. Moreover, the external security guarantees enjoyed by Armenia stop Azerbaijan from a military resolution of the Nagorno Karabakh conflict. Azerbaijan recognizes that in case of the renewal of military actions in Nagorno Karabakh it would have to fight with Russia, not with Armenia, as it was two decades ago. In this case the war over Nagorno Karabakh would lead not only into one more defeat of Azerbaijan, but also to the interruption in the energy policy. Interruption of the trading of oil and gas would be a huge hit for Azerbaijan’s economy, power accumulation and would make the country’s neutral security strategy meaningless.

In the presence of tensions over the contact line and arms race between the conflicting sides, the frozen conflict can be turned into a “hot” phase at any time. The fragility of the situation is jeopardized by the drastical increase of Azerbaijan’s military budget. Baku believes that the enhancement of its military capabilities serves as a pressure tool for Armenia to turn to compromise, but in reality Yerevan responds to such a trend not by mitigating its position over the resolution of Nagorno Karabakh conflict but by efforts to align its military spendings in order to minimize the gap in comparison with Azerbaijan and in search for new external security guarantees. The external security guarantees enjoyed by Armenia stop Azerbaijan from a radical solution of the conflict situation but has no value added in the search for compromise. It could even be concluded that Russia’s security guarantees provided for Armenia are the factor that “freezes” the conflict over Nagorno Karabakh. Negotiations over a peaceful resolution of the conflict are stuck in the deadlock also due to ignorance from both Armenia and Azerbaijan of the demands of the international community to redraw the snipers from the contact line and to refrain from hostilities.

The frozen phase of the Nagorno Karabakh conflict hides the growing gap between Nagorno Karabakh and Azerbaijan and the growing dissatisfaction by the latter about what could overgrow to the readiness for unilateral means of actions in order to change the harmful status quo situation.

3.3. The Scope of Involvement of the International Community in the Peaceful Resolution of the Conflict over Nagorno Karabakh

The involvement of the international community in the process of regulation of the conflict of Nagorno Karabakh, as well as in the resolution of other frozen conflicts in the post-soviet space, has been and remains of a limited character.

The only international organization to be directly involved in the process of peaceful resolution of Nagorno Karabakh conflict is the Organisation for Security and cooperation in Europe (OSCE). In 1992 the Minsk conference regarding the Nagorno Karabakh issue should have been held under the auspices of Conference for Security and Cooperation in Europe (contemporary OSCE). Nevertheless, the Minsk conference never took place, and the states that should have participated in the conference formed so-called OSCE Minsk group which took over the role of mediator between Armenia and Azerbaijan regarding the peaceful resolution of Nagorno Karabakh conflict. In 1994 it was decided to name three chairmen of the OSCE Minsk group – diplomats from the USA, Russia and France. Until 2008 all three states acted as mediators between Armenia and Azerbaijan, by the principle of rotation hosting the bilateral meetings of the presidents of Armenia and Azerbaijan. From mid-2008, after Dmitry Medvedev come to the post of the president of Russia, Moscow became a mediator for the highest level bilateral meetings between Armenia and Azerbaijan.

Regular direct meetings between two presidents of the conflicting sides have taken place from the end of 2003, when Ilham Aliyev became the president of Azerbaijan. Nevertheless, the progress achieved during these interactions is moderate since both countries remain committed to their rigid positions.

Since 2005 Armenia and Azerbaijan were negotiating on the principles for further negotiations on the peaceful resolution of Nagorno Karabakh conflict. The result of these negotiations were named the Madrid principles under the OSCE meeting in Madrid in 2007. The Madrid principles include three main ideas: abstain from the use of force, respect for the principle of territorial integrity and the acceptance of the right of self-determination. Despite the fact that both Armenia and Azerbaijan have formally accepted Madrid principles, the disagreements over the area persist.

Moreover, it is important to emphasize that it was agreed to keep the course of negotiations as well as the progress reached behind closed doors. Due to

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the high level of sensitivity of this issue in both societies, it was decided to make public only the final set of conflict regulation measures on which both Armenia and Azerbaijan has agreed. Negotiations over Nagorno Karabakh are grounded on the principle that nothing is agreed until everything is agreed.

The international community supports Azerbaijan’s territorial integrity. In 1993 four resolutions calling Armenia to cancel the occupation of Azerbaijan’s territory were adopted by the United Nations. In these resolutions Nagorno Karabakh is recognized as an integral part of Azerbaijan.

Thus despite the wide support for Azerbaijan’s territorial integrity, the Armenian position regarding Nagorno Karabakh has not encountered any stronger opposition in the international arena. It can be concluded that Armenia’s efforts to persuade the international community with its own version of the conflict over Nagorno Karabakh was successful. According to Yerevan, Nagorno Karabakh is a historical region of Armenia populated by the people of Armenian ethnicity. The roots of the conflict, according to Armenian version, lies in the mistreatment of ethnic Armenians in Nagorno Karabakh by Baku and the refusal by Azerbaijan to grant the local inhabitants the right to self-determination. One curious moment is that only Nagorno Karabakh receives the attention of the international community; yet at the same time the fact that the Armenian military forcefully occupied and holds under control seven more districts of Azerbaijan that have no relation to Armenian population, is not widely escalated and does not cause proper reaction of the international community. The conclusion could be made that the international support for Azerbaijan’s territorial integrity is a part of the “general formula”, thus Armenia managed to spread its own version of the conflict in the international community. This paradox shows that specific structural power at the disposal of Armenia is bigger that the one of Azerbaijan.

The process of the negotiations regarding the Nagorno Karabakh conflict emphasizes the core weakness of Azerbaijan – a weak ability to accumulate specific structural power (particular problem connected structural power). Nevertheless Azerbaijan has greater power as well as stronger international positions in comparison with Armenia, Yerevan managed to embed and maintain its own version regarding the conflict over Nagorno Karabakh in the international community. This paradox is even more complicated by the permanent demonstration of its militaristic tone by Azerbaijan – starting from the thesis of Military Doctrine,

bellicose statements of the highest state officials and ending with jeopardisation of state’s military budget. The military rhetoric only makes Baku an aggressor in the eyes of international community and indirectly facilitates the way for Armenian version of the conflict to further strengthen its positions. It is impossible that Azerbaijan could start military actions regarding Nagorno Karabakh and skip sharp international reaction. If Baku chooses the military solution for the problem of the Nagorno Karabakh, it risks losing all the capital of its international cooperation.


Energy policy as the main source for the enhancement of both relational and structural power of Azerbaijan became a priority when several factors simultaneously came to light. These factors were: the readiness by Azerbaijan to explore its vast resources of oil and gas, the efforts by Baku to play significant role in international energy policy and the demand of alternative energy transportation routes from the side of the USA and the EU in order to diminish the dependence on non-stable energy suppliers.

The unique combination of physical potential, aspirations and high interest of the international community created favourable conditions for Azerbaijan to become one of the key players in the regional schemes of oil and gas supplies routes from the Caspian basin towards the West. Although the development of Azerbaijan’s energy policy during the past decade has gained the speed of geometrical progression, it is worth mentioning that still several obstacles in international arena still persist that can slowen the development of Azerbaijan’s energy policy. In the case of realization of the negative scenario, Azerbaijan would not only encounter serious domestic problems but would also lose the main leverage in its foreign policy.

4.1. The Development of the Energy Sector: A Success Story From Baku

In 1993 Heydar Aliyev, former long-standing first secretary of the Central committee of Azerbaijan SSR Communist Party, became the president of Azerbaijan. H. Aliyev clearly recognized the direct connection between the development of energy sector and overall progress and international position of the country. So, under the initiative of Aliyev Azerbaijan oil and gas sector was opened for foreign
investors what brought foreign investments to Azerbaijan’s energy sector - the factor that helped to shape the fundamentals for modern energy sector.

During the last decade of the twentieth century the most important international agreements between Azerbaijan and foreign companies were signed concerning the exploitation of Azerbaijan’s oil and gas fields. In 1994 Millennium Contract that foresees the exploitation of Azeri-Chiraq-Guneshli oil and gas field was signed. Such energy giants as BP, Amoco, Statoil, Exxon and others were signatory parties of the Millennium Contract. The agreement regarding the exploitation of Karabakh field was signed in 1995, the deal regarding the exploitation of Shahkdeniz field was inked in 1996, and in 1997 the deal on Lenkoran-Deniz field was concluded\(^5\). The State Oil Company of the Azerbaijan Republic (SOCAR) has been participating from the side of Azerbaijan in exploitation of the aforementioned fields.

Presently Azerbaijan’s inspected oil deposits amount to 7 bn. barrels\(^5\), inspected gas deposits – 849,5 bn cubic meters of natural gas\(^5\). Annual oil production is esteemed to be over 50 m tones (in 2010 – 50,8 m tonnes, in 2009 – 50,4 m tonnes)\(^5\), gas production in 2010 amounted to 26,3 bn cubic meters, in 2009 – 23,6 bn cubic meters\(^5\). Azerbaijan is exporting its oil and gas to Russia, Georgia, Iran, Turkey. In 2005 the oil pipeline Baku-Tbilisi-Ceyhan (BTC) was put into operation. Annual capacity of the BTC pipeline is 50 m tonnes (1 m barrels daily). Since 2006 gas pipeline Baku-Tbilisi-Erzurum (BTE) with the annual capacity of 20 bn cubic meters of gas is operating. Oil pipelines Baku-Novorossiysk, Baku-Poti and Baku-Supsa are also operating.

Since the beginning of twenty-first century, when the USA and the EU began to search for alternative energy transportation routes, Azerbaijan encountered even wider opportunities to realize its energy potential. The EU formulated the ambitious plan of the ‘Southern Corridor’ for gas transportation. The “Southern Corridor” should be a set of four gas pipelines – Nabucco, which should bring the Caspian gas and transport them via Turkey, Bulgaria, Romania, Hungary and Austria to the final consumers in the EU; “White Stream” that would bring the

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gas of Azerbaijan via Georgia, through the bottom of the Black Sea to Ukraine and Romania; Turkey-Greece-Italy (TGI) interconnector of 8 bn cubic meter annual capacity that would be connected to BTE gas pipeline; and Trans-Adriatic pipeline (TAP) that would bring 10 bn cubic meters of gas annually from Greece via Albania, Adriatic Sea to Italy.

Nabucco is the most important project of the “Southern Corridor”. The gas pipeline is planned to set into operation in 2017 (the project end term has already been postponed for several times from the initial schedule). The capacity of Nabucco at the initial stage would amount to 8 bn cubic meters of natural gas, at the final stage the capacity should be increased to 31 bn cubic meters of natural gas annually.

Moreover, Azerbaijan, Georgia and Romania had contracted the deal on the gas pipeline AGRI (Azerbaijan-Georgia-Romania International). According to the project the gas of Azerbaijan should reach Poti port in Georgia where it should be liquefied and would reach Romania by tankers. In Romania LNG would be transformed back into natural gas and would reach consumers in the EU. AGRI gas transportation line is planned for the annual capacity of 6-8 bn cubic meters of natural gas and is expected to start operating in 2014.

Azerbaijan’s attractiveness for huge scale regional energy projects in the first place is decided by the favourable geostrategic position that allows the transportation of Caspian oil and gas bypassing both Russia and Iran.

Another strength of Azerbaijan regarding energy cooperation is that the country’s energy sector is not politicised. At the beginning of active external energy policy Azerbaijan’s neutrality played its role and allowed to develop energy cooperation in new directions (for example, Western direction).

Moreover, willingness to support Western energy transportation projects demonstrated by Baku also brings some dividends for Azerbaijan. The permanent demonstration of support for Western energy needs is a big challenge for Azerbaijan because the implementation of these initiatives after remains protracted and stuck in inner discussions. In case of realization of pessimistic scenario, in the medium-long term Azerbaijan could face the situation that the country would have more hydrocarbonates produced than possibilities for their realization in the international markets. Willingness by Russia and Iran to increase the amount of purchase of Azerbaijan hydrocarbonates serves as an additional challenge for Baku. Thus presently, despite the existing challenges, the support of Azerbaijan for EU-oriented energy transportation routes is the most stable in all the supply and transit chain.

And finally, the status of Azerbaijan as the supplier of energy resources was
strengthened by the successful implementation of the oil pipeline BTC and gas pipeline BTE. The smooth functioning of these pipelines proved Azerbaijan to be reliable partner in the energy sector and confirmed that alternative oil and gas transportation routes are much more than theoretical option.

Azerbaijan views its energy policy as the main source for enhancing its independence from external forces. In this light, strong energy policy is the main assumption for country’s neutral security strategy. At the same time neutrality provides Azerbaijan with wider opportunities to develop energy cooperation in all directions possible. Moreover, Azerbaijan’s passive stance in foreign policy caused by neutrality is partly compensated by active energy policy. In this context, energy policy for Baku serves as a substitute for foreign policy.

The energy sector serves as the main source of the growth of both relational and structural power of Azerbaijan. Oil and gas account for about 90 percent of Azerbaijan exports, energy sector is the main attractor of foreign investments in Azerbaijan. Successful experience of the implementation of large scale region pipelines and the number of new projects marks the growth of Azerbaijan’s structural power.

Still, the energy sector being the only engine of the development of the country raises the threat of “Dutch disease” – the phenomenon when the industry sector of the hydrocarbonates exporting states is less competitive due to the currency fluctuations. Moreover, Azerbaijan’s economic welfare directly depends from the unstable factor of the prices of oil and gas in the international market. At the same time sectors that are generating more stable value added are underdeveloped. The need for Azerbaijan to develop non-hydrocarbonates sectors is emphasized in the report of International monetary Fund (IMF). According to IMF, in 2011 oil and gas sector generated less profit than expected due to what the government of Azerbaijan receives less income. Similar tendencies should be maintained for several forthcoming years, so economic diversification and increased attention for the development of non-hydrocarbonates sectors should be the priority for the authorities of Azerbaijan in the short term.

4.2. External Obstacles for Azerbaijan’s Pro-Western Energy Policy

Neutral security strategy enables Azerbaijan to trade hydrocarbonates (oil and gas) in all directions possible although the decisive impact for the growth of Azerbaijan’s relational and structural power has particularly the development of energy policy westwards. It is interesting that after successful realization of the oil pipeline BTC and gas pipeline BTE such states as Russia and Iran began to view the opportunity to buy Azerbaijan’s hydrocarbonates as more attractive that before.

Although Azerbaijan’s pro-Western energy policy is marked with stories of success, the development of Baku’s energy policy based on enhanced cooperation with the West could encounter with several external obstacles – the factor of unresolved legal status of Caspian Sea and the factor of sharp competition among regional energy projects.

4.2.1. Unresolved Legal Status of Caspian Sea

The problem of the legal status of the Caspian Sea is an underlying obstacle that can freeze the development and implementation of large-scale regional energy projects, bypassing Russia and Iran for an unlimited period.

The disagreements over the legal status of the Caspian Sea among five littoral states – Azerbaijan, Kazakhstan, Turkmenistan, Russia and Iran – erupted in the second half of 1990s when the states found the opportunity of exploring the oil and gas rich Caspian fields. Until present, Caspian basin countries fail to find an agreement on whether the Caspian Sea, which geographically is a lake, legally should be considered a sea or a lake. If the Caspian Sea legally would be considered a lake, all the resources would have to be divided equally among five littoral states (or in other proportion on which all five countries have agreed). If Caspian Sea would be decided to consider a sea, then a state would own only these resources that are in its territorial waters and in its Caspian sector. The only legal agreements concerning the division of Caspian resources were signed in 1921 and in 1940 between the USSR and Iran. According to the agreements, all the Caspian resources were divided equally between those two littoral states.

Azerbaijan and Kazakhstan are the states that have the biggest shares of

Caspian hydrocarbonates in its national sectors – Kazakhstan manages 4,5 bn tons, Azerbaijan – 4 bn tons of hydrocarbonates\textsuperscript{60}. So Baku and Astana are deeply interested in the Caspian Sea being legally considered a sea. At the same time Iran, which has no hydrocarbonates in its national sector, calls for the Caspian Sea to be considered a lake. Turkmenistan still has no firm position regarding this question due to several reasons. Firstly, Turkmenistan has several unresolved issues with Azerbaijan and Iran over the right to disputed oil and gas fields. Secondly, Ashkhabad, which is rich of land gas and has a right to comparatively moderate amount of Caspian oil and gas - 1,5 bn tons of hydrocarbonates – is considering the option to use Caspian shore for the development of tourism.

Russia is playing a double card in this situation. On the one hand, Moscow signed bilateral agreements with Azerbaijan and Kazakhstan setting the limits over national sectors of the Caspian Sea. On the other hand, Russia is the main supporter of Iran in its rejection of any other status for Caspian Sea except the status of lake. The overall goal of Russia that has a right to 2 bn tons of Caspian hydrocarbonates in the Caspian basin is the control of transit routes of the hydrocarbonates, not the control of the deposits of oil and gas. Since the legal status of the Caspian Sea is not agreed upon, no wide-range trans-Caspian energy projects bypassing Russia can be accelerated.

For the successful realization of the Western-backed regional oil and gas transportation projects, it is necessary to extend the pipeline running through the bottom of the Caspian Sea and connecting Azerbaijan with Kazakhstan and Turkmenistan. This pipeline would guarantee the cheapest and the most efficient way for vast energy resources of Kazakhstan and Turkmenistan to reach final consumers in the EU. Nevertheless if Trans-Caspian pipeline would be constructed before the final agreement on the legal status of the Caspian sea is reached the investments laid into this project would be insecure because if the Caspian Sea legally would be considered a lake, the pipeline would become the common property of all five littoral states, and in the worst case scenario the pipeline could be demolished. In light of this the investors avoid these insecure investments, and at the same time transportation of hydrocarbonates form Kazakhstan and Turkmenistan by tankers is economically inexpedient.

The hydrocarbonates (especially gas) that are produced by Azerbaijan solely presently satisfies only existing demand. Although Baku promises to increase the production of oil and gas in the nearest future, the production of hydrocarbonates by Azerbaijan would hardly increase in such amount that could respond the growing demand in the EU. The successes of the implementation and operation

\textsuperscript{60} Ibidem, p. 19
of pipelines carrying Caspian hydrocarbonates towards Europe depends directly from the participation of Kazakhstan and Turkmenistan in these projects.

4.2.2. Competition between the EU and Russia for the Implementation of New Energy Projects in the Region

Moscow employs all its efforts to block the development of EU-backed pipelines bypassing Russia. An alternative for the EU-backed Nabucco project, Russia has proposed the “South Stream” gas pipeline project. A gas pipeline with the initial annual capacity of 31 bn cubic meters that could be further enhanced to 63 bn cubic meters of natural gas is planned to be implemented by 2015. The route of “South Stream” should go from Russia via the bottom of the Black Sea and Bulgaria, from where the pipeline would be divided into two branches, one of which would run via Serbia and Hungary to Austria, the other one via Greece to Italy.

As we see, the routes of Nabucco and “South Stream” are almost identical, and the same can be said about the capacity. Accordingly it is hardly believable that both of them could be implemented simultaneously. So it is most likely that Caspian gas will be brought to Europe by the pipeline that will be the first to be implemented.

On the one hand, the main problem of Nabucco is that the suppliers of the gas are still unclear – due to unresolved legal status of the Caspian Sea and political indifference of the Central Asian states the participation of Kazakhstan and Turkmenistan in the project is not guaranteed. Moreover, disagreements between Azerbaijan and Turkey on the conditions of transportation of Azerbaijan gas via Turkey that have already taken place several times raise additional concerns over the success of Nabucco project. The fact that disagreements between Baku and Ankara over transit fees and amounts of transit gas erupts from the political tension over Turkish-Armenian reconciliation, not from the economic reasons, adds fragility to the overall environment of Nabucco. It is noticed by experts that the domination of national interests in the negotiations on regional energy projects is one of the biggest risk factor.61

On the other hand, transit states demonstrate an active support for the Nabucco project. In June 2011 five transit states – Turkey, Romania, Bulgaria, Hungary and Austria – and the Nabucco consortium signed a project support

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agreement\textsuperscript{62}, in which transit countries committed to apply the most favourable legal regulation for the Nabucco pipeline construction works and not to diminish the conditions during the construction period. Two years earlier, in June 2009, the same five transit countries had signed intergovernmental agreement regarding the construction of Nabucco pipeline. In this agreement the political support of the transit countries for the project was officially expressed for the first time\textsuperscript{63}.

One more step from the side of Russia in order to win the “race” of the energy transportation towards the EU routes – to buy as much gas as possible from the potential gas suppliers for Nabucco in order to weaken overall gas supply capacity. Until 2007 Azerbaijan purchased Russian gas, but presently Russia has become a buyer of Azerbaijan gas. According to gas purchase agreement signed between Russia and Azerbaijan in mid-2009, Azerbaijan committed to sell Russia 500 m cubic meters of natural gas in 2010.\textsuperscript{64} Thus in 2011 the amount of Azerbaijani gas purchased by Russia increased four times and amounted to 2 bn cubic meters per annum\textsuperscript{65}. In 2012 Russia plans to purchase already 3 bn cubic meter of Azerbaijani gas.\textsuperscript{66}. Moreover, in early 2011 Baku and Teheran inked five-year contract over the supply by Azerbaijan of the minimum of 1 bn cubic meters of gas per annum to Iran\textsuperscript{67}.

Presently the position of Azerbaijan in the context of competition between the EU and Russia is quite favourable – Baku’s importance for both competing sides is big, and the premises of this trend lie in the increase of Azerbaijan’s structural power. Thus, if gas transportation projects promoted by Russia will come before Russia-bypassing energy transportation routes, the importance of Azerbaijan both for the EU and for Russia would significantly decrease.

Conclusions

The frozen conflict of the Nagorno Karabakh and Azerbaijan’s aspirations in its energy policy have coexisted all the time and have influenced each other, although a particularly positive impact of this interaction has not been observed. The Millennium contract that is considered to be the beginning of the contem-

\textsuperscript{62} New Europe, Nabuco Project Support Agreement Signed by Each Transit Country, 12 June 2011.
\textsuperscript{63} Balcer A., Intergovernmental agreement on Nabucco case signed, CEWEEKLY, Centre for Eastern Studies, Warsaw, 2009 07 15.
\textsuperscript{65} Ria Novosti, Russia’s Gazprom Ready to buy all of Azerbaijan’s gas – CEO Miller, 19 June 2010.
\textsuperscript{66} Ria Novosti, Russia Extends Gas Purchase Contract with Azerbaijan, 23 January 2012.
\textsuperscript{67} Bloomberg, Azerbaijan Signs Gas Supply Contract with Iran Before EU visit, 12 January 2011.
porary energy policy of Azerbaijan was signed in fall 1994 – just after Baku signed the cease-fire agreement with Armenia, freezing the conflict of Nagorno Karabakh. In mid-1990s Baku thought that the power enhanced by successful energy policy will facilitate the resolution of Nagorno Karabakh conflict.

As can be presently observed, despite the impressive developments in Azerbaijan’s energy sector and various successes of Baku in international energy game, the negotiations over the peaceful resolution of the frozen conflict over Nagorno Karabakh have not brought desirable results yet. In contrast, the unresolved conflict over Nagorno Karabakh and interrupted Azerbaijan’s control of nearly one-fifth of its territory serve as obstacles to further development of Baku’s energy policy. Moreover, the regional tensions arising in connection with the frozen Nagorno Karabakh conflict bring additional concerns over Azerbaijan’s stability and reliability – the qualities that are crucially important in the field of global energy policy.

Azerbaijan’s lack of external security guarantees remain the core problem in the protracted process of the regulation of Nagorno Karabakh conflict. At the same time Armenia enjoys the external security guarantees since it became a member of the Russia-led CSTO. In addition, Moscow has pledged direct security guarantees for Yerevan in exchange for the extension of the term for the presence of Russian military base in the territory of Armenia. Classical strategies of deterrence do not work on Armenia, so the constant sharp increase in Azerbaijan’s military spendings is not intentional in this situation. To the contrary, the enhancement of the military power by Azerbaijan not only fails to give any value added in the process of the resolution of Nagorno Karabakh conflict, but even serves as a destructive factor.

Firstly, the increase of military spendings, together with bellicose announcements of the highest Azerbaijan’s officials shows Baku as an aggressor in the eyes of international community. The bellicose image of Baku leads to the diminishment of Azerbaijan’s prestige (structural power) in the international arena.

Second, the armament by Azerbaijan increases the overall fragility and vulnerability of the whole region. Taking into consideration high tensions over the regional relations in the South Caucasus, in the context of enhanced militarization a new conflict can break anytime anywhere.

Finally, in this situation the income from the successful energy policy are directed mainly towards the increase of the military spendings that redraws potential financing from the other sectors of Azerbaijan’s public life where additional funding would create value added.

A pro-Western energy policy is the main source for the enhancement of Azerbaijan’s structural power and partially serves as a substitute for the absence of
external security guarantees. Thus the prospects of an EU-oriented energy policy of Azerbaijan are highly dependant on the factors that Baku has no leverage to influence – from the development of the issue of legal status of Caspian Sea, also – from the outcome of the competition between the EU and Russia over the energy transportation routes. If a pessimistic scenario would be realized, Baku would lose the only leverage in the international community.

Azerbaijan’s declared neutrality as a presumption for highly diversified energy policy does not fulfil its function anymore. Presently the bigger part of Azerbaijan’s oil and gas are being transported via pipelines BTC and BTE, running westwards. In addition, the presence of external security guarantees would not serve as an obstacle to further development of the directions in the sphere of energy cooperation that are already consolidated. The results of the analysis show that the function fulfilled by Azerbaijan’s neutral security strategy is not to serve as presumption for diversification of the directions of energy cooperation but to separate the cooperation in energy field from the overall wide cooperation. In other words, Azerbaijan remains committed to a neutral security strategy seeking to maintain close partnership with the West in the field of energy policy at the same time avoiding the western pressure regarding democracy and human rights and other spheres of public life.

Baku is following the assumption that it should choose between the possibility to implement a diversified energy policy and the opportunity to enjoy external security guarantees. This assumption reflects the essence of the dilemma of Azerbaijan’s security strategy. Nevertheless, presently the situation is favourable for Baku to have these both since Azerbaijan’s energy policy, as well as the sources of potential external security guarantees, are moving in coinciding directions. Using the opportunity to match both the diversified energy policy and the external security guarantees would be the way to resolve the dilemma of Azerbaijan’s security strategy.

This is the “third way” open to Baku, which would help Azerbaijan to escape the “zero-sum” situation in its dilemma of the security strategy and would allow it at the same time to maintain neutrality.

Azerbaijan’s structural power is constantly growing; nevertheless, the specific structural power regarding the conflict over Nagorno Karabakh remains moderate. The existence of this gap causes the paradox that despite the growing importance of Azerbaijan’s energy policy for the West, the attention of the USA and the EU for the solution of the problem of Azerbaijan’s territorial integrity tries to speed up the regulation of the Nagorno Karabakh problem or the increased pressure on Armenia maintain constancy. Presently the West is concerned about democracy
domestic policy processes and human rights situation in Azerbaijan. Still Armenia has seemed more democratic than its neighbour Azerbaijan, and this is one of the explanations why the international community is not inclined to condemn Armenians as an aggressor.

In order to overcome the gap between aggregated structural power and specific structural power, Azerbaijan should position itself in the eyes of the international community not only a strong, but also an open and reliable state. In other words, Baku should be aligning itself westwards not only its energy policy but also the processes of the domestic policy. If Baku would decide to choose the “third way”, the bellicose statements should be abandoned immediately; also the need of permanent increase in military spending should be reconsidered. Further, Baku should strive for an open, transparent domestic policy together with the respect for human rights and freedom of speech. Ambitious energy policy implemented by peaceful and democratic Azerbaijan should bring dividends for Baku in the medium-long term and facilitate the process of the peaceful resolution of the Nagorno Karabakh conflict.

_Vilnius, August 2011 – March 2012_
The Third Sector and Political Communication in Belarus: Highlights on the Topic of Social Policies from the Presidential Campaign 2010

The main purpose of the article is to show specifics of political communication in a non-democratic regime (Belarus). First, we elaborate the typology of the third sector organizations according to their loyalty to the State and autonomy of their action. Then we describe the third sector organizations engaged in social policies in Belarus. We employ the qualitative discourse analysis framework and focus on public speeches and public acts, related to social concerns and performed by Lukashenka and alternative candidates in September-December 2010. The study shows that the State in Belarus effectively reduces discursive and policy action opportunities of the third sector organizations and marginalizes their political representation. The electoral campaign crucially lacked any stronger alternative social policy proposals. The State (the third sector organizations, subordinated to the State, the state-run media, the governmental officials, and the state institutions such as KGB, military forces) performed pivotal mobilization and public relations roles on behalf of the incumbent President, thus inaugurating a new wave of terror, which followed Lukashenka’s victory on December 19, 2010.

Introduction

The study intends to show specifics of political communication, broadly construed as “purposeful communication about politics”\(^1\) in a non-democratic regime (here, Belarus). For this purpose we analyze political communication concerning one selected issue (social affairs) in the Presidential electoral campaign of 2010. Our choice of the social security issue is related to the assumption that the introduction of neo-liberal

social security reforms in 2007\textsuperscript{2} drastically curtailing social benefits in Belarus might have affected content and forms of political communication, and contentious appraisals of the neo-liberal shifts in public policies could be fairly perceptible during the high-stake Presidential electoral campaign.

We should bear in mind that in 1994 actual Belarusian President Alyaxander Lukashenka\textsuperscript{3} came to power to “preserve positive heritage of the Soviet Union” and throughout his lengthy stay in power continued the state-led welfare policies. Until 2007-8 Belarus conducted Soviet-type social policies based on values of egalitarianism and was arbitrary “equalizing” everybody. According to official statistics in 2006 a social support scheme with various kinds of benefits covered two thirds of Belarusian population\textsuperscript{4}. Lukashenka’s social concerns have been maintained despite economic deterioration; his slogan for 2010 Electoral Campaign was “Ot sohraneniya – k priumnojeniu!” (in Russian) [From Preservation to Increase]\textsuperscript{5}. While the electoral slogans of his competitors emphasized the imminent change of the situation: “Ya pryishou kab vy peramagli?” (in Belarussian) (Ul’adzimir Nyaklyaeu) [I came for you to win]; “Vmeste my pobedim” (in Russian) (Andrei Sannikau) [Together we'll win!]; “U nas vse poluchitsya” (in Russian) (Ales Michalevic) [We will succeed]; “Postroim novoe - sohranim luchshee!” (in Russian) (Yaraslau Ramanchuk) [Creating the New – Preserving the Best], etc.

The Belarusian case study is exceptional in the post-communist context. For at least ten to fifteen years after the collapse of the Communist party rule in Central Eastern Europe (CEE) the liberal discourse, emphasizing pluralism, individual rights and freedom of enterprise has been found to be hegemonic everywhere\textsuperscript{6}, except in Belarus. Notions of social and distributive justice lagged behind, failing to enter the political agenda and public discourse in rapidly liberalizing states of the CEE, concerned with state-capacity building and fostering national identities, amidst efforts to integrate the EU\textsuperscript{7}. By way of contrast, in Belarus, since 1994, instead of any longer-term goals, the state was and still is self-referential and pri-

\textsuperscript{2} Since 2007 President Lukashenka’s power position starts changing (Belarus-Russia relations go worsening) and prompts concerns about social security.

\textsuperscript{3} Here and further names of Belarusian politicians are given in Belarusian transliteration as they are officially written in national passports.

\textsuperscript{4} Informational materials prepared by Informational-Analytical Center under the President’s of the Republic of Belarus Administration for informational-propagandistic groups, 2009.


\textsuperscript{6} In particular, in the Czech Republic and Poland, see: Dryzek J.S. and Holmes L.T., Post-Communist Democratization: Political Discourses across Thirteen Countries, Cambridge: Cambridge University Press, 2002, p. 269-270.

arily engaged in maintenance of its leader. However, the non-democratic rules of political life might occasionally allow some limited action of the third sector. Salamon underlines that even the most repressive states allow and even encourage popular engagement in social policies.

Engagement of the third sector in social policies is inevitably reflected in political communication as it might include public questioning about the way policy is administered, participation in the agenda setting, proposing policy solutions, opening up space for public discussion, carrying-out concrete projects, etc. It encompasses attempts to change policies or influence decisions of any institutional elite through enhancement of civic participation to promote collective goals or public interest. The third sector activities in the domain of social policies usually are classified between two extremes: limited-commitment activities (e.g. sending or signing correspondence to the state officials, asking for public information, organizing small self-help groups, etc.) and highly demanding actions (e.g. organizing public events, campaigns, manifestations, etc.)

Academic attempts to analyze activities of the third sector and its representation in political communication remain peripheral in Belarus. In this respect it is worthwhile mentioning the empirical research projects conducted by the Belarusian Institute of Strategic Studies (BISS) on social contracts in modern Belarus, the common project of Eastern European Studies Center (EESC, Vilnius, Lithuania) and the Assembly of Pro-Democratic NGOs of Belarus on the role of non-governmental organizations in Belarusian society, and we diligently refer to their insights in the present article.

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1. Research Methodology

It is well known that in the non-democratic context the data drawn from the institutional perspective alone is not informative enough and needs to be substantiated by insights offered by other approaches, such as discourse analysis, participant observation, qualitative interviews, etc. Therefore in this study we employ policy and discourse analysis, enabling us to assess a wide-ranging panorama of actors engaged in social policies. We also hold that “the crucial factor that makes communication ‘political’ is not the source of the message, but its content and purpose”\(^\text{13}\). Public speeches, media (Internet and newspapers) publications, official documents and reports of the social projects constitute the corpus of our empirical material. We employ the qualitative discourse analysis framework, searching for messages and meanings resulting from discursive acts, performed in particular circumstances (here, in the Presidential electoral campaign). We follow Michel Foucault, for whom discourse denotes specific historical significations that form identities of both subjects and objects\(^\text{14}\). A more quantitatively oriented discourse analysis approach, emphasizing numerical account of collocations and topographic research of discursive elements,\(^\text{15}\) which requires a refined selection of texts, is rendered impossible under current political-cultural conditions in Belarus\(^\text{16}\).

We scrutinize public speeches of the president, speeches, publications and electoral programs of other nine presidential candidates, on-line publications of the largest Belarusian Internet news-agencies, articles from the national press, expert-analytical texts, information from web-sites of the third sector organisations in Belarus, laws and normative acts of Belarus, etc. (full list of materials is provided in the Annex 1). We concentrate on the period of Presidential electoral campaign 2010 from its official start on September 24 until the day of election (December 19, 2010).

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\(^{16}\) Many not state-run Belarus dailies and weeklies (printed and Internet versions) do not keep their proper archives. An editor of a leading independent national weekly explains: “Our materials might constitute a basis for criminal charges against us by Lukashenka’s repressive and unpredictable regime”.
2. Towards a Typology of the Third Sector in Belarus

The description of five types of the third sector organizations provided by analyst Chernov is the best known in Belarus\(^\text{17}\). Chernov distinguishes governmental NGOs (GoNGOs), created by the actual Belarus state, with the purpose to mobilize and channel popular support for the governmental policies; post-governmental NGOs (postGoNGOs), former Soviet social organizations, re-activated under Lukashenka regime; donors’ NGOs (DoNGOs), initiated by international organizations; party-NGOs, created by political parties or political movements to recruit their members and maintain activities and, finally, grass roots NGOs. However, this remarkable inventory of the third sector organizations explores their organizational peculiarities and does not deal with activities and discourses espoused by them. After all, GoNGOs and postGoNGOs basically overlap in their mission and loyalty to the current regime; while DoNGOs and party-NGOs are similarly politicized and ostracized by their anti-Lukashenka stances. Grass roots NGOs, as portrayed by Chernov, hardly deserve the label of an ‘organization’, since their human and financial resources do not meet the criteria of sustainability.

It is beyond any doubt that the third sector in the non-democratic Belarusian state is weak and there are limited possibilities and incentives for lay people (vs. elected and/or appointed officials) to participate in the public policy process\(^\text{18}\). The third sector has apparent difficulties establishing organizations and generating autonomous projects in Belarus. The non-democratic regime restricts and violates human rights, represses civic initiatives, discourages public interest in social life and, as a result, limits the opportunities to recruit people to non-governmental organizations and to efficiently carry out alternative public policy projects.

In such a context Belarusian political parties resemble interest groups and engage in civic activism, while their truly political potential is miserable. The Law on Political Parties (1994) was amended in 2005 to explicitly prohibit any simultaneous membership in several political organizations, to require establishing local party offices in at least a half of Belarusian regions (6) and to severely limit


\(^{18}\) According to the EESC research (2010), public awareness about non-governmental organizations in Belarus is weak; Belarusian people do not participate in voluntary activities (only 9, 1 per cent participated in the NGOs activities in last year). However, Belarus people positively evaluate contribution of the third sector to solving social problems (81, 4 per cent of respondents hold it very important). Yet, only 0, 4 per cent of Belarusian people themselves are members of social organizations (note 13).
international fundraising. Practice of implementation of this law is vehemently criticized by local activists and international experts. In 2010, in Belarus there were fifteen officially registered political parties and several parties acted without legal registration (for instance, the Belarusian Christian Democratic Party which sponsored Vitali Rymasheuski and the Social Democratic Party Narodnaya Hramada of Mikola Statkevich in the Presidential campaign 2010). The Criminal Code of Belarus (Article 193-1) imposes criminal liability for participants in the activities of an unregistered organization. According to the report “The 2009 NGO Sustainability Index for Central and Eastern Europe and Eurasia” issued by USAID, the Belarusian state over-complicates the registration of NGO and a lot of organizations are left unregistered. Several think tanks, human rights, entrepreneurs’, youth and other NGOs are registered abroad (primarily, Lithuania, Poland and Ukraine) or act in Belarus without any legal status.

Yet, the restrictive legal-political context does not annihilate the third sector completely. As Diamond claims, even under authoritarianism, “civil society may continue to function, both through religious, professional, cultural, social and human rights organizations (which may be monitored, subverted, and harassed) and through covert means, such as underground media.” According to expert evaluation, every second organization of the third sector in Belarus in 2010 functioned unregistered.

Western scholars differ in how they characterize the relationships between the third sector and the state: some see the groups and organizations of the third sector as being most usefully in opposition or at least a counterbalance to the state power, while others propose that partnerships and interdependencies between the two are the most beneficial for social development. Public policy analysts show that social policy goals are best achieved through a dialogue with social partners.


and inclusion of the third sector in design and delivery of social services\textsuperscript{25}. Other authors underline that the third sector organizations are capable to generate new ideas and solutions for the problems and in general are more innovative than the state\textsuperscript{26}.

Therefore we aim to study the intricate socio-cultural situation and analyse various social organizations along the lines of their loyalty to the current regime and their autonomy of action (for the analytical scheme see Figure 1). For the purpose of our study, dealing with a non-democratic regime, we find the typologies proposed by Salamon and Anheier\textsuperscript{27} and Young\textsuperscript{28} quite useful in describing three patterns of interaction which might emerge between the state and the third sector:

- The oldest (dating to Alexis de Tocqueville) is a liberal pattern: the third sector is a healthy, independent opposition (Salamon and Anheier), engaged in an adversarial relationship (Young) to the state power, producing an alternative set of services and opinions.
- Another pattern (which empirically is the most frequently observed) emerges when the third sector acts as an agent of the state (Salamon and Anheier), or is a supplement to government (Young). In this case, the third sector produces services on behalf of the government, and is largely regulated and controlled by the state agencies. We might call this pattern subsidiary or collaborationist, depending on political and organisational peculiarities of the regime.
- The third pattern is the one where the third sector acts in partnership with the government (Salamon and Anheier) or complements the government (Young). Though the third sector and the state are not necessarily equal in power, authority or resources but they might exhibit high levels of cooperation and mutual support, in all stages of the public policy process. This pattern is highly praised by political and intellectual sponsors of multi-level governance.

\textsuperscript{27} Salamon, Anheier, (note 23), p. 13 – 43.
Axis A: loyalty to the current political regime (from 0 - to maximum);
Axis B: autonomy of action (from 0- to maximum).
Three patterns of the third sector – state relations:
- liberal pattern (autonomy of the third sector action is big, loyalty to current political regime - minimal);
- partnership pattern (autonomy of the third sector action is medium, loyalty to current political regime - also medium);
- subsidiary-collaborationist pattern (autonomy of the third sector action is small, loyalty to current political regime - big).

Figure 1. **Scheme of the third sector and the state relations (theoretical model)**

With reference to Belarus, we hypothesize that 1) there exist only two types of third sector organizations: the liberal and the subsidiary-collaborationist; 2) the two types of NGOs are clearly distinguishable (i.e. they do not have any overlap in their activities and discourses); 3) both types of public discourses (liberal and subsidiary-collaborationist) have been amplified in the Presidential electoral campaign 2010 (i.e. the collaborationist version obtained an overwhelming political success).

*Source: established by the authors of the article, on the basis of Salamon and Anheir (1993) and Young (2000) theories.*
3. Liberal NGOs

All social organizations in Belarus have to undergo the financial scrutiny of the Department of Humanitarian Activities at the Ministry of Finance and membership fees are the most obvious source of funding. However, fees cannot be high in a country with $12,880 annual GDP per capita in 2009 (according to the World Bank Database). With a low (30 per cent) share of private sector in GDP (EBRD, 2009)\(^{29}\), corporate donations and philanthropy could only be miserable. Thus, the third sector organizations highly depend on external (state or international) financing, which is closely monitored by the government officials.

In such circumstances, in Belarus many social organizations cluster in the liberal pattern (see Figure 1 above) and, in exchange for liberty and autonomy of their action, develop and nurture adversarial relations with the state. The state reacts to them with a sea of silence: activities of such oppositional organizations in Belarus are only randomly covered by TV, radio and print media. Even if these NGOs create some news (as it frequently happened in the Presidential campaign), the state-run media do not cover them. In electronic media the presence of the oppositional NGOs is somewhat higher. But these bits of news remain known only by a limited auditorium of like-minded people, since Internet media is not much followed by an average Belarusian fellow citizen.

Among the most noticeable oppositional NGOs are: the Assembly of Pro-Democratic NGOs of Belarus which in 2010 united 264 youth, social, human rights, ecological, educational, and support organizations\(^{30}\). The Belarusian Ministry of Justice refused its registration three times and currently it functions illegally. Other examples are organizations of businessmen and entrepreneurs (for instance, the “Perspective”, the International Organization for Freedom of Entrepreneurship (registered in Ukraine) and youth NGO Malady Front [Youth Front] (registered in the Czech Republic)\(^{31}\). These organizations many times publicly invited the government to start a dialogue, but their initiatives remain in vain. The Assembly of Pro-democratic NGOs in 2009 initiated public campaign “Stop 193.1!”, with the aim of abolishing criminal liability for the activities of unregistered NGOs. It led to the rumors that eventually the type of responsibility for such activities might be shifted from criminal to administrative. In March 2010, the Assembly


\(^{30}\) See: [http://belngo.info/about.html](http://belngo.info/about.html)

\(^{31}\) Belarusian authorities consider “Malady Front” to be radical organization. Some of its activists were arrested well before the Presidential elections and its vice-chair Nasta Palazhanka was sentenced to 1 year of imprisonment, charged for organizing massive disorders on December 19, 2010 in Minsk.
and other Belarusian NGOs started a campaign against the adoption of the new Law on Non-Governmental Organizations, which made NGO registration even more complex, introduced new obligatory forms of activity reports and stipulated that once convicted person cannot be among the founders of any organization, etc. At the same time, some campaigners acknowledged that the proposed law introduces some positive innovations, for instance, the new system of public purchases (in Russian – “socialnii zakaz”). Representatives of 110 NGOs signed the collective petition, addressed to the Belarusian Parliament and Government and asked to further liberalize the draft\(^{32}\). There was no official reaction to this oppositional document. Instead there was high mediatization of the fact that the draft of the law is enthusiastically supported by some “socially relevant organizations”. For instance, the official newsletter the Belarusian Association of Social Workers published positive comments about the law a week before elections\(^{33}\). However, the Belarusian Parliament sent the draft law back to the Ministry of Justice for its further revision.

Many oppositional NGOs were involved in the presidential campaign 2010: they provided human and organizational resources for the alternative candidates, organized activities in the regions, collected signatures and conducted non-partisan election observation. Electoral observation campaigns were organized by the NGO Belarusian Helsinki Committee (BHC), Human Rights Center “Viasna”\(^{34}\) (which was deprived of its legal registration by the Supreme Court of the Republic of Belarus in 2003 because of election observation activities during Presidential Campaign 2001 and currently it functions illegally) and Movement for Freedom. After elections, held on December 19, 2010, oppositional NGOs became targets of repressions. They faced KGB interrogations, withdrawal of computers, official warnings from the Ministry of Justice regarding their activities, etc. Numerous civic activists have been arrested.

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\(^{32}\) See the text of NGOs’ petition: http://www.lawtrend.org/ru/content/about/news/kolobr/?lawtrendorg=nq


\(^{34}\) On 4 August 2011 Ales Bialiatski, Chair of Viasna, was arrested for, “concealment of profits on an especially large scale” (article 243, part 2, Criminal Code of the Republic of Belarus). This article envisages up to 7 years of imprisonment and the confiscation of property. The reason for Bialiatski’s detention was disclosure of information about his bank accounts abroad (in Lithuania and in Poland).
4. Subsidiary-Collaborationist NGOs (Governmental-Public Organizations GPOs, Founded by the Republic of Belarus, and Pro-Governmental Social Organizations PGSOs)

Revelatory of a non-democratic regime, there exist specific governmental-public organizations (GPOs) in Belarus and they do not fall under the jurisdiction of the Law on Non-Governmental Organizations (and are not included in the above mentioned Chernov’s five-fold typology of NGOs in Belarus). These organizations are initiated and might be reorganized or liquidated only with the President’s permission (approval), and the President could be their founder and member. The main goal of the GPOs is to help in “fulfilling the incumbent government tasks” (art.1). Officially, there are 7 such GPOs in Belarus and they all but one are established on the basis of former Soviet para-military and sport associations (see Annex 2). Formally, half a million people are members of the GPOs (with hugely overlapping membership). Yet, in reality activities of the GPOs extend only to their most active members and government officials. The GPOs implement the state projects (for instance, the DOSAAF was involved in the social-patriotic program “Young Talents of Belarus” 2006 – 2010). The GPOs might be regarded as an extreme case of the collaborationist pattern (see Figure 1 above): the GPOs crucially lack autonomy and are completely loyal to the state. Interestingly, the GPOs are not very visible in the public sphere and the majority of them do not run any web-site. However, their public invisibility has explanations (rent-seeking and self-service of their members) other than the disinterest and censorship of the official media. The role of GPOs in electoral campaigns always was and remains mysterious. Undoubtedly, their members have been actively involved in electoral activities in favor of Lukashenka. Let alone consider the fact that the GPO Presidential Sport Club is chaired by Dzmitry Lukashenka, son of the Belarusian president.

Yet another type of the third sector organization – we label them Pro-governmental social organizations (PGSOs) – in Belarus is regulated by the Law on Non-Governmental Organizations (which also regulates the above described

The biggest part of the trade unions in Belarus also can be labeled as PGOSs. In fact, trade unions present a vivid illustration of the dichotomous structure of the Belarusian third sector where some organizations (such as Federation of Trade Unions of Belarus (FTUB) legitimize and help sustaining the non-democratic regime, while the anti-Lukashenka trade-unions are marginalized and suppressed in most of enterprises.

The PGSOs do not display any clear animosity towards the state in general and are fairly loyal towards the current political regime in Belarus. In the above provided three-fold typology, the PGSOs clearly belong to the collaborationist-subsidiary pattern (see Figure 1 above), albeit their autonomy of action is bigger than that of GPOs and loyalty to the current regime should not be taken for granted.

According to the Belarusian Ministry of Justice (July 1, 2010), there were 2,274 registered Non-Governmental Organizations in Belarus (among which 228 international, 673 national and 1,373 local) in addition to 23 associations and 94 foundations. Formally, it is impossible to differentiate between oppositional NGOs and PGSOs. However, their differences in practice are striking. The PGSOs are easy to register, they are supported by officials, their organizational structure is clear and hierarchical and they are often led by state officials or heads of the state-controlled enterprises. Based on information, provided on the web-sites of the biggest PGSO, more than 7.5 million people (total population of Belarus is 9.5 million people) are members of PGSOs. Evidently, the numbers are inflated and there is also an important overlap of membership.

The PGSOs are supported from the state budget, have preferential treatment when organizing some activities (do not pay for the rent of premises), are assisted in recruitment of new members (for instance, the Belarusian Republican Union of Youth (BRUY) has premises in most Belarusian Universities and schools). They co-opt active people, provide services for their members and carry out activities, in support to the state-led projects.

According to the official ideology, the mission of the PGSOs includes “cooperation with the purpose to effectively realize social programs”. The telling example of such collaborationist role assigned to the PGSOs is the above described story of the Belarusian Association of Social Workers, in late 2010 engaged in promotion of the new law on NGOs.

Notwithstanding clear-cut lines between international (donor) and national

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38 There is a separate Law on Trade Unions (Law on Trade Unions, 1992 with amendments), which extends to the oppositional trade unions.

39 Informational-Analytical Center under the President’s of the Republic of Belarus Administration, Informational materials for informational-propagandistic groups, No.8 (2009).
(state and membership) financing of the NGOs in Belarus, drawn in Chernov’s typology, in reality Belarusian PGSOs frequently participate in internationally sponsored projects (by OSCE, UNDP, etc.). For instance, PGSO SCAF (Support Centre for Associations and Foundations) was unsuccessfully involved in the OSCE and CIVICUS supported project “Interaction between State and Non-governmental Organizations” (2009 - 2010).

One of the most visible PGSOs, the Belarusian Women’s Union (BWU), is led by Nadezhda Ermakova, current Head of the National Bank of the Republic of Belarus. Members of the BWU board are Marianna Schetkina, current Minister of Labor and Social Security and Antonina Morova, current parliamentarian and Head of the Permanent Commission on Education, Science, Culture and Social Development in the Council of Republic and former minister of Labor and Social Security. The BWU is an umbrella organization for women’s activities in social policies. Because of personal affiliation of its leaders to the executive and legislative institutions of Belarus this PGSO is on the top of social affairs agenda.

Similar relations and affiliations with the state are typical for Belaya Rus’ [White Russia]. In 2009-2010 Belaya Rus’ established 162 Soviet-styled public advisory centers (in Russian – “obschestvennye priemnye”) in Minsk and other regional centers aimed at solving education and health care problems on the community level. Activities of these public advisory centers received wide coverage of the state-run media. In 2010 the chairman of Belaya Rus’, Alyaksandr Radzkov, former Minister of Education, became a leader of Lukashenka’s electoral headquarters and members of Belaya Rus’ collected signatures for Lukashenka. In January 2011 Radzkov was appointed a vice-chairman of the Administration of President of the Republic of Belarus. Three other board members of ‘Belaya Rus’ are deputies of the House of Representatives.

The Belarusian Orthodox Church (BOC) occupies a peculiar place in the third sector. The Belarusian government significantly contributes to the BOC finances. In return, the BOC reproduces the official discourse of Belarus as a

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41 Ermakova, former president of Belarusbank (the biggest state-controlled commercial bank), was appointed to the new position by the President in late July 2011.
42 Council of Republic is an upper chamber of the Belarusian Parliament.
45 House of Representatives is a lower chamber of the Belarusian Parliament.
socially oriented state, underlying that such are traditional orthodox values. Since 2003, the Social Department of the Minsk Eparchy runs several charity houses and realizes programs of social support. In early 2010, the BOC affiliated itself with the Inter-confessional Mission Christian Social Service, the Ministry of Internal Affairs and the Ministry of Healthcare as well as with some NGOs (the ACT and the Belarusian Red Cross) to participate in a big international project in the sphere of AIDS prophylactics. The BOC cooperation with the Belarussian government received controversial media attention in the country46.

Alongside to big PGSOs, there are numerous small PGSOs (in Chernov’s typology they belong to the grass roots NGOs) whose target groups are women, children and disabled people (see Annex 2). Activities of these PGSOs are limited to the projects, financed by the governmental or private (mostly international) grants and organizations (Orthodox and Catholic churches including). These social-service-delivery oriented PGSOs do not criticize the regime, but are rather autonomous in their actions and experience similar difficulties in fund-raising to what oppositional NGOs do. These small, precarious social organizations exhibit a certain overlap of subsidiary-collaborationist and liberal patterns in the third sector activities in Belarus.

As already suggested above with the example of Belaya Rus’, PGSOs are widely used as a tool of the state, performing its functions and attaining its goals. PSGOs provided a convenient pool of electoral observers, required by the amended electoral law47. The PSGOs also turn easily into instruments of Lukashenka’s political communication and propaganda (for instance, in autumn 2010 BRUY gave several public performances like theatrical pieces on the streets in Minsk against Russian NTV-channel which during Belarusian Presidential electoral campaign put on the air TV-film “Kriestnii Bac’ka” (reference to the God Father) criticising Lukashenka). Smaller PGSOs upon direct request from the authorities also got involved into Lukashenka’s campaign.

In sum, in Belarus we can distinguish the subsidiary-collaborationist vs. liberal divide cutting through the third sector (see Figure 2). There are no signs of the partnership pattern in actual relations between the third sector and the state in Belarus and its perspectives are dim. The third sector in non-democra-

46 For example, oppositional internet media Charter 97 and printed newspaper Narodnaya Volya criticized Orthodox hierarchy for supporting Lukashenka. At the same time briefly after elections Orthodox believers published in social media public appeal to the Orthodox Church with request not to support non-democratic actions of Belarussian government.

tic Belarus exhibits only two ways of dealing with the state and carrying out its activities: the liberal pattern (autonomy of action of the oppositional NGOs is big/medium, their loyalty to the current political regime is minimal/medium, while many unregistered NGOs are openly disloyal to Lukashenka’s rule); and the subsidiary-collaborationist pattern (autonomy of action of the GPOs and PSGOs is medium/small, but—on the contrary—their loyalty to the current regime is big/medium; GPOs and several big PSGOs indeed do not carry any autonomous action, but rather implement the State conceived projects). Liberal autonomous activities of oppositional NGOs experience external and internal organizational difficulties alongside with their modest resources. Frequently, they engage in overtly anti-governmental action and display overt animosity and adversarial attitudes to the current regime (therefore part of the liberal pattern is schematically projected on the negative part of the axis A). Collaborationist-subsidiary activities of the GPOs and PGSOs officially encompass almost three quarters of the Belarusian population and act as instruments of the state, without any significant independent initiatives. Schematically, some of their actions are to be projected on the negative part of the axis B, representing the complete lack of their autonomy of action and their subservient relation to the State. Meanwhile, there is a (small) overlap between liberal and subsidiary-collaborationist action driven small and medium scale social-service delivery oriented organizations in Belarus. Yet, this overlap does not indicate any potential of cooperation between liberal and subsidiary-collaborationist organizations of the third sector in Belarus: the overlapping activities of NGOs and PSGOs are competitive and based on the zero-sum game logics, where the PSGOs—thanks to their loyalty to the State, unequivocally have an upper hand.
Abbreviations: UNGOs-unregistered NGOs, ONGOs- oppositions NGOs, GPOs- governmental public organizations, PGSOs- pro-governmental social organizations.

Axis A: loyalty to the current political regime (from 0 - to maximum); axis B: autonomy of action (from 0- to maximum). Extension to the negative part of the axis A illustrates that a significant part of the third sector activities attempt to undermine, delegitimize the current political regime in Belarus. Extension to the negative part of the axis B illustrates that a significant part of the third sector activities do not only lack autonomy of action, but indeed they are directly controlled and initiated by the State itself.

Figure 2. Scheme of the third sector and the state relations in Belarus (2010)*

In the following sub-sections we explore how this double structure and the identified overlap of some organizations of the third sector have been reflected in the Presidential elections 2010 in Belarus.

5. Presidential Campaign 2010

Contrary to the previous electoral campaigns, in 2010 restrictive measures against oppositional candidates in the pre-electoral phase were not so brutal and

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* Source: Authors.

48 However, in May 2010 several members from Nyaklyaeu’s civic campaign “Tell the Truth” were arrested and imprisoned for several days.
the electoral campaign in Belarus 2010 was rather rich in terms of tools and messages known in liberal political communication. Yet, the 2010 presidential elections spurred the unprecedented protests, followed by severe repressions and massive arrests.

The elections took place in the context of worsening relations with Russia. As mentioned above, since 2007 Belarus engaged in forced liberalization. In 2008-9 the Belarusian authorities (headed by Vladimir Makei, the chief of the Presidential Administration) made important steps towards inclusion of Belarus into EU Eastern Partnership. The EU achieved the small, humble feat that the Belarusian government slightly democratized its electoral legislation\(^4^9\). The most important changes included: replacement of a permission-based system to hold public meetings by a simple two-day notification procedure for candidates and proxies; duty to broadcast debates between candidates by the state media; possibility for candidates to set up individual accounts for their campaign funds; requirement that at least one third of the members of Precinct and Territorial Election Commissions (PECs and TECs) are drawn from representatives of political parties and public associations. However, the other 2/3 could be appointed by local authorities from the pool of nominees by labor collectives and individual applicants\(^5^0\). The revised PECs and TECs still were heavily dominated by the state officials.

Moreover, the last provision of the liberalized electoral legislation was cynically circumvented by Lukashenka’s regime: the majority of nominees from ‘public associations’ belonged to organizations, clearly loyal to the President (see Table 1). According to the OSCE report, the vast majority of nominations for the election commissions made by organizations loyal to the President have been approved (out of 781 such nominees for the TEC 729 have been appointed at 93 per cent success rate). While from organizations which have been considered oppositional by the OSCE only 20 percent of nominees were appointed. As a result they got only 0, 7 percent of the total number of TEC members. Almost the same numbers were on the PEC level, where 93 percent of nominees of loyal and 17 percent of oppositional organizations were appointed. The total number of oppositional members of PEC was 0, 26 percent\(^5^1\).

\(^4^9\) The Belarusian Electoral Code was amended on January 4, 2010.  
\(^5^0\) According to the Constitution and Electoral Code of the Republic of Belarus members of election commissions are appointed by local authorities. There are three ways to be nominated to the election commission: individual application; nomination by labour collective and by public organizations (political parties or NGOs registered in Belarus). Practically, authorities can select and appoint completely submissive to the regime members to these commissions, because people can be easily controlled by the threat to lose their workplace (arbitrary non-prolongation of a short-term labor contract) or these members belong to pro-governmental organizations and/or work in State institutions.  
For instance, the OSCE reports that Belaya Rus’ counted for 7.4 percent of total number of the TECs members and 5.5 percent of total number of the PECs members; respectively Belarusian Republican Union of Youth (BRUY) 7.1 and 5.5; Belarusian Women’s Union (BWU) 5.6 and 5.8; Belarusian Public Organization of the Veterans of the Second World War- 4.8 and 3.1 and Federation of Trade Unions of Belarus (FTUB) 11.7 and 13.5. In addition, clearly collaborationist social organizations for the TECs provided 36.6 percent and for the PECs 33.4 percent of members, thus sufficing the new (the EU imposed) liberalizing norm of one third of electoral observers from ‘public organizations’.

According to IISEPS opinion-poll (conducted in October 2010) in response to the open-ended question: “Do you know who is going to run for president in the current elections?” the known candidates were ranked in the following way: Lukashenka – 72.3 percent; Nyaklyaeu – 32.4 percent; Sannikau – 13.6 percent; Ramanchuk – 6.2 percent; Statkevich – 5.5 percent; Michalevic – 4.4 percent; Rymasheuski – 3.7 percent and “a different politician” (18 names, less than 3% each) – 12.1 percent. All oppositional candidates ran their individual electoral campaigns. All but two candidates (Dzimitry Us and Viktar Tsiareshchanka) represented political parties or public movements (see Table 1).

Table 1. Information-mobilization structures and social issues of the Presidential campaign in Belarus 2010

<table>
<thead>
<tr>
<th>Candidate</th>
<th>Web-site</th>
<th>Type of web-site (personal and/or party/ organization affiliated)</th>
<th>Affiliated organizations</th>
<th>Cover- age of social issues*</th>
<th>Emphasized social issues</th>
</tr>
</thead>
</table>
| Ryhor Kastusiou    | http://narodny.org/       | Web-site of Belarusian Popular Front (BPF)                    | BPF is a registered oppositional political party | +                           | • appeal to political justice  
• need to reform of judicial system  
• respect for human rights |

* Charter 97 is one of the most popular Belarusian Internet media outlets, created in 1997. In September 2010 one of its leaders, journalist Aleh Bebenin, was found dead in his house. The Belarusian authorities affirm that Bebenin committed a suicide. However, this explanation is not trusted by human rights fighters in Belarus and abroad. On December 19, 2010 the editor-in-chief of Charter 97 Natalya Radzina was arrested and detained for 2 months in the KGB prison. In June 2011 she fled the country and asked for political asylum in Lithuania.


53 Source: web-sites of the candidates, qualitative research of the authors. Coverage of social issues in electoral campaigns of candidates (qualitative evaluation established by Tatsiana Chulitskaya):

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<td>-</td>
<td>absent</td>
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<tr>
<td>+</td>
<td>weakly covered</td>
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<tr>
<td>++</td>
<td>fairly well covered</td>
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<tr>
<td>+++</td>
<td>strongly covered</td>
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<tr>
<td>Candidate</td>
<td>Web-site</td>
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| Alyaksander Lukashenka          | http://president.gov.by/                           | Official portal of the President of the Republic Belarus         | All PSGOs (and most probably GPOs), state agencies and state-run media                    | +++                         | • socially-oriented paternalistic state  
• care about citizens' well-being  
• attention to the ageing population  
• ultra-conservative children and family policy  
• absence of social stratification in Belarusian society  
• sympathy to a social 'loser' |
| Ales Michalevic                 | http://michalevic.org/                            | Personal                                                        | Public movement “For Modernization”, lacked not only financial but also human resources | +                           | • political challenges  
• claim for better inclusion of socially vulnerable groups  
• promotion of equal opportunities |
| Uladzimir Nyaklyaeu             | http://neklaev.org/ http://zapraudu.info/         | Two web-sites: personal and of civic campaign “Tell the Truth”  | Civic campaign “Tell the truth” established in early 2010, network and sporadic action based | ++                          | • fight against poverty  
• restoration of expropriated (in 2008) social benefits  
• poverty and unemployment in the country |
| Yaraslau Ramanchuk              | http://romanchuk2010.org/ http://ucpb.org/        | Two web-sites: personal and political party United Civic Party of Belarus (UCPB) | UCPB is a registered oppositional political party                                        | ++                          | • solidarity with socially vulnerable groups  
• injustice of current social security system  
• artificial character of low levels of unemployment in Belarus  
• poverty in the country |
<table>
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<tr>
<th>Candidate</th>
<th>Web-site</th>
<th>Type of web-site (personal and/or party/ organization affiliated)</th>
<th>Affiliated organizations</th>
<th>Coverage of social issues*</th>
<th>Emphasized social issues</th>
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<td>Vital Rymasheuski</td>
<td><a href="http://rymasheuski.org/ru">http://rymasheuski.org/ru</a> <a href="http://bchd.info/">http://bchd.info/</a></td>
<td>Two websites: personal and political party Belarusian Christian Democrats (BCD)</td>
<td>BCD is an unregistered oppositional political party</td>
<td>+</td>
<td>• demographic problems</td>
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<td>• traditional Christian family values</td>
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<td>• restoration of social benefits</td>
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<td>• demand to increase social benefits</td>
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<td>• state responsibility towards socially vulnerable citizens</td>
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<td>• need to restore independent trade-unions</td>
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<td>Mikola Statkevich</td>
<td><a href="http://statkevich.org/news.php">http://statkevich.org/news.php</a> <a href="http://bsdpng.org/bsdpng/">http://bsdpng.org/bsdpng/</a></td>
<td>Two websites: personal and political party Belarusian social-democratic party “Narodnaya Hrama-da” (BSDP NH)</td>
<td>BSDP NH is an unregistered oppositional political party, splinter of Belarusian social democrats in 2004</td>
<td>-</td>
<td>NA</td>
</tr>
<tr>
<td>Viktar Tsiareshchanka</td>
<td><a href="http://tereshchenko.org/">http://tereshchenko.org/</a></td>
<td>Personal website</td>
<td>NA</td>
<td>-</td>
<td>NA</td>
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<tr>
<td>Dzmitry Us</td>
<td>no web-site</td>
<td>No web-site</td>
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</table>

The campaign lacked competition between Lukashenka and alternative candidates, and was marked by instances of pressure, harassment and misuse of administrative resources to promote the incumbent president. The oppositional candidates had difficulties accessing the mass-media, especially, the state-run TV. The total time of news coverage of President Lukashenka campaign’s activities and his official duties in the state run TV channel primetime was 89 percent[^54].

Lukashenka participated in the Fourth All-Belarusian People’s Assembly, which took place on December 6-7, 2010 in Minsk and was aired by the main national TV channels (ONT, First Channel and CTV). In numerous widely mediatized statements participants of the event endorsed the President’s electoral program (the then Prime Minister Siarhiei Sidorski was the chairman of this Assembly).

The media campaign of oppositional candidates was limited mostly to alternative Internet media and a few Internet-based radio-stations (Radio Raciya and European Radio for Belarus, broadcasting from Poland) and an independent TV-channel Belsat (also broadcasting from Poland).

On December 4, 2010 from 17.00 till 18.00, the direct TV-debate of the presidential candidates took place on the first Belarusian TV-channel. It occurred for the first time in the history of political communication in Belarus. Free airtime program was provided in an uncensored format, although debate was anchored by two journalists loyal to Lukashenka’s regime. In the program oppositional candidates vocally criticized the current President who was absent.

An important actor of the electoral campaign 2010 in Belarus was Belarusian coercive power and military interests’ groups. As early as December 17, 2010, representatives of KGB and Ministry of Internal Affairs (MIA) officially warned about possible mass disorder. The independent Belarusian and foreign media leaked information about tensions between KGB and MIA during the campaign.

Yet, these observations were denied by the joint public statement of Vadim Zaitsev, head of KGB and Anatolii Kuleshov, Minister of MIA. Media commentators and

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55 The All Belarusian People’s Assembly (Belarusian: Usebelaruski Narodny S'hod) was established by the Presidential Decree on August 29, 1996 and approved by the Belarusian Parliament in the Law “On Republican and Local Assemblies” (in Russian: “O republikanskih i mestnyh sobraniyah” № 411-З, July 12, 2000). According to the Law, the goal of the Assembly is “to provide direct civic participation in the governance of the state” and the President summons it “as it may be necessary”. The first assemblies took place in October 1996 and May 2001 before the controversial referendums that vastly expanded powers of the President. The third Assembly was summoned in March 2006. The assemblies are usually held in the Palace of Republic (the biggest assembly hall in the centre of Minsk). The exact number of the delegates is defined each time by the President to “proportionally represent all Belarusian regions”.


58 There were materials in Belarusian and foreign media, for instance, “Podpolkovnik KGB v ostavke; belaruskie specslujby ispol’zuit Lukashenko dlya prinyatya vygodnyh dlya nih reshenii” [Retired KGB colonel; Belarusian secret services use Lukashenko for promoting their decisions] http://www.dw-world.de/dw/article/0,,14767520,00.html 14 01 2011 (in Russian). Among Belarusian media ‘Belarusian Partyzan’ and its journalist Svyatlana Kalinkina (‘Narodnaya Volya’ newspaper) was the most active one in writing about secret services and their role in electoral campaign.
experts, discussing the role played by the military interests groups in the aftermath of the elections, emphasized that not only Belarusian but also Russian secret services might have been involved in post-electoral repressions.

In terms of the landslide victory of Lukashenka, the results of presidential elections 2010 did not differ much from the previous rigged elections in Belarus, Lukashenka won by 79.6% (see Annex 3 for detailed results). Interestingly, as late as summer 2011, there are no disaggregated results by individual precincts, published neither on the website of the Belarusian CEC or in any other official form.

The presidential campaign and especially its aftermath reflected the growing civic awareness of Belarusian citizens. The number of protesting people in Minsk on December 19, 2010 was – by different estimations – between twenty and forty-thousand. It could be explained by relative liberalization of the whole campaign which mobilized citizens and by electorate’s dissatisfaction with the political and socio-economic situation in the country. A splash of grass-roots initiatives, which aimed to support people who were arrested on December 19 and later, further politicized the third sector in Belarus. For instance, just before Christmas 2010 the public campaign Guarding Angel [Angel chranitel’] was launched on the Internet (www.by-angels.org). It coordinated activities of sympathizers for imprisoned people. Nonetheless, the coercive power and secret services forcefully expanded into the public sphere and the third sector of Belarus.

6. Social Affairs Discourse in Lukashenka’s Campaign 2010

The main statements of Lukashenka electoral program in the social sphere were: increase of quality of life; support for families with three and more children, increases in children’s benefits; development of housing program; increases in pensions; and combating unemployment. The incumbent President emphasized future social development, which might be assured by ultra-conservative children and family policy, where children act as guarantors of enjoyable old age for their parents (allowing the state to disengage from concerns about elderly). In his electoral program Lukashenka acclaimed that “being a socially-oriented state, we

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should protect them [old people left without their family care]! If we leave them in despair, we will be left by our own children”.

In public speeches in autumn 2010 Lukashenka doubted the very existence of social stratification (poor vs. rich) in Belarusian society and praised the homogeneity of his nation. According to the president, citizens should not take any sort of social support for granted and that they should feel obliged and grateful if they are given it. Lukashenka in his rhetoric cares about any citizen in a “difficult life situation”. This sympathy and willingness to help the loser is opposed to the (market) culture of individualism and consumerism. The paternalistic president establishes a simple causal relation between social security provision by the state and citizens’ loyalty and gratefulness to the political leadership. Lukashenka in his annual Speech to the Nation on April 21, 2010 emphasized “people go to public hospitals and schools for free, but there is nothing for free for the state, but they [people] forget about it.” In the opening speech of the All Belarusian People’s Assembly Lukashenka in overtly electoral mood claimed that “the state voluntarily takes the majority of social security costs.” In spite of pressing needs and ongoing neo-liberal cuts in social spending, during the presidential campaign 2010 Lukashenka remained paternalistic and populist in his rhetoric: he emphasized a socially-oriented state, caring about citizens’ well-being (especially in regions and small towns), and he was very attentive to the aging population.

7. Coverage of Social Affairs by the Oppositional Candidates

The cornerstone of the programs of alternative candidates was personalized critiques of president Lukashenka. He was attacked for worsening relations with Russia and stalemate in relations with the EU. Lukashenka’s opponents advocated economic modernization as the only way to reform Belarusian economy. Alternative candidates voiced concerns about demographic crisis and asked to restore social benefits (in particular, transport benefits to children and pensioners, curtailed in 2008); they also criticized the short-term contract system of employment (which

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is widely used and supported by the pro-governmental trade unions in Belarus instrumental to control workers’ discontent) and promoted ideas of pension system reforms; in particular, they spoke of the need for private pension funds.

The strongest social concerns were expressed by Yaraslau Ramanchuk, a neo-liberal candidate, promoting an electoral program of “Million of New Working Places for Belarus”. In his program Ramanchuk spoke of a ‘big society’ understood as a network of solidarity with socially vulnerable groups. The candidate emphasized that it is unjust when “a deputy gets a big pension but not an ordinary worker” (TV-speech, 25 11 2010). Ramanchuk emphasized the artificial character of low levels of unemployment in Belarus and spoke of rampant poverty in the country.

The leading oppositional candidate Andrei Sannikau postulated the shift from paternalism to social partnership “ot paternalizma k socialnomu partnerstvu” (in Russian). He demanded to restore social benefits and increase social support payments (scholarships, pensions, parental benefits). Sannikau stressed that “socially vulnerable citizens should get more (from the state)” (TV-speech on 01 12 2010). Additional money for this eventual redistribution should be generated from curtailed expenses on bureaucracy. Sannikau espoused the idea to legitimate genuine trade-unions as politically independent organizations defending true rights of workers.

The web-site “Tell the Truth” of the well-financed oppositional candidate Uladzimir Nyaklyaeu’s contained a special section devoted to social issues and samples of applications to officials by activists. Nyaklyaeu promised to fight against poverty, denied by the current regime. Nyaklyaeu claimed to restore and increase social benefits which in 2008 were expropriated from people (TV-speech, 3 12 2010). Nyaklyaeu’s campaign quite extensively used social problems to appeal to voters. The candidate launched a project of the Internet advisory councils parallel to the public advisory councils under realization by PGSO Belaya Rus’ (see above).

National-conservative candidate Vital Rymasheuski concentrated on the problems of family. In 2009-10 Rymasheuski’s party BHD conducted a project “Mocnaya Syam’ya – Mocnaya Belarus” (in Belarusian) [“A Strong Family - a Strong Belarus”], raising public awareness about demographic problems. Rymasheuski emphasized traditional Christian family values and used strong patriarchal rhetoric. Rymasheuski’s presidential program advocated market-based but socially-oriented economy. He endorsed the idea to restore social benefits

64 See the section ”Rate of Lie” on the web-site “Tell the Truth” http://zapraudu.info/rating
Another conservative candidate, Ryhor Kastusiou66 mostly appealed to political justice and underlined the need to reform the judicial system as well as to respect human rights. One of the youngest presidential candidates (aged 35), Ales Michalevic in his electoral program “Belarus: The Strategy of Evolution” highlighted political challenges (to respect checks and balances and divisions of power, to publically control activities of state institutions, to develop a multi-party system, etc.). The principle of “inclusion of vulnerable groups and building a society of equal opportunities” was described in the section “Solidarity in Belarus” of his political program. The candidate who did not hide his military-service past, former leader of Belarusian social-democrats Mikola Statkevich, concentrated on personal critiques of Lukashenka. Similarly, Tsiareshchanka concentrated on economic issues while Us made brief anti-Lukashenka statements demanding reforms of national electoral laws.

In sum, social problems were at the center of Lukashenka’s electoral campaign, but they remained peripheral in the programs of oppositional candidates. Indeed, there was no overlap whatsoever in Lukashenka’s vs. nine alternative candidates’ electoral discourses, as related to social affairs. Lukashenka continued to promote ideas of state-led policies, where the third sector is eventually assigned a minimal subsidiary-collaborationist role, while the oppositional candidates largely espoused the liberal model of the third sector, engaged in social policies aimed to remedy the blatantly dysfunctional state. Only Andrei Sannikau’s electoral campaign displayed some hints to the idea of untapped potential, which might be generated by the state-third sector partnership in Belarus.

Conclusions

We observe that state dominance in the field of social policies remains practically immutable and the third sector (as well as private business) continues to be squeezed to the state-led social action and political communication designs in Belarus. Unlike democratic regimes where NGOs are mediators between the market and the state and are broadly engaged in solving social problems, the Be-

larusian third sector and its advocates are marginalized by the state.

The study shows that the state dominates the political communication in Belarus and even in the electoral campaign it effectively reduces discursive action opportunities of the third sector organizations and alternative candidates. The state (with the president Lukashenka in the forefront) is the main and practically unchallenged designer and implementer of social policies and leader of public discourse about social affairs.

The governmental-public organizations (GPOs) and pro-governmental social organizations (PSGOs) are agents of the state—they help it carry out social activities aimed to smooth social discontent and are not concerned with the efficiency or civic appreciation of their services. These organizations champion the subsidiary-collaborationist pattern of the state-third sector relations. The prearranged participation of these organizations in public policy process and elections turns them into laborious promoters of state-conceived initiatives.

Oppositional NGOs and anti-Lukashenka political proponents in actual Belarus limit their activities and discourses to the liberal pattern of the state-third sector relations, where the logic of protest against the state (Lukashenka’s rule) dominates. In fact, liberal NGOs and alternative candidates in elections 2010 were not outspoken advocates of social policies, but they rather concentrated on political freedoms and basic human rights. However, it seems that if we analyze political communication produced by the oppositional NGOs and alternative presidential candidates from the cultural anthropology perspective (the bottom-up approach, employing qualitative interviews and participant observations) instead of limiting ourselves to institutional and discursive accounts, we might find more cases of engaged civic advocacy produced by the third sector in Belarus, yet these activities crucially lack public visibility.

Symptomatically for a non-democratic regime, coercive power sources (KGB, military interest groups) also found their place in pro-Lukashenka political communication in the presidential electoral campaign 2010. They efficiently hampered attempts to expand potential of the third sector in any domain of public policies in Belarus.
Annex 1. Information Materials
(September-December 2010) used in the study

1. Public speeches (transcribed) of the President of the Republic of Belarus Alyaksandar Lukashenka from the official web-site http://www.president.gov.by.

2. Public speeches, publications and electoral programs of other nine presidential candidates in 2010 and materials of their web-sites.

3. Materials, prepared by the Informational-Analytical Center under the Presidential Administration of the Republic Belarus for informational-propagandistic groups (in Russian “informacionno-propagandistkie gruppy”).

4. On-line publications of the largest Belarusian Internet news-agencies: Belta http://www.belta.by/ and Belapan http://www.naviny.by/. The first one is state-run and broadcasts official information. The second is a private news-agency and publishes information from official and oppositional sources. We also refer to publications of the popular oppositional Internet news-agency Belarusian Partyzan (http://www.belaruspartisan.org/bp-forte/) which is known for its critiques (blackmail, compromat) of the Belarus officials and Internet newspaper Charter 97 (http://charter97.org/be/news/) which supported presidential candidate Sannikau.

5. Articles from the state-run dailies Narodnaya Gazeta and Belarus Segodnya (former Sovetskaya Belarus) and independent mass media: weekly Belgazeta, dailies Nasha Niva and Narodnaya Volya.


7. Information from web-sites of the third sector organizations in Belarus.


11. Reports of international organizations such as UNDP (http://undp.by/en) and the OSCE (www.osce.org).
### Annex 2. The Third Sector Organizations in Belarus
(Mentioned in the article)

<table>
<thead>
<tr>
<th>Oppositional NGOs</th>
<th>Governmental Public Organizations GPOs</th>
<th>Pro-governmental social organizations PGSOs</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Assembly Of Pro-Democratic NGOs of Belarus</td>
<td>- DOSAAF - Voluntary Association for Assistance to Army, Air Force and Navy</td>
<td>Big PGSOs:</td>
</tr>
<tr>
<td></td>
<td>- Dynamo - Belarusian Physical Training and Sport Society</td>
<td>- Republican Public Organization Belaya Rus’ (Belaya Rus’)</td>
</tr>
<tr>
<td>Human rights organizations:</td>
<td>- Belarusian Society of Hunters and Fishermen</td>
<td>- Belarusian Women’s Union (BWU)</td>
</tr>
<tr>
<td>- National Human Rights Public Association Belarusian Helsinki Committee (BHC)</td>
<td>- Belarusian Society Vedy (Knowledge)</td>
<td>- Belarusian Republican Union of Youth (BRUY)</td>
</tr>
<tr>
<td>- Human Rights Center “Viasna” (unregistered)</td>
<td>- Presidential Sport Club</td>
<td>- Federation of Trade Unions of Belarus (FTUB)</td>
</tr>
<tr>
<td>Think tanks:</td>
<td>- Belarusian Republican Water-Area Rescue Society</td>
<td>- Belarusian Public Organization of the Veterans (of the Second World War)</td>
</tr>
<tr>
<td>- Belarusian Institute of Strategic Studies (BISS) (registered in Lithuania)</td>
<td>- Belarusian Republican Voluntary Fire-Fighters’ Society</td>
<td>- Belarusian Orthodox Church (BOC)</td>
</tr>
<tr>
<td>- Independent Institute of Socio-Economic and Political Studies (IISEPS)</td>
<td></td>
<td>Small PGSOs:</td>
</tr>
<tr>
<td>(registered in Lithuania)</td>
<td></td>
<td>- Support Centre for Associations and Foundations (SCAF)</td>
</tr>
<tr>
<td>Youth organizations:</td>
<td></td>
<td>- Belarusian Red Cross (BRC)</td>
</tr>
<tr>
<td>- Youth NGO Malady Front, [Young Front] (registered in Check Republic)</td>
<td></td>
<td>- Belarusian Association of Social Workers (BASW)</td>
</tr>
<tr>
<td>Political parties and public movement:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Movement For Freedom (headed by Aliaksander Milinkevich, ex-candidate for Presidential elections 2006)</td>
<td></td>
<td></td>
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<tr>
<td>Other organizations:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- International Organization for Freedom of Entrepreneurship (registered in Ukraine)</td>
<td></td>
<td></td>
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<tr>
<td>- Republican Public Organization of entrepreneurs Perspective</td>
<td></td>
<td></td>
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<tr>
<td>- International educational NGO ACT</td>
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</tr>
</tbody>
</table>
Annex 3. Presidential Elections Results: official (CEC) and alternative (IISEPS national opinion poll)\(^{67}\)

<table>
<thead>
<tr>
<th>Candidate</th>
<th>Official CEC results Per cent of votes (%)</th>
<th>IISEPS results Per cent of votes (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lukashenka</td>
<td>79.6</td>
<td>51.1</td>
</tr>
<tr>
<td>Sannikau</td>
<td>2.43</td>
<td>6.1</td>
</tr>
<tr>
<td>Nyaklyaeu</td>
<td>1.78</td>
<td>8.3</td>
</tr>
<tr>
<td>Rymasheusky</td>
<td>1.09</td>
<td>3.7</td>
</tr>
<tr>
<td>Ramanchuk</td>
<td>1.98</td>
<td>3.2</td>
</tr>
<tr>
<td>Michalevic</td>
<td>1.02</td>
<td>2.7</td>
</tr>
<tr>
<td>Statkevich</td>
<td>1.05</td>
<td>1.7</td>
</tr>
<tr>
<td>Kastusiou</td>
<td>1.97</td>
<td>1.6</td>
</tr>
<tr>
<td>Tsiarestchanka</td>
<td>1.19</td>
<td>0.6</td>
</tr>
<tr>
<td>Us</td>
<td>0.39</td>
<td>0.5</td>
</tr>
<tr>
<td>against all candidates</td>
<td>6.5</td>
<td>5.1</td>
</tr>
<tr>
<td>Voter turnout</td>
<td>90.65</td>
<td>No data</td>
</tr>
</tbody>
</table>

September, 2011

\(^{67}\) Source: information of CEC and results of IISEPS opinion poll. NB: the aggregated official numbers differ much from the opinion poll results, announced by the IISEPS, which – however - confirm Lukashenka’s victory in the first round of presidential elections 2010.
National Security Issues
Impact Assessment of a Visa Free Regime between the EU and Russia: the Case of Lithuania

The main aim of this study is to evaluate the impact of a potential visa waiver between the EU and the Russian Federation for the Lithuanian systems of internal, foreign affairs, customs and border control. The analysis will focus upon effects of the aforementioned visa free regime for the scope of legal and illegal migration, crime rates, the system of state border control, the organisation of police activities, the system of control of illegal migration, a financial burden for the system of asylum and general and future costs. Empirical data consists of interviews obtained at ministries of foreign affairs and the interior and the related institutions such as the Police Department, the Migration Department and the State Border Guard Service under the Ministry of the Interior, the Customs Department under the Ministry of Finance, from other officials and statistical data, official statements, and earlier studies. The study consists of five main parts: the political context for the potential visa waiver, its impact for the above-mentioned state institutions, the calculation of potential financial costs, and conclusions and recommendations. The two latter parts are to large extent future-oriented and these methodologically challenge an exact assessment of total costs of possible visa waiver. Besides, the analysis deliberately does not delve into possible benefits of EU-Russia visa freedom. The analysis unveils the negative impact of the possible visa free regime: a visa waiver would abolish the special Kaliningrad transition programme and its financing, increase general crime rates, activity of organised crime groups and potential for terrorism and human trafficking. Financial costs consisting of reduced EU financing, lost income and increased needs to strengthen public institutions would call for 16-17 million Litas in annual expenditures without additional costs and future projects worth, most likely, 40-85 million Litas.

Introduction

The process of the abolishment of the current visa regime between the EU and the Russian Federation started after Russia exerted its efforts in actively raising
this initiative. There are relatively few important economic or social motives for this visa freedom on the Russian side: it is quite a relevant issue related to the state status and a symbol on Russia’s present political agenda which is being actively uploaded into the EU-Russian dialogue. Russian officials claim that while discussing this issue nowadays the EU and Russia are moving to an ‘operational phase’ taking into account questions concerning biometric passports and implementation of readmission agreements. The issue of a visa waiver was raised as early as in 2003 during the 11th EU-Russia summit.

Lithuania as a member of the EU follows the negotiation processes of the EU’s agreements with third countries which subsequently provide legal obligations. It is important to note that the management of potential benefits and the neutralization of negative aspects of consequences of such agreements are also important in the case of a visa free regime.

The relevance of this study is related to political, security oriented and technical-financial aspects. Politically, the aforementioned process has already begun and Lithuania as a member of the EU responsible for part of the Union’s external border with Russia keeps an eye on a dynamic geopolitical situation and its possible consequences. From a soft security point of view, the potential costs of the upcoming visa waiver, as well as its impact on internal security, remain underestimated. The information collected during this investigation and final recommendations may serve as a useful tool for shaping the arguments of Lithuanian authorities during negotiations about effects of the visa waiver, seeking for a range of compensatory measures. Logically, the study about the impact of the EU-Russia visa free regime on Lithuania can be considered an initial analysis ensuring better understanding of a current situation and suggesting useful guidelines for the preparation and development of Lithuania’s positions in both the EU-Russia visa free regime and in the EU financial perspective of 2014-2020. This case study

1 The authors of the study are grateful to two anonymous reviewers for their comments, student of the Institute of International Relations and Political Science Martynas Bieliakas for technical assistance, representatives from the institutions for data, suggestions and cooperation and the Office of the Prime Minister for the research coordination and permission to publish this study. The study has been financed by the Project „Increase of Efficiency of the Lithuanian System of European Affairs (LESSED)“ (No. VP1-4.2-VRM-05-V-02-001) which is carried out according to 2007–2013 Implementation instrument ‘VP1-4.2-VRM-05-V „Better Implementation of EU Policies” of the 4th Priority ‘Strengthening Administrative Capacity and Increase of Efficiency of Public Administration’ of Human Resources Development Programme Action.
2 Interview with 3rd Secretary Lina Sučilaitė, Russia Division, the Eastern Neighbourhood Policy Department 2011 January 20.
might also be useful in the preparation of adequate positions for the Ministry of the Interior in its response to the questionnaire of the European Commission prepared in the beginning of 2011⁴. Finally, the relevance of this particular analysis could be related to certain elements of domestic political context: according to opinion polls, the Lithuanians, in their assessment of country’s foreign policy, appreciate efforts to normalise relations with Russia⁵.

Evaluating the novelty of this case study, it is worth noting that there is a lack of comprehensive research on the impact of the EU-Russia visa free regime on Lithuania or its particular areas of public life, but at the same time one could find certain internal assessments at the Ministry of the Interior and the Ministry of Foreign Affairs on possible costs of visa waiver⁶. Besides, the study of M. M. Salminen and A. Moshes (2009) investigated possible perspectives of the Russia-EU visa waiver, by scrutinising five cases (Finland, Germany, Italy, Estonia and Poland) and the current visa regime, as well as relevant political, security and technical problems of the introduction of visa waiver. Their conclusions emphasised that the potential visa freedom between the EU and the Russian Federation was mutually beneficial and desirable, as the number of travellers between the Union and Russia has increased and Russian citizens were considered to be reliable, good customers. Salminen and Moshes argued that the current mode of modernization in Russia needs European capital and knowledge, and this growing dependence requires more flexible conditions for human communication. Their study argues that the present visa regime, in turn, would undermine the EU-Russia strategic partnership.

The key objective of this limited-scope case study is the assessment of the impact of a potential visa free regime between the European Union and the Russian Federation for the Lithuanian system of internal affairs. Therefore the analysis will qualitatively and quantitatively evaluate possible outcomes of the visa waiver and deliver recommendations for the management or neutralization of those particular results. Interrelated smaller tasks elucidate a detailed impact of a possible visa freedom for the various fields of internal affairs:

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⁶ Lithuanian Ministry of Interior, Assessment of the Impact of Visa Waiver between the EU and Russia, 2010 November, (the document has been received from Irina Voinilka, Senior specialist, International Cooperation Department, Ministry of the Interior, 2011 January 26)
• To assess an impact for Lithuanian social environment, that is, scope of legal and illegal migration and crime rates;
• To evaluate possible visa waiver consequences for the system of state border control, i.e. the organisation of activities and needs for financial and human resources for the State Border Guard Service;
• To gauge possible effects for the internal security in the fields of the organisation of activities for the police and its needs for financial and human resources;
• To estimate administrative and financial burden for the system of control of illegal migration;
• To weight up administrative and financial burden for the system of asylum;
• To calculate general financial costs.

Results of the investigation should identify problems and challenges for the State Border Guard Service, customs, the system of migration management and police and deliver possible solutions to minimise or neutralise problems identified and means of challenge management and their possible expenses. The study will employ several methods for data collection and investigation which rely upon case study method which, as a main tool of the analysis, will enable a comprehensive analysis of a small number of objects and reveal the **problematique** and tendencies inherent for the Lithuanian case. The authors of the study admit that the analysis deliberately avoided theoretical foundations and additional empirical evidence to support data obtained from interviews due to the pre-formulated empirical tasks and the limited scope of the investigation which, in turn, retained the critical evaluation of the information received at the institutions.

In order to objectively and comprehensively investigate the effects of the EU-Russia visa waiver, the evidence for the research was obtained from the primary sources by analysing political context, statistical data and interviews from the ministries of the interior and foreign affairs and their respective bodies, such as the Police Department, the Migration Department and the State Border Guard Service under the Ministry of the Interior, the Customs Department Under the Ministry of Finance, the Directorate of Border Crossing Infrastructure under the Ministry of Transport and Communications and secondary sources, like earlier studies about visa free regimes. The research consists of the political context for the visa waiver, its impact for Lithuanian social environment, management of illegal migration, asylum, border control and customs, the total estimate of potential financial costs, conclusions and recommendations.
1. Political Context of Visa Free Regime

This section provides a general overview of the context for the introduction of a visa waiver between the Russia Federation and the EU, simultaneously shedding light on peculiarities of the Lithuanian positions. The introduction the EU-Russia visa free regime marks an ongoing political process, whose origins, as it has already been mentioned, can be traced to the St. Petersburg EU-Russia summit in 2003. During this 11th regular summit the idea of raising bilateral EU-Russia relations to a new quality level gained solid ground. Moreover, a declaration, which calls for the expansion of cooperation into four specific areas (economic freedom, security and justice, science and education and external security), was issued. This declaration is relevant to our analysis as it is related to a broader question of visa waiver. Thus, in the long run the introduction of visa freedom is one of the main aspects of the ‘upgrade’ of the EU-Russia partnership and “modernization” of the Russian Federation which is relevant for long-term cooperation. At the same time the beginning of visa free regime introduction could be conceptualized as an important step towards stronger partnership between the EU and Russia.

The Lithuanian position on this issue is not polarized by different internal institutional and political arguments and could be characterized as a moderate support for the EU’s opinion which reflects the idea that the abolition of the current visa regime for Russia is possible in future while highlighting certain important aspects in the implementation which is considered in Lithuania as directly linked to real progress of visa elimination. One such facet is rather technical: the introduction of visa free regime relates to the implementation of special measures and a subsequent operationalization of this progress: a visa waiver between the EU and Russia will not be settled without the implementation of appropriate measures and without an adequate preparation. The second aspect is political in its origins and could be associated with a non-discrimination of the Eastern Partnership countries. Although levels of preparation and progress of these countries in introducing visa waiver with the EU are very different, Ukraine and Moldova have considerably progressed, whereas Georgia, Belarus, Armenia and Azerbaijan are still stalled. Lithuania and other new EU member states exert efforts to ensure

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9 Interview with Lina Sučilaitė.
10 Ibid.
11 Ibid.
that a visa free regime between the EU and Russia does not come earlier than the one for the Eastern Partnership countries.\footnote{Kirvelytė (Footnote 8)}

The most active endeavours to conclude a final draft of the declaration to introduce visa waiver between the EU and Russia were visible during the Spanish EU Presidency in the first half of 2010. The Spanish Foreign Minister Miguel Angel Moratinos played a significant role by initiating the idea to develop a ‘road map’ which could lead to the liberalization of a visa regime or even its elimination during the Spanish Presidency.\footnote{BNS, Bevizio režimo su ES siektant Rusija ruošiasi pasirašyti readmisijos protokolus su Bendrijos šalimis, Vilnius, 2010 m. January 23 d., <http://www.delfi.lt/news/daily/world/bevizio-rezimo-su-es-siekianti-rusija-ruosiasi-pasirasyti-readmisijos-protokolus-su-bendrijos-salimis.d?id=28149309>, 19 12 2010} In the EU there was also a general understanding that if the introduction of a visa waiver gained the momentum, then Russia’s progress towards the abolition of visa regime would become an unavoidable alternative to Lithuania and other new EU member states. From the Lithuanian point of view, this procedural conception and ability to measure Russia’s progress could be considered a safeguard from possible negative effects, in case there are no concrete EU’s obligations on time frame and “deadlines” for the harmonization of relevant documentation.\footnote{Interview with Lina Sučilaitė (Footnote 2).}

New EU member states with EU Nordic countries, UK, Belgium and the Netherlands are ‘soft sceptics’ of the visa waiver. They do not directly oppose to the visa freedom, yet retain moderation and caution towards the process. The Baltic states, Austria and the Netherlands, in turn, are interested in the development of operational cooperation rather than a strategic cooperation. The positions of remaining EU countries, first and foremost those of Germany and France, differ to a high degree. The former supports an alternative of controlled process, whereas the latter stands for a more active, less controlled process with the aim to accelerate the mutual abolishment of visas between the EU and Russia. Southern European countries, such as Spain, Italy, Portugal, Greece and Cyprus, like France, pay less attention to details of the potential visa free regime.\footnote{Ibid.} However, all of the EU member states agree upon a common denominator, that is, ‘homework’—Russia must do theirs before the visa waiver comes into force. The Russian Federation is anticipated to abolish obligatory registration of the EU citizens living in Russia at the police and introduce biometric passports.\footnote{Interview with Olegas Skinderskis, Director of International Cooperation Department, the Ministry of the Interior, 2011 January 28}
controlled process and a regular monitoring of the implementation progress.\textsuperscript{17} Such an approach of the EC and the cautious member states can be regarded as ‘step by step’ logic.\textsuperscript{18}

EU member states have a certain influence on the negotiation process as they take part in working groups in the structure of the Council of the European Union, in various evaluation commissions, the analysis of reports, though positions of France and Germany are arguably the most important. Lithuanian interests on this issue can be considered an integral part of the EU position, as Lithuania and Russia do not conclude bilateral agreements on visa waiver.\textsuperscript{19} However, one of the most pressing issues on the Lithuanian side in the whole aforementioned process is the neighbouring Kaliningrad region and related the Special Kaliningrad transition programme. The visa free regime between the EU and Russia would imply the termination of the transit programme, which, subsequently, leads to a drop in jobs and EU financial aid - these aspects will be analysed later on. Lithuania would like to give the Kaliningrad region more exceptionality in the process\textsuperscript{20} towards visa waiver; however, Russia did not always share the same views.\textsuperscript{21}

It is important to note that visa waiver is not the same as a common free movement area like the Schengen zone, so the final results of this process should not be associated with an elimination, but rather different forms of border control: a two-level control system will disappear, while a new control system would be concentrated at the border.\textsuperscript{22} The visa free regime itself would imply the elimination of consular control and this particular situation would be related to more

\begin{footnotesize}
\begin{itemize}
\item[17] Interview with Lina Sučilaitė (Footnote 2).
\item[18] During the process of a visa waiver the Council of the European Union establishes and confirms a scope of negotiation mandate for the EC to represent the EU in international negotiations with third parties, in this case, Russia. The final result of the negotiations is a bilateral agreement on visa waiver between the RU and Russia. Interview with Rimigaudas Lo ys, Head of Schengen Division, Consular Department, Foreign Ministry, 2011 January 20.
\item[19] Interview with Lina Sučilaitė (Footnote 2).
\item[20] Ibid.
\item[21] On the Lithuanian side there were efforts to bestow the Kaliningrad region a special status, which would enable to talk of earlier visa waiver for the part of the region. This can be seen in connection to Polish and Russian initiatives to extend visa free regime for all inhabitants of the Kaliningrad region. According to vice-minister of foreign affairs Evaldas Ignatavičius, Lithuania supported a different position which was adjusted with Brussels and in line with the Schengen agreement. Lithuania wanted a simplified border crossing procedure for people living not farther than 50 kilometres from the state border. However, Russia did not want to conclude such an agreement. Gudavičius S., „Lietuva – Rusijos bevizio režimo į ES stabdys“, Vilnius, 2010, <http://www.diena.lt/naujienos/lietuva/lietuva-rusijos-bevizio-rezimo-i-es-stabdys-294945/pst-1>, 19 01 2011
\item[22] Such an agreement on local traffic would mark an intermediate situation between the present one and visa waiver, therefore it would be appreciated as a test which could reveal how the visa free regime would function. Interview with Olegas Skinderskis, 2011 January 28 (Footnote 16)
\end{itemize}
\end{footnotesize}
intensive examination of people at the border-crossing checkpoints. Logically, there are still left certain safeguard mechanisms against negative factors (such as restrictions on the length of stay in another country).

2. Impact of a Visa Free Regime

2.1. Impact of a Visa Waiver on the Social Context and Systems of Illegal Migration and Asylum

Specific challenges the Lithuanian System of the Interior might face will be explored in further sections. In order to gauge the overall impact of a visa free regime between the EU and Russia, one has to take into consideration specific impact of the visa waiver on Lithuania’s social environment, especially focusing upon flows of legal and illegal migration. According to the estimate of the Migration Department, the introduction of visa freedom would not reduce migration flows: on the contrary, they are projected to grow. The Russian Federation is among the most important non-EU-country migration rates which are considered to be relatively high. There is another and quite reverse tendency: in the case of Lithuania, Russia is probably the main non-EU country outside Europe to which Lithuanian citizens migrate to live. For example, in the period of 2004-2009 an annual average of Lithuanian citizens migrating to Russia was 487, while the period of 2006-2009 was marked by significant upward trend of emigration rates. According to data recorded in the Migration Yearbooks, Russian citizens constituted the largest part of foreigners who were granted permanent residence permits in Lithuania (an annual average was 47 percent among all permits issued). Tendencies in 2005-2009 remained similar: Russian citizens were given the largest share of long-term residence permits in the European Union, but the percentage of annual average dropped to 37 percent. It is presumable that the abolition of visas might simplify border-crossing procedures and increase mutual migration flows. Preliminary data at the Police Department indicate an expected 3-3.5 time increase of annual migration from Russia (towards Lithuania and other EU countries). Lithuania could thus expect about 3.5 million Russian citizens (e.g. more than 1.1 million of

24 The key criterion for the increased extent of inspections is time spent for the screening of one passenger. In order to improve the situation one might anticipate larger human resources employed by the respective institutions for the inspection at the border.
26 Migration Department under the Ministry of the Interior, 2004 m. Migracijos metra tis, Vilnius, 2005, p. 49
27 Migration Department under the Ministry of the Interior, 2009 m. Migracijos metra tis, Vilnius, 2010, p. 60
Russian citizens travelled to Lithuania in 2010, going through customs border control of vehicles and transported goods. Arguably, one might anticipate certain growth of economic migration, although a prognosis concerning the increase of people flow from Russia should be taken with precaution, since it does not have hardcore evidence. This is a methodological Achilles’ heel of all forecasts in social sciences.

Another important aspect concerning illegal migration might be a possible ill-timed, usually later than permitted, departure of Russian citizens from the Lithuanian territory. The stay of foreign residents which lasts longer than six months is illegal. A future estimate of visa waiver reveal an increase of risks of illegal migration since Russian citizens used to comprise a larger part of illegal migrants in different periods. Nonetheless, this does not serve as sufficient grounds for a projection of the increase of illegal migration after the visa waiver comes true. According to the Migration Department, a visa free regime should not lead to the tangible growth of illegal migration since illegal migrants are usually smugglers, whose activities the visa waiver is not anticipated to affect, unless one theoretically correlates an increase of contraband with higher number of Russian residents entering Lithuania. However, flows of smuggling towards the EU, and first of all towards Lithuania, depend on different levels of prices and living standards which are likely the most important factors increasing cross-border illegal trade and contraband.

Official statistics illustrate that although a number of Lithuanian-Russian border violations varied insignificantly (annually 155 an average), still in 2008-2010 the rate of violations observably grew. Furthermore, the figure of suspected ‘wanted’ Russian citizens detained at the frontier fluctuated (from 2 in 1995 to 138 in 2001); however in 2006-2010 these tendencies were on the rise and might disclose the probability of an increased crime rate.

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28 Interview with Aleksandr Valentij, Senior specialist, International Cooperation Board, the Police Department under the Ministry of the Interior, 2011 February 9. Visa waiver facilitates border crossing procedure since e.g. Russian citizens entering Lithuania will not have to carry a visa. Visa free regime would thus induce Russian citizens living close to the state border to come to Lithuania with aims, for instance, to bring along cheaper trade items or organise smuggling channels for excise goods.

29 Interview with Antanas Turčinas, Head of the Division of Aliens’ Affairs, the Migration Department under the Ministry of the Interior, 2011 January 27.

30 Interview with Alvydas Pumputis, Senior specialist Border Control Division, Board of Activity Planning, the State Border Guard Service under the Ministry of the Interior, 2011 January 27.

31 According to approximate estimate the prevention of illegal Russian cigarette imports in 2010 amounted 45 million Litas.

32 Interview with Antanas Turčinas, Head of the Division of Aliens’ Affairs, the Migration Department under the Ministry of the Interior, 2011 February 7.


Another important element related to potential risks of growing crime rates in both the EU and Lithuania is a problem of forgery of travel documents and absence of biometric identification systems and document security in Russia.35 These problems and the required management of their negative impact for the internal security of Lithuania could invoke larger than usually financial costs.

The illegal transportation of excise goods through the Lithuanian-Russian border constitutes another problem. Statistical data indicates that in 1997-2010 the largest share of tobacco smuggling came from Russia, thereby considerably surpassing the contraband scale from other neighbouring countries.36 In the meantime, tendencies of alcohol smuggling vary greatly in the same period, though the extent of alcohol contraband from Russia is significantly lesser compared to tobacco smuggling.37

One more important facet in the migration processes is the activity of the Lithuanian asylum institution. Russian citizens constitute the largest share of asylum seekers in Lithuania: in 1997-2004 annual average of such Russian citizens reached 60 percent among all asylum seekers, and during the period of 2005-2009 this number increased to 74 percent. The latest annual figures show that in 2009 Russian citizens represented ‘traditionally’ the largest part among asylum seekers (54 percent), but most of these claims are related to the Chechynys (about 48 percent of all applicants and 88 percent of Russian citizens’ requests). Comparing this to the 2008 data, the total number of asylum applications decreased.38

The data related to requests for asylum of Russian citizens discloses a decrease of such flows in 2009, but this trend must be assessed with caution, as these flows have risen in some countries of the EU (especially without the external borders of the Union or belonging to the Schengen area, i.e., Belgium, Germany, the Netherlands, Sweden, Luxembourg, Austria).39

The introduction of the aforementioned visa free regime could increase incentives of the Russian citizens to remain longer in the territory of the EU, hoping to gain a refugee status. Official statistics shows that in 1997-2004 Lithuania granted such status to 16 citizens of the Russian Federation, and this percentage constitutes 20 percent of total annual number of newly confirmed refugees.40 This number has increased more than twice during a period of 2005-2009, as 37

35 Interview with Alvydas Pumputis (Footnote 30).
38 Interview with Antanas Turčinas, 2011 January 27. (Footnote 28)
39 Ibid.
40 „2004 m. Migracijos metaštis“, (Footnote 26), p. 69
Russian citizens were recognized as refugees; this shows the highest total number of refugees (60 percent).\textsuperscript{41} One could predict that the introduction of a visa waiver could lead to an increase of asylum applications, since even within the current visa regime citizens of the Russian Federation constitute the largest part of the asylum seekers.

Taking into consideration current tendencies of migration and asylum requests, as well as forecasts of the Migration Department, one could predicted that increasing numbers of illegal migrants and asylum seekers would in turn increase the workload of responsible civil servants. Moreover, taking into account the importance of Dublin II Regulation, there is a risk that Lithuania will be liable for assuming responsibility for asylum applications in other EU Member States\textsuperscript{42} and take over Russian asylum seekers who have crossed Lithuanian border and travelled to other EU countries.\textsuperscript{43} Such cases would reveal growing demand for human resources, accompanied by additional financial costs.\textsuperscript{44}

### 2.2 Impact of Visa Waiver for Systems of State Border Control and Customs

A possible visa waiver might also affect systems of state border control and customs. One of the arguments for claiming continuous EU financial assistance is Lithuania’s responsibility for part of the EU external border. The visa free regime would affect activities of the State Border Guard Service which ensures border protection, control of passengers, vehicles and migration, refugee registration and performance of the Customs Department which is responsible for the control of passengers, inhabitants at the frontier, transportation means and carried goods.\textsuperscript{45}

The EU-Russian visa waiver is anticipated to significantly increase the flows of passengers, vehicles and goods to the EU through the Lithuanian state border. The visa free regime abolishes visa costs and therefore more people with a lower income are expected to arrive to Lithuania with the aim to profit from

\textsuperscript{41} „2009 m. Migracijos metraštis“, (Footnote 27), p. 85
\textsuperscript{42} In 2009 The Migration Department adopted 222 decisions to assume responsibility for the examination of asylum requests submitted in other EU member states. (according to 2003 February 18 Regulation of the Council No. 343/2003). Nearly half of these decisions (107) were adopted because of the requests from the Russian citizens.
\textsuperscript{43} Interview with Antanas Turčinas, 2011 January 27 (Footnote 29)
\textsuperscript{44} Ibid.
illegal trade. Different excise duty policies and price levels for goods in Lithuania and the Kaliningrad region is conducive to higher risks of illegal trade of legally brought in items though it is not easy to foresee exact growth of people and goods entering Lithuania.\(^{46}\) Besides, the increased flows of people will amplify risks of contraband and therefore the state budget will suffer. For instance, the customs prevented illegal Russian cigarette imports worth 45 million Litas in 2010.

The rise of transport and people entering Lithuania from the Kaliningrad region could increase the workload for control officers and the duration of inspections at the border. The visa waiver would eliminate the first integrated state border management filter at consular institutions which conduct border policy in third, transitional countries and countries of origin by controlling entrants to Lithuania.\(^{47}\) Therefore, the efficient management of potentially increased flows of passengers, vehicles, goods and screening at the border would call for the expansion of human and financial resources, infrastructure and upgraded means for traveller, transport and good inspection.

Lately, factual throughput at the state border crossing checkpoints has exceeded the projections and in the case of a visa waiver the workload at the border would definitely rise. Therefore, there is a need to increase the number of people working in this field. The State Border Guard Service will need at least 215 additional jobs.\(^{48}\) The Customs Department considers it next to impossible to exactly calculate the future growth of human resources due to the lack of data on the number people required at the customs institutions in different state border checkpoints.\(^{49}\)

However, it is worth calling attention to the fact that the Community Customs Code does not apply transit procedure to goods carried by persons. Under the existing law, persons travelling to/from the Kaliningrad region should declare transportable items to free circulation procedure and pay statutory fees. This situation is contrary to Russian intentions, so this issue must be addressed and regulated during the negotiation process of visa free regime.\(^{50}\)

The EC ear-marked 108 million Litas for the Kaliningrad Special Transit Programme as part of the EU External Border Fund for the period of 2007-2013.

\(^{46}\) Interview with Audrius Pauliukevičius, Head of Border Control Division, Board of Activity Planning of Headquarters, the State Border Guard Service under the Ministry of the Interior, 2011 February 10.

\(^{47}\) Interview with Alvydas Pumputis (Footnote 30).

\(^{48}\) Interview with Audrius Pauliukevičius (Footnote 46).

\(^{49}\) In order to exert efficient control of persons and transport means, 21 customs officers are supposed to be employed in one border control checkpoint. Interview with Jonas Mi kinis, Deputy director general, the Customs Department under the Ministry of Finance, 2011 February 11.

\(^{50}\) Interview with Jonas Mi kinis, Deputy director general, the Customs Department under the Ministry of Finance, 2011 February 19.
aiming to ensure the implementation of the EU *acquis* regulating the transit between the Kaliningrad region and the rest of the Russian Federation.51 With regard to the aforementioned EU External Border Fund, Lithuania receives 48 million Euro from the Kaliningrad Special Transit Programme (16 million Euro per year) during a period of 2011-2013. The absorption of those funds allocated for the last year of this period could be implemented until the 30th of June 2015. The quite rapid introduction of the visa free regime would raise an important question of the absorption of the remaining financial aid. Some of these EU-funded projects are continuous, so the lack of adequate implementation would bring unnecessary costs.52

Another relevant aspect of the impact of the introduction of visa free travel on the State Border Guard Service and on the system of Lithuanian Customs includes the modernization of the Lithuanian border control system. There is a need for the transformation of border crossing checkpoints and related infrastructure as well as for the increase in both projected and operational throughput capacity.53 In order to solve the problem of throughput, one must pay attention to certain aspects. First of all, the installation of proper infrastructure for the increase of material capacities (such as installing sites or expanding a number of road lanes in some territories of border crossing checkpoints) could ensure better queuing conditions on the Lithuanian side of the state border. It is also important to ensure the interconnection of the Lithuanian Customs and State Border Guard Service as well as the principles of control organization. The level of throughput of border control checkpoints could be increased by accelerating modernization of the Russian border control infrastructure.54

The visa waiver may be related to a few important challenges for Lithuanian internal security: one could predict a general increase of crime, the intensification of activity of organized crime groups, growing possibilities of terrorism and human trafficking. Due to Lithuania’s geographic position, the country would face higher risk for drug trafficking (from Kaliningrad to the rest of the Russian Federation) as

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53 Interview with Alvydas Pumputis (Footnote 30).

54 Panemunė-Sovetsk and Ramonės-Pagraničnij state border crossing checkpoints can serve as examples, since infrastructure on the Russian side does not match the quality of the Lithuanian: differences of modernisation are clearly visible. Interview with Algirdas Blaškevičius, Head of Construction Division, the Directorate of Border Crossing Infrastructure under the Ministry of Transport and Communications 2011 January 27.
a transit country. These estimates are supported by the data from the Europol’s initiated Russian Organized Crime Threat Assessment Methodology (ROCTA). They indicate a noticeable shift from violent acts committed by Russian citizens to financial crimes. Organized crime groups in Russia might have indirect impact on security maintenance in the European Union. Besides, Lithuanian Police and its Internal Security Department have recently taken over some functions of counterterrorism management, but additional resources for these particular functions has not been allocated.

The aforementioned extent of growth-prone migration might potentially increase crime rates: now Russian citizens comprise the largest share (more than 25 percent among all the suspects) among foreigners registered at pre-trial institutions and charged with criminal activities. Thefts, violations of traffic rules and various frauds dominate criminal activity among those foreigners, yet hard and very hard offences comprise a great share too.

Taking into account the previously named threats, the visa waiver would require additional human and financial resources for the activities of criminal and public police. The management of legal and maximal time of Russian citizens spent in Lithuania is expected to increase the workload for officials dealing with migration at public police subdivisions, investigators from divisions on prevention (local inspectors) and police patrols. Moreover, a probable increase of the turnover of illegal goods and illegal work could raise the workload of prevention subdivisions and inspectors of customs affairs.

In the meantime the activity organisation of criminal police would focus on the neutralisation of potential terrorist threats – this also requires additional human and financial expenditures. According to the preliminary estimate at the Police Department, the visa waiver would require 22 additional jobs for criminal police and 22 for public police for efficient functioning.

Another important aspect in activities of customs and police is a potential demand for IT development, maintenance and upgrade. The visa waiver might increase flows of passengers, vehicles and goods and thus the renewal of technological infrastructure (first of all the development of the Police Information System (POLIS) would enhance a more efficient control of the arrival and length of stay

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55 Interview with Audronė Sviklaitė, Head of International Cooperation Board, the Police Department under the Ministry of the Interior, 2011 January 31.
56 Ibid.
57 Interview with Audronė Sviklaitė, Head of International Cooperation Board, the Police Department under the Ministry of the Interior, 2011 February 6.
58 Interview with Audronė Sviklaitė, (Footnote 55).
59 Ibid.
60 Interview with Aleksandr Valentij, 2011 February 9 (Footnote 28)
of Russian citizens. There is also the need to build up compatibility of police and customs information systems in order to exchange information.

The upcoming visa free regime will also require a new high quality legal base, so that it would induce more efficient cooperation between Lithuanian and Russian officials. A bilateral Lithuanian-Russian agreement on the fight against organised crime was not signed, although Lithuania submitted a draft version in 2001. Such an agreement would ensure a more efficient and simple exchange of different pieces of information. On the basis of this agreement there is also a demand for concluding another inter-institutional agreement on a lower level of ministries of the interior and finances. This would assist in direct collaboration with corresponding law enforcement and customs institutions in the Kaliningrad region and would facilitate a management of increased flows of migration, crime, vehicles and goods after the visa waiver.

There is no agreement between the European law enforcement agency (Europol) and respective Russian institutions either, which would allow conducting joint research and creating conditions for the exchange of personal data and better protection of such data in Russia. 61

3. General Financial Costs of Visa Waiver for Lithuania

The evaluation of the total financial burden for Lithuania is based on critically assessed data provided by the Lithuanian institutions. However, the overall assessment is still preliminary, as it is rather complicated to predict the accurate effects of all relevant factors, as well as to sum up exact costs associated with the introduction of the visa waiver. The analysis will first establish financial resources that would be lost in case the current visa scheme is abolished.

It is important to note that the EU External Border Fund at the Special Transit Programme earmarked about 108 million Euro in the Financial perspective of 2007-2013. If the visa waiver is introduced, Lithuania would annually lose an average about 55.2 million Litas. The introduction of a visa free regime would deprive Lithuania of visa fees (currently – 35 Euros for a visa for Russian citizens). As in 2008-2009 Russian citizens were given 122,062 visas, the overall revenue constituted 14.8 million Litas. 62

Another part of costs is related to the maintenance and renovation of the

61 Interview with Jonas Miu kinis, Deputy director general, the Customs Department under the Ministry of Finance, 2011 January 26.
62 Interview with Rimigaudas Lyys, Head of Schengen Division, Consular Department, Foreign Ministry, 2011 January 24.
Special Transit Programme equipment acquired from the EU funds. The abolition of the aforementioned scheme would imply that all the expenses related to the maintenance of this equipment would be imposed on Lithuania. Moreover, the state would lose a share of the EU funds, which were earmarked by the fifth protocol in the Lithuania’s EU Accession Treaty.

In 2010 there were 102 consular officers at the Ministry of Foreign Affairs recruited under the Special Kaliningrad Transit Programme which granted 7.6 million Litas. Simultaneously there were 184 employees at the State Border Guard Service and the funds for their activities constituted approximately 7.2 million Litas. Nearly 2.3 million Litas were allocated to this Service in order to cover their extra administrative and technical, as well as repatriation costs. The introduction of the visa waiver would mean that Lithuania’s budget would not only lose the EU financial support, but it would have to sack about 70 persons at the Ministry of Foreign Affairs and the State Border Guard Service - their salaries were covered by the Special Kaliningrad Transit Programme. If the new visa free regime came into force in 2013, Lithuania would lose about 16 million Litas, since special funds under the aforementioned Transit Programme will be approved by the European Commission until the 1st of November in 2012.

As previously mentioned, the introduction of the visa waiver would imply the abolished control of travellers in consular offices—some of these functions would go over to the border crossing checkpoints. An immediate demand for increased human resources for the management of passenger flows, as well as ensuring high quality and an adequate rate of control will require approximately 10.75 million Litas a year.

The problem of throughput at border crossing checkpoints is also related to the infrastructural reform of these particular checkpoints in Russia. Furthermore, there would be a possible demand to build additional parking lots for vehicles at the border. Although most of the border crossing checkpoints are relatively new, the introduction of the visa free regime may create a need for the upgrade of infrastructure at the border with the Kaliningrad region as well as for higher number of broader parking lots and the upgrade of the IT infrastructure. The planning

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63 Interview with Olegas Skinderskis, Director of International Cooperation Department, the Ministry of the Interior, 2011 January 28.
64 Protocol No. 5. „Dėl asmenų sausumos tranzito tarp Kaliningrado srities ir kitų Rusijos Federacijos dalių“, <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:12003T/PRO/05:LT:HTML>, 07 02 2011
65 Interview with Daiva Racevičienė, Head of EU Aid Management Division, the Ministry of the Interior, 2011 February 7.
66 Interview with Audrius Pauliukevičius (Footnote 46).
67 Interview with Algirdas Blaškevičius, Head of Construction Division, the Directorate of Border Crossing Infrastructure under the Ministry of Transport and Communication, 2011 February 7.
and installation of additional infrastructure for parking lots for cars and cargo vehicles at Panemunė and Kybartai border control checkpoints would cost about 4 million and 3 million Litas respectively; Ramoniškės border crossing checkpoint would be modernised by implementing a second phase of construction, that is, by creating conditions for cargo vehicle traffic, thus, installing additional traffic lanes with corresponding infrastructure. This would require about 6 million Litas. The cost of a parking-lot with the accompanying infrastructure at the border crossing checkpoint is approximately 4 million Litas. One must notice preliminary costs since precise calculation is possible only after the planning work had been carried out.68

In addition, the improvement of infrastructure and hygiene standards at Panemunė-Sovetsk border crossing checkpoint demands a new bridge over the river Nemunas with corresponding infrastructure. The costs of communication infrastructure (road development) in order to improve border the Lithuanian-Russian crossing might reach approximately 45 million Litas. The Lithuanian authorities expect to receive 35 million Litas from the Lithuanian-Polish-Russian cross-border cooperation programme at the European Neighbourhood and Partnership Instrument in case Poland and the EC give their consent, since Russia, financially responsible for the construction of the future bridge over the Nemunas, supports the acquisition of funds from the aforementioned programme.69

The visa waiver would also require the modernisation and expansion of infrastructure and screening equipment at state border crossing checkpoints. Customs offices at the external EU border in Lithuania (Kaunas and Klaipėda territorial customs offices and offices in Kybartai, Panemunė, Nida and Ramoniškės) need technical means for the control of goods. According to a preliminary estimate value of a standard equipment at one office is around 0.6 million Litas; therefore, costs for the upgrade and technological adequacy of such customs offices would comprise about 2.4 million Litas.

Another aspect of strengthening activities of customs offices is the acquisition of roentgen control equipment for the screening of vehicles and goods.70 Two stationary/transferable systems at Panemunė and Kybartai offices would cost about 14 million Litas and could be financed from the Lithuanian-Polish-Russian cross-border cooperation programme at the European Neighbourhood and Partnership Instrument given a positive evaluation of an application in the first

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68 Interview with Algirdas Blaškevičius, Head of Construction Division, the Directorate of Border Crossing Infrastructure under the Ministry of Transport and Communication, 2011 February 10.
69 Interview with Šarūnas Baublys, Director of Road and Civil Aviation Department under the Ministry of Transport and Communications, 2011 February 10.
70 Interview with Jonas Miškinis (Footnote 49)
half of 2011. The remaining customs offices would receive four pieces of roentgen control equipment (2 at customs road offices and 2 at customs railway offices) worth about 40 million Litas. Annual costs of system maintenance comprise 0.2 million Litas. In addition, the implementation of a better customs control requires additional human resources, new inspection equipment and vehicles for customs service mobile groups.

The visa free regime would also most likely require the enlargement of human resources in the areas of the management of migration and asylum. According to State Border Guard officers a higher number people in charge is necessary in order to control the functioning of the visa free regime inside the country, especially in cases of re-admission of illegal migrants and other law-breaking Russian citizens to their homeland. In such a case the support from the European Return Fund should increase. It is important to note that this fund earmarked almost 5 million Euro for Lithuania for 2008-2013 period, so this financial aid is anticipated at least to double.

113 Russian citizens applied for asylum while only 68 of those requests were granted in 2010. One asylum application costs about 3,000 Litas and the integration of a person who receives asylum costs approximately 1,500 Litas. The aggregation of the aforementioned sums shows that in 2010 these costs constituted about 340,000 Litas whereas the integration costs were 100,000 Litas. Although the Migration Department has not provided forecasts, according to the Police Department, in similar vein one could anticipate the increase of the number of migrants and asylum applications. Therefore, costs for the asylum system might reach approximately one million Litas. The maintenance of a foreigner in Pabradė Foreigners’ Registration Centre costs 50 Litas a day. In 2010 there were 69 citizens from the Russian Federation in this Centre. The total number of days amounted 5634, so the final sum of these costs constituted about 282,000 Litas.

According to the Police Department, there would be a demand for additional

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71 Interview with Šarūnas Ramanauskas, Deputy Head of Statistical analysis division, the Department of Customs, 2011 February 10.
72 Additional costs for the mobile customs groups consist of salary fund for newly employed people (658 500 Litas), uniforms (60 000 Litas), new vehicles for patrol and cynological functions (850 000 Litas), new customs inspection equipment (1 050 000 Litas).
73 Interview with Alvydas Pumputis (Footnote 30).
75 Interview with Audrius Pauliukevičius (Footnote 46).
76 Interview with Antanas Turčinas, 2011 February 7 (Footnote 32).
human and financial resources for the police functions too.\textsuperscript{77} The maintenance of new Criminal Police officers would annually cost nearly 1,026,200 Litas. In order to achieve an adequate level of activity of those newly created jobs, one must consider additional costs: official uniforms – 78,284 Litas, the installation of offices – 132,000 Litas; 4 additional vehicles and their maintenance – 440,000 Litas.

The visa waiver is very important for the Lithuanian Police in financial terms. The end of the Special Kaliningrad Transit Programme would result in a loss of financial support from the External Border Fund, which would reduce police funding by 10 million Litas.\textsuperscript{78} In this case Lithuania will not carry out the obligations of this programme, let alone the need for finances to operate and maintain the equipment.\textsuperscript{79} In terms of higher workload, the loss of financial support may inflict a negative impact on the management of security threats.

Preliminary estimates of the Board of Public Police reveal that the functions of public safety would entail additional human resources with annual costs of approximately 1,213,950 Litas. The maintenance of newly created jobs would ask for more funding: official uniforms – 118,384 Litas; the installation of workspace – 168,000 Litas; 15 vehicles and their maintenance – 660,000 Litas. One should combine the costs of the IT sector technical base upgrading (the upgrading of POLIS system costs 500,000 Litas) and the usage of Russian language transliteration in Lithuanian Police records and information systems, comprised of demographic data. Such updates could cost 100,000-1,000,000 Litas. If there is an additional need for specialized readers, the financial estimate increases to approximately 3-4 million Litas. An overall technological improvement of the police performance could be attributed to the need to acquire five biological, chemical and radioactive contamination detection devices as a preventive tool against terrorist attacks. Such equipment would cost about 350,000 Litas. Its relevance increases by considering growing likelihood of terrorist attacks in Lithuania.\textsuperscript{80} Another area for potentially required increased financing is the police anti-terrorist operations unit “Aras”, which needs 2.36 million Litas worth technological equipment and means for the better elimination of security threats. This demand for higher financing is

\textsuperscript{77}That is to prevent, disclose and investigate criminal activities and other violations of law in fields of economy, business and finances, to strengthen control of illegal turnover of excise and other goods at territorial police offices at the Lithuanian-Russian border.

\textsuperscript{78} Interview with Aleksandr Valentij, 2011 February 9 (note 28).

\textsuperscript{79} Exploitation costs in 2010 were 1 218 000 Litas but they are expected to drop to 1 184 000 Litas in 2011. Interview with Aleksandr Valentij, Senior specialist, International Cooperation Board, the Police Department under the Ministry of the Interior, 2011 February 11.

\textsuperscript{80} The main anticipated problem is a transportation, storage and usage of various types of explosives, including ‘dirty bombs’ with Chemical, Biological, Radiological and Nuclear elements for terrorist acts as well as cases of hostage kidnapping. Interview with Aleksandr Valentij, (Footnote 28).
connected not only with a potential visa waiver, but also with general needs to fight terrorism and overtaking part of unfinanced functions from the State Security Department.

In sum, preliminary total financial costs in case of a possible visa waiver consist of two parts. One part relates to possible financial losses due to reduced EU financing, especially a possible lack of future funding from the Special Kaliningrad transition programme and missing income from visa fees. General annual costs of this kind would amount to approximately 70 million Litas and possibly more. A second part of the financial burden can be characterised as possible expenditures (See Table 1). These expenses can be divided into the annual ones consisting of costs related to maintenance, additional jobs and equipment and ‘ad hoc’ expenditures for infrastructure, acquisition of technologies and future projects. The financial assistance from the EU (mostly from Lithuanian-Polish-Russian cross-border cooperation programme at the European Neighbourhood and Partnership Instrument) would reduce costs of the aforementioned projects. Interviewed officials from the analysed institutions did not elaborate on financial compensatory sources, yet according to the representatives of the Police Department the EU financial mechanisms would be the most appropriate in this case.

Conclusions

The case study qualitatively and quantitatively assesses the impact of the potential visa waiver between the EU and Russia on the Lithuanian system of internal affairs and identifies the most important problems for the systems of state border control, migration, police and customs. The analysis of the political context reveals the ongoing process towards visa freedom. In Lithuania there is institutional and political consensus on the inevitability of this upcoming visa free regime, as well as on its progress measurement in Russia in line with the EU requirements and non-attachment of the EU to a fixed timetable and deadlines. The visa waiver

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81 Annual income from the Special Transit Programme and collected fees for visas.
82 In case one adds up prevented harm from illegally imported Russian cigarettes (45 million Litas in 2010) the total sum grows to 115 million Litas. Additional costs may come from losses of the national budget due to missing income from sales of illegally imported and sold fuel, alcohol and food products from the Kaliningrad region.
83 Sums presented in the table can be larger than Lithuania might anticipate for the analysed areas for the 2014-2020 EU financial perspective. Therefore, these figures can be considered as a preliminary assessment of institutional future needs which may be adjusted according to political reasons.
84 Interview with Aleksandr Valenti, Senior specialist, International Cooperation Board, the Police Department under the Ministry of the Interior, 2011 February 19.
regime has general EU support; however, visa free introduction will proceed only with Russian “homework” (i.e. the withdrawal of registration for the EU citizens at the police and introduction of biometric passports). There are two groups of countries in the EU with regard to the speed of visa waiver. One is both cautious and sceptical and consists of the Baltics, Nordic states, new EU members from Central and Eastern Europe, Austria, the United Kingdom and the Netherlands. Lithuania’s opposition to an early visa free regime is normatively reasonable, but, at the same time, it is not politically achievable, since the introduction of visa waiver depends on the country’s progress given existent political will. Another group, Southern European and the bigger states, support visa regime liberalisation and earlier visa freedom comes from bigger countries.

Conclusions and recommendations of this limited-scope case study focus on future perspectives which are methodologically difficult to accurately assess. Taking into consideration forecast in the social sciences, one must consider specific factors and their impact in certain situations. There might be still left unobserved additional factors in the complex social milieu – they are not additionally included due to limitations of the scope of this analysis.

While assessing the impact of the visa free regime on legal and illegal migration, it is possible to suggest that the simplified border crossing procedures could enhance mutual migration rates, but rates of legal migration of citizens of the Russian Federation to Lithuania, as final or intermediate destination, is anticipated to grow approximately 2-3 times. Data about future levels of illegal migration varies, yet one could not say for certain that there is a real background for the substantial increase of illegal migration rates.

However, Lithuania is likely to face a higher number of applications for a refugee status in the case of visa waiver. In a combination with higher rates of immigrants these demands could be related to the rising workload of responsible civil servants. Besides, there is a growing risk for Lithuania to take over both responsibilities for asylum applications from other member states of the EU and asylum seekers who entered Lithuania.

The future visa free regime is also related to the abolition of the Special Kaliningrad Transit Programme and accompanying funds. The introduction of the visa waiver and subsequent loss of “filters” in the Lithuanian consular offices could lead to higher rates of passengers, vehicles and goods crossing the Lithuanian-Russian border. The estimates reveal that human resources at the State Border Guard Service might increase by approximately 215 jobs. In an attempt to provide adequate operational efficiency of the Lithuanian Customs, additio-

85 Interview with Audrius Pauliukevičius (Footnote 46).
nal human resources are also needed, but accurate data on the growth for these resources are lacking. According to officials from the Customs Department, 21 customs officers are expected to work at one border crossing checkpoint ensuring the effectiveness of customs control.

The internal security in case of the visa free regime would face a negative impact: one could notice an increase in overall crime rates, the intensification of activities of organized crime as well as increased threat of terrorism and human trafficking. Moreover, the rise of the Lithuanian-Russian border violations, arrests and illegal trafficking of goods may indicate the likelihood of criminal activity growth in the future too. These threats would require additional human (78 additional jobs) and financial resources.

The study has identified a need for new legal instruments which would assist in cooperation between Lithuanian and Russian and EU and Russian officials in the sphere of enhancing internal security.

In conclusion, one must again emphasize the costs of visa waiver. In sum, preliminary total financial costs entail potential financial losses because of absent EU financing and possibly ceased income from visa fees. Annual costs of this kind would comprise about 70 million Litas and perhaps even more, including missing state income from illegal sales of illegal and legal goods from foreign countries. Other costs are summarised in the table below. Finally, the exceptionality of the Kaliningrad region provides an additional aspect to consider. On the one hand, Lithuania politically is inclined towards granting this region more exclusiveness in movement and openness; on the other hand, the Lithuanian economy at the frontier might face additional economic pressures due to possible migration of people and goods from the Kaliningrad enclave and differences of economic development between Lithuania and the region.
Table 1. Financial Costs of Visa Waiver, Litas

<table>
<thead>
<tr>
<th>Costs According to Activities</th>
<th>Annual Costs</th>
<th>Additional Costs</th>
<th>Future Projects</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1. Organisation of Border Guard</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.1. Additional jobs at the State Border Guard Service</td>
<td>10 750 000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.2. Modernisation of border crossing checkpoints</td>
<td>17 000 000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.3. Construction of the bridge Panemunė-Sovetsk</td>
<td>45 000 000</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>2. Organisation of Customs activities</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.1. Modernisation of customs offices</td>
<td>2 400 000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.2. Roentgen control systems</td>
<td>400 000 (1 200 000)</td>
<td>14 000 000</td>
<td>40 000 000</td>
</tr>
<tr>
<td>2.3 Equipment for customs service mobile groups</td>
<td>1 900 000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.4 Additional jobs at customs service mobile groups</td>
<td>658 500</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.5 Uniforms for officers</td>
<td></td>
<td>60 000</td>
<td></td>
</tr>
<tr>
<td><strong>3. Organisation of police activities</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.1. Additional jobs at Criminal police</td>
<td>1 026 200</td>
<td>650 284</td>
<td></td>
</tr>
<tr>
<td>3.2. Additional jobs at Public police</td>
<td>1 213 950</td>
<td>946 384</td>
<td></td>
</tr>
<tr>
<td>3.3. Upgrade of IT equipment (POLIS)</td>
<td>500 000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.4. Equipment for identification of biological, chemical and radioactive pollution</td>
<td></td>
<td>350 000</td>
<td></td>
</tr>
<tr>
<td>3.6. Technical equipment for „Aras“</td>
<td>2 361 500</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.7. Management of equipment of Special transit programme</td>
<td>1 184 000</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>4. Organisation of activities of asylum request systems</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.1. Procedures of asylum request</td>
<td>1 000 000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.2. Maintenance of foreigners at Foreigners’ Registration Centre</td>
<td>282 000</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>5. Total</strong></td>
<td>16 514 650 (17 314 650)</td>
<td>40 168 168</td>
<td>85 000 000</td>
</tr>
</tbody>
</table>

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1 This sum would be in case of six, not two, stationery roentgen control systems.
2 A targeted resource of finance is the Lithuanian-Polish-Russian cross-border cooperation programme at the European Neighbourhood and Partnership Instrument (currently the Lithuanian institution submitted an application for the Joint technical secretariat at the Programme).
3 For the sake of simplicity costs are calculated without additional expenditures which could amount from 100 000 to 4 million Litas.
4 The calculation is based on estimate for 2011.
5 The calculation is based on annual 2010 data on costs of investigation of asylum application and integration of persons with the asylum right.
6 The calculation is based on annual data for 2010 on Maintenance of foreigners at Foreigners’ Registration Centre.

86 Source: Authors’ Calculation
Recommendations

This section offers possible solutions to the anticipated problems, as well as the management or mitigation of the identified challenges. However, in practice it is difficult to neutralize all these potential effects, because of the complexity of their nature and long-term social and economic consequences not only for the Lithuanian system of internal affairs, but also for the wider national or EU milieu. The study focused on costs of the potential visa free regime between the EU and Russia, whereas financial and other benefits of visa freedom were not considered. Yet, it is worth noting that the Ministry of Economy (in particular the Department of Tourism) is concerned about analysing the more positive side of such an agreement. This could be a task for future scholarly endeavours.

Politically and historically, the relationship between Lithuania and the Russian Federation has always been one of the most important issues on the domestic and foreign agendas in Lithuania. The asymmetry of power between a small and a big state, clashes of identity and different interpretation of the living memory, as well as energy dependence on Russia and its tangible shares in Lithuanian imports–exports structure call for the construction of relationship with Russia in an active mode, while using the EU framework for the search of partners and upload of Lithuanian interests.

There is a need to employ the existing and developing formats of co-operation with countries of similar interests, i.e., primarily with Baltic and Nordic neighbours, Poland, paying attention to the NB8 +1 (Baltic, Nordic countries and the United Kingdom) as well as more sceptical EU members towards this visa waiver. It is recommended to continue supporting the implementation of visa-related measures on the Russian side and measuring its progress and “homework”.

In the case of the upcoming 2014-2020 financial perspective, the Lithuanian authorities will provide reasonably calculated financial needs for this new programming period, focusing on administrative arrangements and human resources. It is important to outline compensatory measures and costs of re-entering the labour market for people who would lose jobs after the termination of the Special Kaliningrad Transit Programme. It is also recommended to strengthen the Lithuanian-Russian border control with financial and administrative measures, to enhance the functions of the Lithuanian authorities in charge of systems of customs, internal security and asylum, as well as to develop their mutual compatibility, especially in the field of information exchange.

One possible recommendation highlights the need to develop an inter-institutional action plan, which would provide specific guidelines focusing on threat
neutralization and prevention. Moreover, action should be taken in creating adequate preventive measures in order to protect the system from individual abuses of asylum applications and, while exchanging information between agencies at the border, to prevent from subsequent border-crossers who have already applied for asylum or could continue their negative activities in the future.

It is also worth developing bilateral cooperation on both sides of the Lithuanian-Russian border as well as between the EU and Russian authorities, simultaneously enhancing mutual interest in the neutralization of negative consequences. One possible proposal could be related to the Russian obligation to implement simplified procedures for its citizens while returning to their homeland. In addition, Lithuania should emphasise the need to strengthen mutual border throughput in order to achieve the EU-Russia visa free agreement and to avoid discrimination from the Russian side.

Finally, examples of good practice become relevant in the context of potential visa waiver. One of them is the Electronic System for Travel Authorization (ESTA), applied in the US. The main idea of this system is to register in the automatic system persons who want to travel to the US, and then issue permits. The EU does not have a similar system; however, Lithuania could offer to analyse at various levels the possibility of introducing such a system in the case of looming visa waiver.

Finally, in an attempt to guarantee customs control of goods so that they do not enter the EU customs territory without control, it would be expedient to apply a special customs supervision regime for such goods. These means should be financed from the EU by continuing the Special transit programme (or an analogous scheme) and this question ought to be discussed and regulated at the EU level.

September 2011

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87 Interview with Audronė Sviklaitė, 2011 January 31 (Footnote 55)
88 Ibid.
89 For example, to conclude a bilateral agreement with Russian concerning the fight of organised crime. This legal instrument would guarantee a more efficient exchange of information; to conclude inter-institutional agreement on a lower level between ministries of the Interior and Finances, which would facilitate cooperation with respective law enforcement bodies in the Kaliningrad region after the visa waiver; to conclude an agreement between the European law enforcement agency (Europol) and corresponding Russian institutions which would enable to carry out joint investigations and pave the way for the exchange of personal data, simultaneously ensuring better protection of such data in Russia.
90 Interview with Antanas Turčinas, 2011 January 27
91 Interview with Olegas Skinderskis, Director of International Cooperation Department, the Ministry of the Interior, 2010 December 8.
Political Parties of Lithuania: Canonization of the Fight for Power, Deconstruction of Responsibility and the Actualization of Internal Security

This article analyzes aspects of the activity of political parties as well as the lack of internal security harmony in Lithuania. The activity of Lithuanian parties is researched pursuant to the standpoint that the desire of the parties for power is greater than their readiness to organize effective political governing. With the fight for power having become an aim in itself, the parties do not pay the required attention to the prediction of the results of their political governing, promise extensive and rapid changes and begin unprepared reforms. Inadequate ambitions of political power are typical of irresponsible parties. Society fails to understand the responsibility standards of the parties, whereas broken promises of the parties are associated with lies. The article emphasizes that internal security is impossible without effective political governing. Unexpected results of the policy(s) conducted by the parties in power threaten internal security and their consequences build up social tensions. Simultaneously, the discontent of society with the present democracy grows. The de-legitimation of the political regime, dominated by the parties and party elites, does not grant internal credibility to the democratization of Lithuania. Lithuania remains a weak and internally insecure democracy.

Introduction

Political parties are criticized in all countries, yet democracies have thus far not learned to exist without parties. Though parties, due to media, social movements and the impact of experts, have lost the role of independent political agents, they remain influential political players. Research on Lithuanian parties has reached such a stage that it is stated that the economic backwardness, social polarization, political alienation, discontent with the present democracy, internal security associated with the weakness or incapability of the parties are getting systemic. Within the incapability structure of the parties, their hypertrophic ambitions for political power are disproportionate to their ability to govern and the
lack of political responsibility should be pointed out.

The first premise of this research is: a complex indicator of the incapability of the parties is the ineffectiveness of the political governing. In Lithuania, parties have created a weak or ineffective democracy. Regular and competitive elections are held, the opposition is operating, yet democratic governing is ineffective. Democratic governing is considered to be ineffective or weak when the democratic regime, following its nature, opens perspectives for the expression of diverse interests and public conflicts, but is incapable of coordinating those interests and resolving conflicts. A weak democracy is dangerous to internal security. Internal security is supported by relations of social stability, when certain individuals do not pose a threat to the welfare of other individuals as well as to the common order, do not expect such a threat from others, trust each other and are ready to cooperate in solving public problems for the good of common goals. A conflict of interests is characteristic of any society, but internal security is not lost if interests coordination intermediaries, which usually are parties, are dependable. However, when a conflict of interests reaches the level when particular groups begin to thrive at the expense of others and the latter even emigrate, i.e. migrate from the state and society, internal security faces real threats. The population of Lithuania, one of the poorest European countries, refrains from identifying itself with political democracy. Damaging, economically not provided democracy is not stable and irreversible. With the economic inequality developing into social differentiation, incompatible with human dignity, citizens neither feel nor are politically equal. In Lithuania, more than half of the population is dissatisfied with the present democracy, expectations of having a strong leader are as great here as anywhere, conviction that human rights are not respected prevails, extreme distrust of political parties and those in power is present, and it is believed that the State serves not for the welfare of all its citizens, but for particular narrow interests groups. All these are indications of internal insecurity. Society has split in a social economic sense; it has become more conflict-bound when human value came to be measured by a human’s market value. Since the trust in government institutions and parties is

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critical, there is no direct political interaction – conflicts are not solved by the very social groups either. Unresolved conflicts are dangerous because of the unpredictability of their development. It is only known that intolerance and aggression are the consequence of the discontent with living conditions, the reasons for which are generally sought in the activity of other social groups, most frequently no matter which. There are indications that the discontent with living conditions is consolidating the ever growing part of Lithuania’s population.

Democratic political governing is not possible without parties and their competition for power, yet competent parties organize the “division” of power in such a way that the process does not escalate conflicts in society and strengthens internal security. Realizing that weak parties are the outcome of a weak civil society, we associate the reasons for a weak democracy in Lithuania with parties. A strong civil society, tolerating and not hindering the state yet counterbalancing its dominance, could not develop right away because of the consequences of sovietization. Meanwhile, parties at the time of their establishment, did not become forms of civil society mouthpieces and, in a sense, overshadowed civil society, but, lacking internal democracy and essentially being closed, separated from civil society. The self-organization of the latter is thriving beyond party borders. The development of civil society in Lithuania, like in other countries of similar development, is determined by the fact that the level of the economic development is not high enough for its members to have sufficient time and means to participate in public activity, but it is neither so low as to preclude them from taking up busy public activity without paying attention to their personal interests. In a passive society, democracy dominated by parties is possible, provided the parties are well aware of their exceptional responsibility for the competences of their members, entrusted with the mandate to govern, as well as the executed policy and do not aggravate the differentiation in society by engaging in fighting for power “without rules”. The limitation of the readiness of parties to govern is confirmed by unsuccessful reforms.

The second premise of the research: neither of the two main definitions of post-democracy is directly applicable to Lithuania. The analytical dimension of post-democracy is resorted to not for the sake of discerning reasons for non-participation in politics, but in order to find out perspectives of the “non-participating democracy”. Non-participation in politics is not an exceptional feature of Lithuanian political life, but Lithuania should be attributed to a group of countries where non-participation might mean de-democratization. Thus the analysis of the internal factors of the reliability of Lithuania’s democratization or of the irreversibility of
democracy would be continued.\(^4\)

The diversity of reasons for de-democratization is great; therefore, it is sensible to refer to Ch. Tilly’s generalization: there are no mandatory de-democratization conditions, there are only mandatory de-democratization processes. Ch. Tilly points out three such processes: isolation of trust (social capital) networks from public politics; integration of economic, social and other crucial inequality into politics; and the increase in the impact of autonomous power centers on the state and decrease in the citizens’ role in politics.\(^5\) De-democratization is a decreasing accord between those in power and citizens on the issues of state development.

Going back to the conception of post-democracy we would like to note that in analytical constructions it is defined as a situation when, with a low-level participation of citizens, it is expected that those in power will follow democratic governing principles as consistently as when they are controlled by participating society that the relation between citizens and governing institutions will be retained.\(^6\) At the same time, it is not expected that minorities will stop dictating terms “from the top to the bottom”, but it is hoped that the political process will remain open to a discreet and irregular involvement of citizens for the majority of which politics is only a peripheral activity. Post-democracies are analytically construed as political regimes within which the majority of the population would not even feel the absence of democracy. Such a “without-us” state does not mean lethargy, but should rather be called the harmony between parties’ activity and internal security. It is simply believed that democracy, as a governing system, has reached the limits of its possibilities.\(^7\) There also exists a pessimistic scenario of post-democracy, according to which political equality has been lost and it will be necessary to start everything from scratch.\(^8\) Both conceptions of post-democracy feature the concept of non-democracy. Non-democracy is the incapability to consistently follow the principles of democracy, at the same time refusing to acknowledge the principles of autocracy. A. Ramonaitė observes: the population of Lithuania is not against democracy, which, by the way, they link to the freedom of word, responsible and

\(^4\) This statement should not be understood in the literary sense. M. Castels points out that a majority of people do not see any alternative to democracy as a form of governing, yet a growing number of citizens begins to think that democracy does not help them cope with everyday life hardships ( (Castels M. Informacijos amžius. Ekonomika, visuomenė ir kultūra. Volume 2. Tapatumo galia. Kaunas: Poligrafija ir informatika, 2006, p. 391)).
fair state power, equality referring to laws and respect for human rights but not to elections and parties; however, they believe that Lithuania needs “a strong leader” who is restricted neither by the parliament nor elections. In the context of post-democracy, political competence should be attentively explored. Political competences are an Achilles’ heel of politics. Research on Lithuanian parties abound in recommendations to change methods of parties’ activity, to determine the ideological identity and so on; but the issue of their political competences is not, in essence, formulated. Political competence is the capability to define political problems, interpret them as solely political and present their solutions following political principles. To be competent in politics means to have one’s own opinion about political processes, even change the direction of these processes. Political competences are specific because they manifest themselves under public acknowledgement. In democracies, the issue of political competences is revealed first, when the authorization of the mandate to govern is under way; second, when those in power employ the given mandate in solving public problems.

The third premise of the research: *democratic pluralism is not identical to democratic primitivism*. It is important to see the boundary of democratic pluralism which is defined by G. Sartori as the distinction between the “horizontal democracy” and “vertical democracy”. Ignoring this distinction, we would find ourselves in the area of democratic primitivism and “would forget” that political democracy is only a system of political governing, whereas parties are intermediaries between society and those in power, to put it bluntly, their own people, i.e., those who were delegated by the parties and received a greater vote of confidence in elections. The status of parties, as autonomous intermediaries, is possible when they are separated from society and the state by what K. von Beyme calls “the minimal distance.” The above-mentioned “Sartori distinction” safeguards democratic regimes from “the steam bath of popular feelings”. If nations engaged in active and in such cases also emotional political activity, no one knows what

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12 Doubting G Sartori’s distinction: “meritocracy or ignorance” because it is similar to the definition of politics without politicians, we can agree with R. Dahrendorf who pointed out post-communist democratic illusions: “Democracy, in the sense of asking people to decide, will not fill this vacuum. “We the people” can rise against the abhorrent regime of exploitation and suppression, but “we the people” cannot govern. The democratic illusion that there is such a thing as government by the people has always been an invitation to usurpers and new monopolies.” (Dahrendorf R. *Reflections on the Revolution in Europe*. New York, Times Book/ Random House, 1990, p. 12).
would remain from the current parties and political regimes. It is obvious that in democratic elections it is possible to become, for example, a member of the Lithuanian Parliament having obtained 6 percent ballot of eligible voters in the constituency only in case society does not participate. Certainly, this is not the democracy of a “thriving diversity”.

Trying to avoid democratic primitivism, we will analyze parties in the narrow sense as a collection of party elite, party functionaries. Identifying power ambitions and political responsibility with all party members would not be an effective research instrument because the participation of ordinary party members in shaping party political doctrines and executing practical policy is very limited. Political doctrines of parties – a particular vision of the social world – are presented by party elites and practical policy is also executed by them. The role and responsibility of party elites are decisive for political democracy. Ch. Tilly highlights an important moment of the responsibility of party elites by pointing out that democratization is a more massive, more gradual and slower process than de-democratization, whereas de-democratization is not the consequence of society disillusionment, most often it is the result of the activity of political elites.\footnote{Tilly Ch. 2007.}

The research of parties in the narrow sense is all the more reasonable because Lithuanian parties do not boast internal democracy. G. Žvaliauskas has determined that in 2007, the regulation of the internal life was democratic only in the LSDP and the Homeland Union.\footnote{Žvaliauskas G. Ar partijos Lietuvoje demokratikos? Kaunas: Technologija, 2007.} The low number of party members\footnote{A relatively small 3 per cent membership of parties is not an exceptional feature of Lithuania. The exception lies in the fact that the average size of a party does not even amount to 2 thousand members. If it were possible to estimate the number of “dead souls” in the parties, the actual membership figures in most parties would become despicably low.} testifies to a narrow circle of persons delegating appointees for power. The relationship between a meager party membership and closed party character\footnote{It turns out that in Lithuania, 11 percent of people would like to join parties; in case of young people – up to 20 per cent; however, 86 percent claim that they have not been delivered an invitation and have not been encouraged to engage in party activity. (Ramoničė A. Kodel žmonės nestoja į partijas? Lietuvos gyventoju politišrio į partinę narystę analizė. Politologija, 2010, Nr. 2, p. 26).} is manifested in a still narrower circle of political decision makers. Such parties are similar to M. Duverger’s “cadre parties”.

The fact that parties in Lithuania have established a weakly governing democracy is not the whole problem. It is important whether Lithuania is aware of the necessity to strengthen parties as the manifestation of civil society, whether weak parties are left to their own means to cope with this necessity or whether
attempts are made to renounce party “services”. Ideas about the not too distant demise of parties are “rather exaggerated”; therefore, we will have to live with the criticized parties, the question being – with what parties? It is preferable to live with those capable of organizing effective political governing.

1. Fights of Political Parties for Power and the Issue of Political Governing

The attention of parties for political power is the norm of their activity. The norm is not violated if parties, having come to power, govern effectively. But there are numerous cases when the fight for power is hypertrophied, power is sought for the sole purpose of possessing it, but not for governing effectively. Such ambitions of those in power do not serve the solution of public problems and stimulate distrust. Effective political governing under conditions of uninterrupted party competition is feasible if there are formal and informal institutions (rules): a) predetermining the governing of competent politicians; b) supporting political elites, seeking power for the welfare of society; c) regulating conditions of party participation in the government; d) precluding the undermining of governments for assets or honor; e) guaranteeing a working opposition.

Lithuania factually exercises discontent with living conditions, concern about their deterioration and, thus, reversibility. But actually it is just a minimal feature of any area of governing that eliminates reversibility processes. We have both structural and functional problems of political governing. The greatest concern is that Lithuania, according to the world’s economic development indicators, being down to a place somewhere in the fourth dozen (between 37 and 48), is encountering danger of slipping even further from this position. Lithuania is surpassed by separate “third world” countries. Without increasing the tempo of development, Lithuania might find itself in the “third world”. But Lithuania should not be called a country “lodged in the history”; it is a catching-up country, possessing internal development resources, for the activation of which external support is necessary. Thus, we are talking not about backwardness, but about perspectives of catching up with high-development countries. Catching up requires a rapid development,

particularly purposeful will efforts for bringing together society and the state. Who is bringing Lithuania together at present? By no means the parties. But then, what is the role of parties? Parties select those in power and submit them for approval in competitive elections. It is this “submission” and “approval” that are a particularly significant part of the democratic political process.

The Lithuanian party system has not yet developed into a formation which in strong democracies is called political stability and is associated with effective governing. Each new national election stimulates not only the establishment of new parties, but grants them levers of state power. This testifies that the consolidation of the governing class has not been finished yet. In 2004, A. Krupavičius and A. Lukošaitis stated that 6 parties (the Lithuanian Democratic Labor Party, the Homeland Union (Lithuanian Conservatives), the Lithuanian Christian Democratic Party, and the New Union (Social Liberals), the Lithuanian Liberal Union, the Lithuanian Center Union) could be treated as parties capable of participating and shaping government policy. By 2011, a part of these parties had stopped existing, a still larger part had changed, whereas the line of effective (relevant) parties were supplemented by the new parties: the Party of Law and Order, the Labor Party, the National Revival Party. The two largest and decisive parties, the LSDP and the Homeland Union also evolved structurally and ideologically. The era of new parties and the consolidation of the governing class are still continuing.

The fragmentation of the political system in Lithuania is not critical. Par tology authorities point out that all parties should not be taken for granted and counted. Party fragmentation of G. Sartori’s “limited pluralism” or the decreasing number of parties through the system of elections in Lithuania could be discussed in favor of the likely greater political competitiveness due to a smaller number of parties. The mixed national elections system in Lithuania, having a more distinct proportional representation component, though certainly not ideal (such are non-existent), partly copes, if we follow G. Sartori’s researches, with major shortcomings of the majoritarian and proportional election systems. Those determined to reform the election system would have to decide whether to accept fewer parliamentary parties and more radical non-parliamentary parties or more parliamentary parties and fewer radical non-parliamentary parties.

It is important to remember the conditions of successful democratic governing defined by J. Schumpeter: politicians should be not only sufficiently qualified but also morally strong people; the area of political decisions should not

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be too broad; democratic power should be based on professional bureaucracy, having prestige, traditions, a strong sense of responsibility and an equally strong esprit de corps; strong democratic self-control is mandatory, i.e. adherence to laws, resistance to proposals by demagogues and fanatics, resistance to the temptation to overthrow the government on each suitable occasion; and, finally, respect of electors for the elected politicians.21

Without reiterating that these conditions in Lithuania are problematic, let us note that the essential interference of political governing is the concentration of parties on the part of policy called politics. It is the part in which policy is narrowed to programs-related statements and the competition for electoral votes. The elementary scheme of the political process is arranged from a two-phase link: fighting for the mandate to govern (politics) and employment of the mandate to govern (policy). This link in the activity of parties is not spontaneous. In Lithuania, we observe a non-proportionately high concentration of parties on the goals of fighting for political power. For the sake of the party, the authorities tend to ingratiate themselves with electors by any means, but, having been given the mandate, ignore their will. Party activity should not limit itself to fighting for the mandate to govern, it is no less important, and for society actually most important, how the governing power employs the mandate in solving public problems.

The “clinging” of Lithuanian parties to power is confirmed by facts. The first fact is that those in power are chosen exceptionally through party channels (the indistinct exception being the institution of the President of the Republic of Lithuania), and parties have monopolized the selection of the willing to govern by allowing only those candidates that have been nominated by them, in certain cases not even party members, to participate in elections. The second fact is that party leaders that have lost elections remain in the leading positions within parties. In Lithuania there is no tradition, characteristic of strong democracies, for party leaders that have lost the elections to resign. The third fact is that politicians often change parties and factions. The fourth fact is that post-election conjuncture coalitions are formed when neither election results nor differences in election programs are taken into consideration. For the sake of the party those in power have created a situation of “ideological incognizance”. E. Butkevičienė, E. Vaidelytė and G. Žvaliauskas did not find a single instance when a party, having completed negotiations for joining a coalition, had refused to participate in the Government under formation because otherwise it would have been necessary for the party to

betray its values. The fifth fact is the condemnation and elimination of the so-called “statesmen” from public life as “the traitors of the homeland.” Certainly, in their activity, some politicians, civil servants and intellectuals did not choose democratic pessimism and populist submissiveness, did not ascribe to society innate political sense and aspired to the status of technocracy, ignored parties and their hierarchies. The rise of “statesmen” was a reaction to the efforts of party elites to preclude the formation of professional career bureaucracy which would inevitably become a power partner. The party establishment could not stand this.

The formation of conjuncture coalitions of the governing power has become the newest form of fighting for power. This phenomenon has particularly spread since the municipality elections in 2011. The history of disregard for the results of national elections was begun by President V. Adamkus in the year 2000. The principal plan of the “new policy” to decrease the political left-right confrontation ignored the results of the elections to the Seimas. In 2004, while forming the Seimas governing body and the Government, election results were not taken into consideration either; discredited persons laid claim and were appointed to minister positions.

The mess of conjuncture coalitions might have no direct influence on municipality governing capability; however, it has negative consequences for the party identity of electors and trust in parties. Besides, the electors were not only disorientsated, they also felt deceived. In separate cases, parties, having received the greatest number of ballots, do not become the governing power, polarized left and right parties become coaltional as successfully as much more value-related political forces. There are instances when representatives of a party participate in the activity of both the position and the opposition. Such deals of party authorities are incomprehensible not only to the electors but also to ordinary party members. Conjuncture coalitions in municipalities can be explained by the dominance of personal interests. Yet conjuncture coalitions on the national level mean non-democracy and can grow into de-democratization because they are an internal

23 Jokubaitis A., Lopata R. Valstybininkai: pretenzija į sąvokos analizę. Politologija, 2009, Nr. 4, p. 57-80. I cannot agree with the authors that the term “statesman” should be associated with politics, but not with policy doctrine. The term statesman, apart from indicating exceptional professional and ethical qualities, defines not so much fighting for power but competences to resolve public problems, capabilities to coordinate interests of the state and society. Statesmen should be identified with the strategic elite.
agreement of the governing class, division of power while ignoring the electors. It should additionally be pointed out that conjuncture coalitional policy precludes the formation of equal value opposition. Why are such facts possible? Perhaps due to the fact that parties have canonized themselves and their fights for power: “parties are power” and “power is parties”. In this case, parties do not have to seek political power by any means, power already “belongs” to parties. Recruits of those in power are limited to party-parliamentary elites and their selection from other elites is actually null and void. Thus, no attention is paid to the fact that society has also other powers; the most powerful from them are the economic and cultural powers. Or perhaps the above-mentioned facts are possible because it is complicated to draw the difference between what G. Navaitis, a psychologist, calls an adequate and compensational striving for power. Adequate power ambitions are socio-centrist, power is sought for the welfare of society. Compensational power ambitions are ego-centrist, power becomes an instrument for satisfying personal needs. Further: in case of the compensational power ambition, internal party democracy is restricted, party authorities become particularly closed and even non-professionals become the governing power. This has a direct negative impact on the development of the country.

Lack of development determines the disappointment of society. Disappointed expectations are the greatest danger of internal security. It is necessary to add that, in catching-up societies, expectations are unreasonable; therefore, such societies get disappointed particularly fast. In the long run, the disappointment in unreasonable expectations develops into the conviction that it is the governing power that has caused the disappointment. What parties should genuinely be punished for by the electors is their inability to develop political leaders that could consolidate the disappointed society and amass it for the development; at present, party elites rather increase this disappointment by naming any changes development.

The governing power also loses because they underestimate the necessity to consult with society where more and more information keeps circulating and ever more knowledge is generated. Society, separate groups, having certain economic and educational potential, are capable of formulating their interests and are aware of their political context. Research is necessary in order to determine the reasons for such attitude of the governing power: whether it is the underestimation of society capabilities or the outcome of the governing class “kitchen” or simply arrogance of the “national representatives”? V. Nekro is claims that even when society is better

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informed about public activities, populist parties, seeking to get more votes, will continue to use better information in a distorted way.\textsuperscript{27} We should not discard the idea that party elites, whose interests in one way or another are associated with the success of parties and with the specific benefit of the “nation’s representative” to freely formulate a policy, are trying to coordinate their mandates with their personal interests. According to P. Bourdieu, it is impossible to deny that in such a case the interests of those having the mandate and those having given the mandate to the former simply coincide.\textsuperscript{28}

Being proponents of the responsibility of political elites for democratic governing, we have to pay attention to the results of scientific research on this topic in Lithuania. M. Degutis, having stated a passive reaction of a great part of Lithuania’s population to a possible threat for the democratic state system, believed that the return of an autocratic regime was scarcely possible, first of all due to the standpoint of the political elite and foreign policy context; Lithuania’s political elite is much more distinctly orientated towards a democratic state system than the majority of Lithuania’s population.\textsuperscript{29} In later research the conclusion surfaces that such an attitude to Lithuanian political elites is too optimistic and a passive political culture, dominant in society, poses the risk of the possibility of authoritarianism and electing non-democratic politicians.\textsuperscript{30} In this discussion we can only add that political elites are genuinely more loyal to democratic governing, not necessarily as the most effective one, but by all means as the safest in terms of their status in society.

The economic, social and political situation in Lithuania is developing as if it were necessary to find room in the line of catching-up countries. Having read D.C. North, you begin to contemplate whether it is still possible to change your own “historical path”?\textsuperscript{31} Lithuania is not a hopelessly lagging-behind country; however, we should be concerned that we are not determined to effect a development breakthrough, and neither are our political parties. The latter perspective is getting away solely due to the fact that the outcome of twenty years of weak

\textsuperscript{30} Ramonaitė A. Gerovė ir parama demokratijai Lietuvoje. Politologija, 2005, Nr. 2, p. 69-90; Lietuvos tauta: būklė ir raidos perspektyvos, 2007, p. 84.
democracy is poor capitalism, i.e. what L. Donskis has called “social rage” and political elites – “perpetual policy testers”. It is relevant to ask whether poor capitalism, social rage and perpetual policy testers are not becoming a permanent state of our society.

2. Cases of Lack of Political Responsibility of Parties

We attempt to define atypical political responsibility through the analysis of the nature of differentiation between predictable and unpredictable outcomes of political governing. This approach is characteristic of a sequential change in the emphases of value-related and functional traditional political responsibility, whereas the ability to govern is qualified as a component of political responsibility which is more than equal to moral governing. The traditional sequence of the emphases of political responsibility is represented by what has become a style of Lithuanian politics when the resignation of politicians who have offended against ethical standards of society is demanded; however, responsibility is hardly ever required from moral, yet ineffectively governing politicians. Political responsibility is responsibility for exercising state power (through influence or coercion) in orienting the development of the country in the politically agreed direction. The basis of political responsibility is the ability to govern, fulfilling promises, achieving set goals, and – in democracies – achieving public goals that have also been discussed with society. Political responsibility also implies value-related self-control, avoiding lies, formulating public problems and their solutions. Consequences of political responsibility/irresponsibility are overall, to a greater or lesser extent decisive for all members of society.

It is hard to determine political responsibility by rationality characteristics. Predictability of political results is a more complicated task than predictability of the activity of individual organizations or firms. In politics, it is impossible to apply the economic principle of rational profit maximization. Political choices are based on the principle of public utility which is not identical to profit maximization. The relationship between the extent and implementation time of programs proposed by politicians is not (and cannot be) proportional. Democracies do not make an exception. Trying to win elections, parties put forward as great and as rapidly implementable reforms as possible. Predictability of the outcomes of such reforms

is always a problem. A policy, especially its *politics* phase, is often blamed for the lack of functionality and its ineffectiveness. If we related effectiveness and profit to the correlation of goals and results of the activity, we would notice that often goals and results of a policy do not coincide, whereas what is effective is not useful for all. This can be seen while facing health care, pension, education and science, finance, energy and other public issues. What is useful for some social groups is of no use for others. Parties are forced to constantly solve the task of how to move from usefulness for separate social groups to the manifestation of usefulness for the entire society. It is a natural dispersion of political responsibility. Political responsibility undergoes this dispersion through the involvement of parties in a coalition government or after a party forms a minority government. Because of this, unexpected results cannot be avoided in politics.

Below two cases are presented when Lithuanian parties ignore their responsibility―cases which do not fit in the framework of “the normative” of the inevitably unexpected results. They are political no-truth turning into a lie and the left orientation inconsistency of the LSDP.

### 2.1. Relationship of No-Truth and Lies in Politics

“The factual truth is characterized by the fact that the opposite of it is neither a mistake, nor an illusion, nor an opinion, nor truth reflecting personal righteousness; such an opposite is conscious no-truth or lie”. 34 Using this generalization made by H. Arendt, we want to develop our own conception of the difference between a no-truth and a lie in politics. However, prior to that, let us consider two Lithuanian realities.

“We’ll fix the Seimas – we’ll make order in the state”, – it seems that apart from stylistic problems, everything is correct in this statement. However, when we found out that this is part of a political advertising of the 2011 election to the Seimas in the single-mandate district of Danė, we have doubts. As simple as that – one new member will “fix” the Seimas! It is obvious that this is no-truth, but isn’t it a lie?

In his assessment of the resignation of the Minister of Economy D. Kreivys and the failed interpellation against the Minister of Energy A. Sekmokas, former President V. Adamkus noted: “I do not intend to judge about the extent of dishonesty, fallacy < ... >, but I see that truth is the least concern of politicians”. 35

It is often claimed that to gain power, politicians have to lie. It would be

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more sensible to say that political rhetoric is dominated not by lies but by naturally not telling the truth. Without reiterating frequent statements about rare compatibility of politics and truth, let us note how little attention is devoted to the culture of no-truth inherent to politics and which is not foreign to society either. Of course, V. Kavolis would have reminded us of the value-related nature of culture, that culture sets moral requirements and does not imply any generality of behavior; there are generalities of behavior – poverty, violence, etc. – that are not appreciated, protected, wanted by the members of such “cultures” themselves.\(^\text{36}\) We can justify ourselves only by the fact that culture here is related not to lie, but to unawareness of truth, fallacy.

There is no need to be one-sided critics of parties and each and every party leader. P. Bourdieu observed that the official truth of an official person, the cult of public service and loyalty to society welfare will not withstand distrustful criticism which everywhere detects corruption, careerism, clientelism or, in the best case, a private interest in serving the general welfare.\(^\text{37}\) However, there is emerging a tendency that parties and their leaders often lie to society or too often consciously “err”.

P. Bourdieu’s moderate relativistic conception of truth in politics should be discussed in our research.\(^\text{38}\) Having no possibility to present it in detail, let us emphasize its underlying motive; to society, truth is what social groups think about themselves and try to universalize, while politicians, seeking to become mouthpieces of the interests of the groups, have no right to ignore the beliefs idealized by these groups; the groups acknowledge only those politicians who publicly demonstrate their own acknowledgement of the beliefs of these groups. Politicians earn profit, acknowledging social ideals, intending and promising to implement them. We have to add here that politicians act in the environment where “truths” of groups are not identical, whereas society is a totality of social groups that “have correctly perceived their interests”. With reference to H. Arendt, who states that truth is what we cannot change,\(^\text{39}\) lie will be the avoidance of truth independent of social groups.

The difference between no-truth and lie is the difference between an error or “a noble lie” and conscious deception, not telling the truth.\(^\text{40}\) The nature of no-truth in politics may be called natural. Political problems are getting more

\(^{36}\) Kavolis V. *Kultūros dirbtuvė*. Vilnius: Baltos lankos, 1996.


\(^{38}\) Bourdieu P. 1993, p. 323-327.


\(^{40}\) In the Lithuanian tradition of research on lie, this differentiation is defined more carefully: “The boundary between a lie as conscious deception and an error as unconscious deception in some cases can be very vague” (Maldeikis P. *Melas kaip pedagoginė problema*. Kaunas: “Šviesa” Press, 1938, p. 8).
complex and global; it is more complicated to trace their causes and harder to forecast them, and it is still harder to solve them. No-truth in politics is related not only to the capabilities of politicians and experts to formulate and solve public problems, but also to the expectations of society. A flaw in democracies is the fact that politicians, in their mutual competition, making promises escalate unrealistic expectations of society as to what the government can deliver. And hence, “no one, trying to cool down citizens’ expectations to a realistic level can gain political points”. Even professionalization of politics does not counterbalance no-truth. Lying in politics has different origins: a conscious not-telling of the truth is determined by fear or self-interest as well as unprofessionalism. Unprofessionalism is not justification of unawareness of truth. A lie can often be organized in politics; political discipline also implies discipline in lying. However, if a party possesses internal democracy, it foresees the possibility to avoid factions and, at the same time, “disciplined lie”.

No-truth in politics has three forms: 1) no-truth as a promise (an ontological form of no-truth in politics); 2) no-truth as a secret (a consequence of state secrets); 3) no-truth as unprofessionalism (a consequence of demagogy, naivety or lack of expert knowledge).

Known causes of an excessive extent of no-truth in Lithuanian politics are: 1) four-fold and rapid post-communist transformation; 2) unreasonable expectations when society expects from politics and itself more than is really possible; 3) natural unprofessionalism of politicians at the beginning of the transformation and lack of professionalism during subsequent periods. A certain increase of the extent of no-truth at the beginning of the post-communist change was justifiable. It was determined not by an exceptional inclination of Lithuanian politicians not to consciously tell the truth. A new social structure was developing in the environment of chaos; it was more evident what kind of potential was being lost with the old social layers withering away, but there was no clue what potential of the development the new social layers were going to have. The new political elites did not know their potential either. With hope and enthusiasm the Lithuanian society took all promises to improve the living conditions as well as references to the enemies interfering with a better life. Failure to fulfill these promises even led to political success; it was the enemies that were precluding the implementation of noble ambitions. Thus, politicians were telling the things that society wanted to hear and expected. But truth is not always what society thinks; besides, it also changes its opinion. Meanwhile, those in power have not changed “the tape”. Why now the statements about “Lithuania making progress” are considered deception

by society? Because society is in a state of frustration. Because reforms that gave hope bring unpredictable and unexpected outcomes. Today, twenty years after the restoration of the independence of the state, this can no longer be justified; this is a flaw of those in power. Eventually, it is becoming obvious that promises turn into conscious deception in seeking power; parties and their leaders promise changes, being aware of their unimplementability.

In Lithuania, the extent of telling no-truth is so great that experts find it difficult to distinguish when politicians tell no-truth and when they lie. Different assessments should be used concerning the ratio of no-truth to lie when selling “Mažeikių nafta” or disclosing the account of the Belorus opposition organization, ratifying the collapsed Constitution of the EU or forming conjuncture coalitions, speaking about the construction of the new nuclear power plant or avoidability of the economic crisis. The fact that the extent of no-truth in Lithuanian politics exceeds natural boundaries is indicative of what M. Edelman identified as “ambivalent attitudes of society”.42 Such attitudes indicate skepticism and distrust towards promises and work, while political support for both parties and state institutions is getting more and more accidental and unpredictable. Massive flows of no-truth are identified with conscious not telling truth. And then, absolutely regardless of the explanations of what in Lithuanian politics is no-truth and what is lie, what arises from self-interest of professional politicians and what from the naivety of unprofessional politicians, distrust of society in governing power amounts to delegitimation.

2.2. Inconsistency of Political Leftness of the LSDP

One of the reasons why the activity of parties in Lithuania has not yielded results was the Lithuanian Democratic Labor Party and, later, the doctrinal posture and practical policy of the LSDP. The LSDP made too pronounced a shift towards the political center, causing a problem of a political left-wing systemic party. Recently, attempts have been made to prove that the left-wing political power is not necessary either to capitalism or democracy; there is an ongoing discussion on the sense of the distinction between the political left- and right-wings. It is worth recalling that attempts are made not to see the differentiation between left and right when one of the wings of the political spectrum finds itself in crisis.43 At present, the left wing is in crisis. However, capitalism ceaselessly creates the necessity of

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new left-wing parties; it can’t help actualizing the values of equality. Still greater
need for left-wing parties is created by poor capitalism. It is worthwhile seeing
what happens when parties that call themselves left-wing parties are incapable of
communicating with people who cherish left-wing values.

In research on Lithuanian parties, the differentiation between left and right
is one of the most oft analyzed topics. There is a prevalent question: why do Li-
thuanian parties, let us generalize, seek ideological neutrality? Also, there is a focus
on the necessity for parties to establish a more distinct identity within the left-right
spectrum. The absence of the ideological identity of parties is called a systemic
problem. Lithuanian politologists notice a relationship between the increasing
number of people who do not relate themselves to any party and the decreasing
turnout in elections. Yet, it has not been defined if in this case there is lack of
clear ideological posture of the parties or there are doubts about their political
competence. Meanwhile, de-ideologization is called pragmatism by politicians.

“Ideological neutrality” manifests itself within all party systems. It is de-
termined, first by the diversity of the complex of needs and interests of modern
people – diversity that “does not fit” into any one of the systems of ideological views;
second, substitution of long-term and universal political programs for separate
ones, orientated towards local problems, and therefore often changing programs;
also, substitution of ideologies with the results of public opinion polls. Although
Lithuanian parties avoid ideological identification (the Homeland Union even
removed the term conservatives from its name), facts testify that in 1994 approxi-
mately 80 per cent and in 1999 about 60 percent of the Lithuanian population
indicated their identity on the left-right scale. In countries of the Western and
Northern Europe, such population makes up more than 80 percent. These figures
alone suffice to state that the ideological differentiation between political left and
right is not losing its functionality.

The inconsistency of the LSDP left-wing political orientation has two, yet
weighty, justifications that are not dependent even on it: 1) The Lithuanian party
system is not structured, therefore all parties are still construing their identity. 2)

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44 Novagrockienė, J. Lietuvos partinės sistemos raida. Book: Seimo rinkimai ’96. Trečiasis “atmetimas”. Com-
piled by A. Krupavičius. Vilnius: Tvermė, 1998 p. 298-324; Jurkynas M. Politinio konflikto kaita ir tako-
Lietuva po Seimo rinkimų 2000, p. 51-61; Ramonaitė A. The End of the Left-Right Discourse in Lithuania?
In 1992 – 1996, the governing LSDP had to create the foundations of an effective economic system – capitalism – and be more pro-capitalist than socialist.

G. Sartori “sees” a structured party system when voters identify themselves not with party celebrities, but with abstract images of the parties (when it is not the leader who “selects” the party, but the party “selects” the leader), whereas organized mass parties oust and, on a large scale, change celebrity parties.47 There are two organized mass parties in Lithuania – the LSDP and the Homeland Union, but they do not even try to “oust” celebrity parties from the political arena. The elimination of the two-stage voting in 2000 was beneficial for the latter parties, while the LSDP and the Homeland Union, having trusted the new allies, have already gone through running unstable coalition governments. Of course, electors cannot identify themselves with party images if such do not exist, but there are just famous (well-known) personalities. Two decades ago, parties, with the exception of the LSDP and the Homeland Union (Lithuanian Conservatives), were forming at the level of parliamentary groups, and those that have formed during the last decade can be characterized by exceptional personification. A low living standard offers the perspective of clientelism to a personified activity. “Celebrity” parties are not a mere whim of famous people who wish to govern; society, which is not satisfied with the governing parties, supports new non-systemic parties.

In research on Lithuanian parties, the problem of the structure of political left is not being discussed.48 We can use G. Sartori’s definitions of systemic and anti-systemic parties.49 In order to simplify G. Sartori’s anti-systemic differentiation, a non-systemic party concept is suggested. Systemic parties are potential parties which, upon receiving an electoral mandate, are capable of forming or considerably influencing the formation of the government as well as governing. We understand non-systemism not as a modification of anti-systemism (extreme criticism of the political system or even a demand for a change in the political state system), but as that of systemism. It is important to emphasize it since non-systemism is often identified with anti-systemism. Non-systemic parties differ from systemic ones in their incapability to form a government, yet they are capable of dampening the outbursts of “risky classes” and anti-systemic (extremist) parties. Left-wing non-systemic parties are an emancipation reaction, often populist, to the non-decreasing social inequality and social injustice. Following the same social logic as systemic parties (otherwise they would not be legal participants of the political process), non-systemic parties are “a lightning rod” protecting the political regime from the discharge of extreme

social tensions and maintaining the social balance. Non-systemic parties also look for recruits in anti-systemic social movements, “annexing” them, i.e., granting them the citizenship of the existing political system. Compensation offered to non-systemic parties is a priority partner of the governing coalition.

The problem lies in the fact that the potential of the non-systemic parties – the People’s Party, the Labor Party and the Party of Order and Justice – can amount to the potential of the systemic LSDP. A social structure is being formed where “risky classes” or social groups, markedly losing in the division of assets, information and power, are becoming more massive. There are at least three categorical reasons to expand on the problem of “risky classes”: first, Lithuania has become a society of constant unemployment; second, economic recovery waves can no longer in any way change the situation of “risky classes” throughout the world; third, internal security fails when “risky classes”, feeling disappointed and helpless, resort to unpredictable actions only because it is better to do anything because only this makes you feel a member of society and not a standby observer. The problem is simplified when the increasingly numerous “risky classes” of the information society are considered to be unaware of political contexts, keeping silent and making mistakes in elections. 50 “Risky classes” are made silent by “speaking” or majority classes. 51 R. Dahrendorf does not ask now, as twenty-five years ago, why these classes “don’t fly into rage and break furniture in the house that has been built by a majority class for itself?” 52 “Risky classes” are raging already, they are looking for parties that have no “centristic” illusions and, having not found them, move towards anti-systemic radicals and take to the streets. 53

Left-wing orientation of the LSDP, one of the strongest systemic parties, has dwindled to such an extent that it cannot counterbalance social bifurcation that is already under way. Using A. Krupavičiūtė’s conclusion that the competitive axis of Lithuanian parties on the economic left-right scale shifted from the center-right in 2000 to the center-left position in 2004 54, we can observe that this shift took place without any effort of the LSDP. The LSDP crossed the boundary of the political center-left. A. Ramonaitė provides data on the research carried out in 2005 on the

51 Once again it is worth to remember J. A. Schumpeter and his “other theory of democracy”: society is separated from the shaping of “the national will” by politicians; democracy only implies that people have the possibility to acknowledge or not to acknowledge those who, having won over electoral votes in free competition, are going to govern them; simple majority decisions distort rather than express the will of society (Schumpeter J. A., 1988, p. 297-313).
53 M. Laurinkus is surprised why “<...> politologists look down on contemporary marginal political formations and estimate them only through the prism of the Seimas 5 per cent barrier” (Laurinkus M. Be kaukės. Lietu vos rytas, 27 August 2011, p. 4).
54 Krupavičius A. 2005, p. 32.
opinion of the Lithuanian people regarding the distribution of parties on the political left-right scale (when 1 means extreme leftism, while 9 means extreme rightism): the Labor Party – 3.28, the Peasants and New Democratic Party Union – 4.16, the Party of Order and Justice (LDP) – 4.18, the New Union – 4.31, the LSDP – 5.03, the Liberal and Center Union – 5.31, the Homeland Union – 7.03, whereas 35 per cent of New Union electors, 27 per cent of Peasants and New Democratic Party Union electors, 24 per cent of Labor Party electors, 14 per cent of Order and Justice Party (LDP) electors would have voted for the LSDP as the second party.\(^{55}\) A conclusion could be drawn that, having lingered in the political center, the LSDP does not consistently shape the political will of left orientation electors.

The reasons for the LSDP “centrism” are the following: 1) it is unpopular in post-communist countries to identify oneself with the political left; 2) the inevitable post-communist pro-capitalist orientation; 3) the erroneously assessed (overestimated) by the LSDP Lithuania’s possibilities to create “a wealth state”.

From 1992 to 1996, the LSDP gave priority to the values of inevitable and therefore supportable post-communist pro-capitalism, whereas greater social equality, solidarity and other leftist values were made subordinate to the former ones.\(^{56}\) Also, there were hopes that the rapid development of capitalism will create a social liberal middle class. As is known, this did not happen. Eventually, attempts were made to subordinate market and equality values the other way round, yet time was gone and electors lost; left “celebrity” parties took over the majority of left electors. A historically complicated shift of the LSDP to the political center awakened populist parties, opened a political perspective for them and, in a way, legitimized them. One of them – the Labor Party – even “borrowed” a notional part of its name from the LSDP. By the way, the LSDP did not manage to stimulate rich capitalism in Lithuania. Other parties did not greatly contribute to the development of such capitalism either.

From 2001 to 2004, as a governing party, the LSDP lost the election to the European Parliament, the preliminary Presidential election and, essentially, the election to the Seimas. It happened at the time when in the post-communist development of Lithuania the most impressive results were achieved: in politics – joining NATO and the EU, in economy – the fastest growing GDP in Europe. So maybe R. Dahrendorf is right in claiming that with its success social democracy is paving a “death” road for itself?\(^{57}\) Or maybe, on the contrary, the LSDP experienced

\(^{55}\) Ramonaitė A. 2007, p. 59, 72-74.


\(^{57}\) Dahrendorf R. 1990.
failures because, emulating social democracy of the developed countries, it moved towards the political center too early? From 2001 to 2008, the LSDP, dominating in the governing coalitions, did not manage to timely change its doctrine.

With LSDP leftism remaining inconsistent, electors are turning away from the party, not recognizing real left power in it or protesting against its shift to the political center. By shifting in the political center, the LSDP is losing systemism based on left values. Individual intellectuals already highlight the necessity for alternative left politics.\(^{58}\) The long-stay lack of consistent left orientation radicalizes people of left orientation, encourages them to come together round the Socialist People’s Front, the President’s Union or any other possible, maybe even anti-systemic, political power. Lithuania is losing internal security in the part of society that actualizes left values.

Conclusions

Our attention to political parties is determined by the principle of “the vertical democracy”: political democracy is a form of governing and political elites are responsible for the effectiveness of political governing as well as internal security. Internal security in democracies, with the party rain “pouring down”, is not a self-evident issue. The analysis confirms that harmony between the activity of Lithuanian parties and internal security is problematic. This harmony is hindered by negative features of the parties which cannot be defined as accidental or temporary; they have already become systemic. Leaders of the parties that are irresponsible representatives, select not only politically competent governing members, do not properly perform the role of an intermediary in coordinating interests and have no support of society, are not capable of organizing effective political governing.

With the exception, to some extent, of the LSDP and the Homeland Union–Lithuanian Christian Democrats, inherent political power ambitions of parties in Lithuania are inadequate to the capabilities of their political governing. This is because it is not the parties who nominate competent governing members, but those striving to govern create parties allegedly “nominating” them. Such parties can only create the phenomenon of politics “in itself”, i.e. to fight for power; however, having gained it, they are not able to govern effectively. Thus, a weak democracy is created. Parties’ fights for power in all democracies border, in a risky

\(^{58}\) Demokratija be darbo judėjimo?, 2009.
way, on internal security; however, when parties demonstrate greater competences in fighting for power than in solving public problems, internal security faces a real danger. In Lithuania, a catching-up country, fights of parties for power decrease the abilities of society to formulate a general objective and implement it.

Inadequate ambitions of political power are characteristic of irresponsible parties and party elites that do not abstain from lie when no-truth, which is natural for politics, is substituted for conscious deception. Ontologically explainable no-truth in politics has its limits. Such limits occur when claims for political governing separate from truth to such an extent that they lose legitimacy based on which those in power interrelate with the understanding and involvement of the ruled ones. Distrust in the governing power is a manifestation of the division between the ambitions of power and truth. Political no-truth is not requalified into lie by society when the governing power consults with citizens and in making decisions take into considerations these consultations, in fact, profit ambitions of social groups. Responsible governing is effective political governing.

Based on research on political involvement carried out by other scientists and employing the post-democratic analytical dimension, we should stress that there is no evidences of post-democracy in any of its meanings. There is no involvement in politics not because everyone is satisfied with democracy and expects that those in power are going to adhere to the principles of democracy without control of society. Political non-involvement is rather de-legitimation of parties and political regime in general. But this is not because the governing power does not adhere to the principles of democratic governing; on the contrary, they are more favorable to democratic governing as a governing system which is more beneficial to them than society. The actual problem is that the favor of the governing power for democracy is not identical to political competence and effective governing. So far, it is not weak parties that change, but a weak democracy that remains. A weak democracy does not satisfy society’s expectations but disappoints it. In a weak democracy, it is impossible to find any more dependable link between internal security and irreversibility of political democracy. It is more evident that an uninvolved society and parties lacking internal democracy stimulate non-democratic elements (political power is sought regardless of competences to govern; division of power is based on conjuncture; truth about public matters is avoided; resolution of public conflicts is delayed; political alienation is thriving). It is not yet clear what scope of irreversibility non-democratic elements have gained, which, in view of Lithuanian perspectives, can imply that a political reform cannot be overruled. However, it is clear that irresponsible political elites are decreasing the internal reliability of Lithuanian democracy as well as the readiness of society to
cooperate for the sake of common goals. Thus, the question – what is the possibility of internal security and irreversibility of political democracy in Lithuania – does not offer a straightforward answer.

The relationship between irresponsibility of parties and lack of internal security is not one-sided. Lithuanian society itself has lived too long with unreasonable expectations and self-deceptive illusions about “the fastest history in the world”. Society that is trying to catch up encouraged parties to make unrealistic promises. However, with the phenomenon of politics “in itself” still spreading and the incompleteness of reforms becoming a massive phenomenon, society is becoming aware that the management of its public matters is in crisis. Public reaction to a weak democracy is not unambiguous. Paradoxically, a disappointed society does not reject the losing governing power. In the environment of faceless parties, it is becoming less important to society who is in power; society is concerned about the way of governing, and not even in terms of the form of governing, but in terms of the results of governing. A passive society does not undertake activities to strengthen parties as an act of the manifestation of civil society, leaving parties to their own means to cope with the tasks of their governing capabilities. This, however, does not justify parties that are unable to organize effective political governing and thus reduce internal security.

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