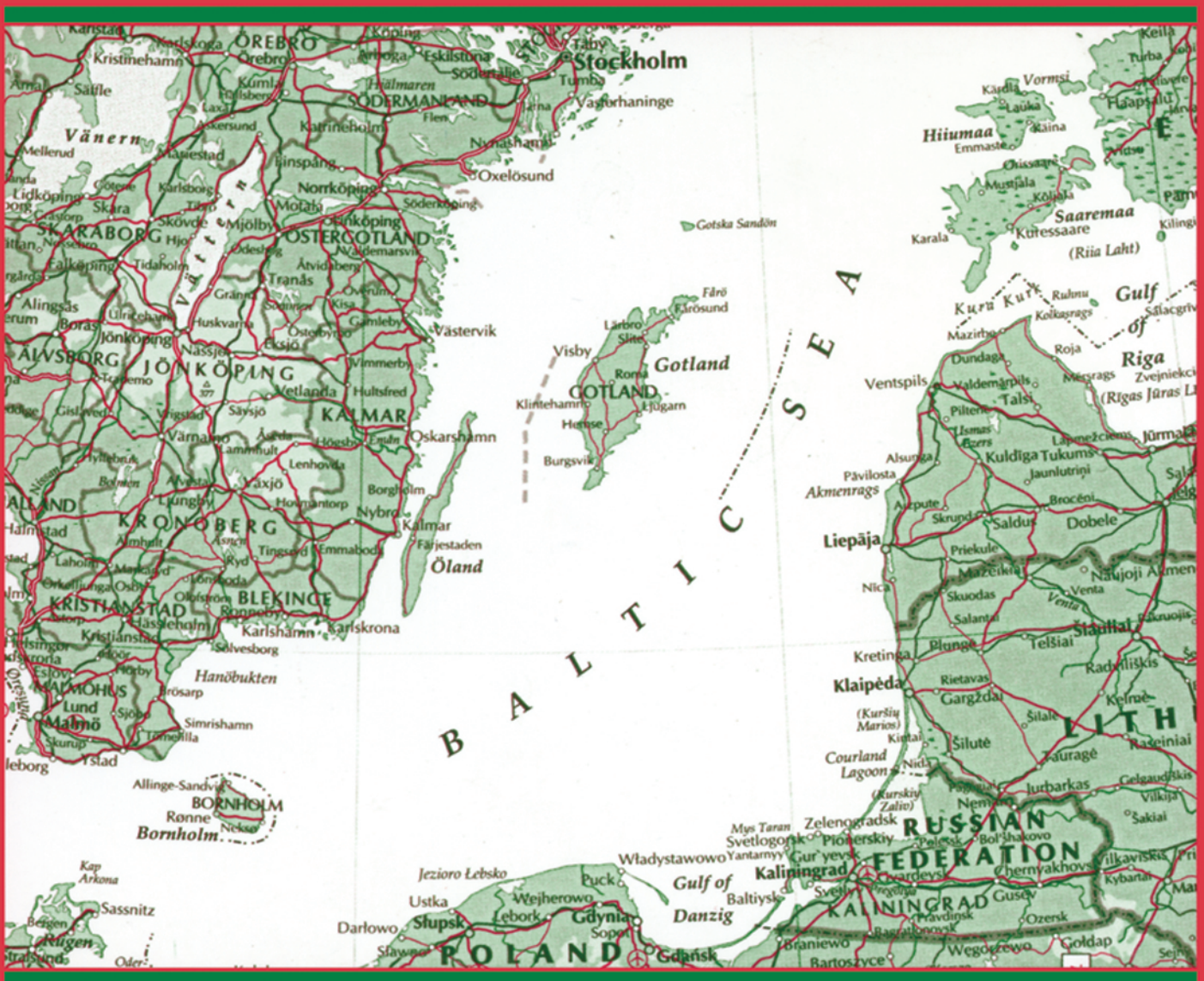# Stability and Security in the Baltic Sea Region

Edited by
OLAV F. KNUDSEN

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the Baltic Sea Region

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Russian, Nordic and European Aspects

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Contents

Introduction: A General Perspective on the Security of the Baltic Sea Region

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By the end of the twentieth century the Baltic Sea was close to becoming a lake in the European Union (EU). The region had survived, yet not entirely shaken off, one of the most complicated transitions brought on by the end of the Cold War: liberation of the three Baltic states, the breakdown of the Soviet Union, and the transformation of the Baltic Sea area from a zone of confrontation into one of potential integration. Nevertheless, during the first half of the 1990s the Baltic Sea region experienced a range of conflictual encounters between the USSR and its successor state Russia on the one hand, and Estonia, Latvia and Lithuania on the other. Although instances of violence were fortunately brief, limited in scale and have not been recurring, conflictual relations and associated tension have continued to mark bilateral relations across these borders. At the same time, new cooperative relations have been established, which to varying extents encompass all the states in the region.

It must be taken for granted that conflict – in the form of diverging or incompatible interests or values – will always be present, in the Baltic Sea region as elsewhere. But new regional institutions and new, more equitable cooperative practices in the region indicate the possibility of overcoming traditional, destructive ways of dealing with conflict.[1]

The conceptual debates of the 1990s demand that some attention be paid to definitions and usage. *Security*, as the subject matter of this book, has to do with how one deals with conflict so as to limit the harm it brings to the physical and social well-being of individuals and the political and economic well-being of societies.[2] Overt conflict, whether involving just governments or also social groups,[3] is accelerated by fundamental social change such as the transition taking place in the east-central European area towards democracy and market economy. The maintenance of security in the region must therefore be linked

analytically to the stresses brought about by such large-scale social change.

The transitions of societies to fundamentally different modes of governance and economic relations take time. However, external influences may speed up the rate of change. In the Baltic Sea case, impulses from regional Nordic and EU members stimulate the processes of change within the neighbouring transitional societies. There can be little doubt that the daily contacts established across the Baltic Sea in large and growing numbers since 1990 in themselves have spurred a reform-oriented outlook, especially in Estonia, Latvia and Lithuania.

Still, it needs to be recognized that even a decade after the dissolution of the USSR the changes brought about by this momentous event are only beginning. New economic systems depend also on changes of attitudes in the population, which in turn require generational change. New political habits, providing a new framework for the functioning of a society and its economic system, take shape only through repetition by successive political elites. Thus, the first decades of the twenty-first century, like the last of the twentieth, are likely to continue to struggle with the legacy of Soviet Russian rule. The fringes of Russia – east, south and west – will therefore continue to have a complex relationship with their great neighbour.

It is for this reason that the present volume emphasizes the long-term perspective. The book sets out to explore the prospects of security in the Baltic Sea region for the coming decades, to assess – on the basis of present trends and developments – the probability, as we enter the twenty-first century, that the governments and groups of this area will be able to resolve their differences without recourse to the threat or use of violence.

The Baltic Sea region's history in the twentieth century, marked by unprecedented levels of violence, has set the stage for such an inquiry. These upheavals were both preceded and followed by ideological confrontation, going back as far as the early part of the century. In the second half of the century the militarized and industrial evolution of communist rule in Eastern and Central Europe brought on the now-familiar environmental, economic and health-related disasters, spurred by the bipolar contest.

Many observers at the end of the Cold War saw in these trends a need to redefine security in a broader way to tone down the military aspects and increase the attention paid to non-military threats. The present volume emphasizes the links between the military and non-military aspects. One should not overlook the connections between the long-term convulsions of European social conflict and the excesses of the Soviet system as it fought for its survival. Before 1989 the contrast between the systems East and West was most visible in Germany. By

the 1990s the Baltic Sea became a shuttle route connecting widely disparate sections of the social, environmental and economic spectrum at the two ends.

In the cooperative and conciliatory spirit of the 1990s, the discordant differences between the old 'East' and 'West' have been downplayed and muted. Nevertheless, significant discrepancies persist, even as some parts of the former Soviet Union proceed through fundamental economic change to get ready for membership in the European Union. Remaining disparities in social standards, life-style and political culture – not to mention living standards – are likely to continue to spur discord and trigger processes of regional conflict. Hopefully, such conflict will gradually be replaced by the conflicts of ordinary international[4] economic exchange, in which growing interdependence transforms the nature of conflict from a zero-sum to more of a positive-sum relationship. By the mid-1990s such trends were already underway, but in the short run their ameliorating effects would only be noticeable on the surface. In the meantime, one may observe that the processes of change in the region represent such a *mélange* of transnational and transregional factors that they cannot sensibly be captured within the old dichotomy of international vs. domestic.

Thus, the conceptual perspective on security underlying this book is a broad one, in which conflict in the Baltic Sea region is seen as a late consequence of the large-scale socio-political conflict that unfolded in nineteenth- and twentieth-century Europe and is continuing – in Central and Eastern Europe, at least – into the twenty-first. Though the outlook is broad, the book does not focus on the non-traditional aspects of security, but rather on the narrower, classical dimensions of insecurity which continue to be present during the process of transition.

The Baltic Sea region is to some extent arbitrarily defined. It has never been marked by a distinct regional culture, or been under a uniform system of law or authority, even if the memory of the Hanseatic system provides some indication to the contrary. The powers surrounding the Baltic Sea have more often been brought together in conflict than in cooperation.[5] Many, maybe even most of them, have long been used to regarding themselves as parts of other regions: Poland of Central Europe; Germany of Central and later Western Europe; Denmark, Finland and Sweden of the Nordic region. The delineation of a Baltic Sea region is therefore partly a matter of analytical convenience, partly done in recognition of the preferences of the governments in the area – led by Denmark, Germany and Poland. Those were the ones who started using the term as they prepared, from 1989 on, to establish the Council of the Baltic Sea States (CBSS) which was formally instituted in 1992.[6]

Our starting point implies that even the term 'region' is somewhat arbitrary. This is entirely in keeping with standard usage in the field of international relations. In the large literature on international regions, terminological precision has no great importance, despite the efforts of a classic such as Cantori and Spiegel's 'The International Politics of Regions' (1970) to introduce order. There is no conventional way to define a region, except to the effect that we are dealing with a group of countries geographically clustered together, in this case with the Baltic Sea as a crucial link. The most significant aspect of a region in security terms may be that it is a *security complex* (Buzan, 1991), that is, that its governments consider that their '... primary security concerns link together sufficiently closely that their national securities cannot realistically be considered apart from one another'. (Buzan, 1991: 192) The Baltic Sea region of the littoral states plus Belarus and Norway seem to conform to such a definition.

On the other hand, individual countries may (as already indicated) simultaneously be part of several regional clusters which only partly overlap, the most pronounced case being Russia. Some of the Nordic countries (Denmark, Finland, Sweden) are obviously also part of the Baltic Sea region, others – such as Iceland and Norway – are Baltic Sea states more by invitation[7] than by geography. In the eastern Baltic hinterland, Belarus is another non-littoral state whose geopolitical presence both inside and beyond the narrower region needs to be taken into account.

To the extent that these regional definitions correlate with feelings of loyalty in the populations involved, they are politically salient. It is normally assumed that political loyalties are multiple. Nevertheless, in some of the societies involved here, notably the ex-sovietized areas, the recognition in political life of multiple loyalties may be problematic, since political loyalty often continues to be thought of in binary terms.

At the same time countries are part of regions on different levels of inclusiveness. All countries in the Baltic Sea region are also part of the broader European geographic configuration, some are part of the political configuration 'the European Union,' some are part of the intermediate region conventionally called Central and Eastern Europe, others of Western Europe. Inevitably, this fact has some bearing on the outlook of the governments concerned.

Then there are regional sub-groups. The three Baltic states Estonia, Latvia and Lithuania are often designated as a subregion within the Baltic Sea region, while Scandinavia (Denmark–Norway–Sweden) and Fenno-Scandinavia (adding Finland) are other subgroups. We shall mostly be using the term *Nordic* to designate collectively Denmark, Finland, and Sweden (with or without Iceland and Norway), and *Baltic* to collectively designate Estonia, Latvia and Lithuania. The Baltic Sea

region, in short, ordinarily embraces the Baltics, the Nordics, Germany, Poland and Russia, and in some respects even Belarus.

However, our design is not to go country by country, but primarily to try to see the security of the whole region from several broader angles. Chapters on individual states such as Germany, Poland, Russia and Sweden have been constrained to focus on the regional aspects of policy, more than on the nation.[8]

In the most general terms, the book deals with the following problems of regional security, which are typical of – but notably not specific to – the Baltic Sea region:

- the issue of spheres of influence and the balancing of power,
- the question of the role of organizational solutions to the region's security problems,
- the doctrine of the indivisibility of security,
- the popular notion of soft security,
- the question of security guarantees.

The questions of spheres of influence and of balancing power are related to that of linkages between subregional and regional security – or establishing regional security at different levels of geographic inclusiveness. Is the security of, for example, the Baltic Sea region best served by establishing arrangements at that level or by involving the broader, European-wide organizations such as the Organization for Security and Cooperation in Europe (OSCE) or NATO's EAPC? This touches the dilemma of weighing organizational efficiency against political equity: Local solutions may be more functional because the local actors are those who know the issues and are at the same time those who are directly concerned, who have interests in the disputes. But political equity may not be served if one actor is locally dominant; the result may be the emergence of a sphere of influence. To counteract that, local, 'subregional' solutions must either be anchored (to the extent that is possible) in more inclusive regional arrangements where countervailing power can somehow be brought to bear, or the entire issue must be dealt with on a more inclusive level. These are challenges which need to be met for stability to be maintained. They are discussed from different angles in individual chapters.

The book is divided into three main parts, the first of which provides a framework of general insights and theories relevant to the region, about asymmetric power relations, historical and geopolitical factors, worldviews and political culture. The second part analyzes the region in the perspective of the policies of key governmental actors. The third part focuses on intergovernmental cooperation and the role of regional institutions, in particular those of the Nordic countries and the

European Union, along with the WEU. The concluding chapter examines the issues dealt with in the light of three philosophical traditions in the study of international politics.

The 'Russian, Nordic and European Aspects' referred to in the title should be interpreted broadly.[9] The book focuses on aspects which link those actors in the Baltic Sea region who have a foot outside it – like Russians, some Nordics and other Europeans – to the region and therefore add an extra-regional dimension to it. For this reason, the three Baltic states as such may be seen to occupy a smaller place between these covers than could otherwise have been expected. Moreover, the first part – the general one – is held to serve a vital function in connecting the regionally specific subject matter with the more general and global.

This emphasis also expresses the intention of the editor in shaping the volume as such, with its general outline, the emphasis within chapters on the region as a whole and the longer-term perspective. Beyond this, each contributing author brings his or her unique approach to the subject, which can only be fully appreciated by going directly to the source.

In introducing the reader to the volume, the editor also wants to express the gratitude of his co-authors and himself to several less visible participants in our project. In addition to the supporting staff of NUPI[10] four colleagues – Pavel Baev, Klaus Carsten Pedersen, Ingemar Dörfer and Guido Lenzi – participated as discussants at our preparatory workshop and provided valuable feedback.

NOTES

1 The book does not address the debate on whether regional security should be studied comparatively. While the editor tends to agree with such a position, his co-authors may not necessarily take the same view. It follows from this also that the book does not represent a unified view on the extent to which the security concerns of this region may be unique. On a theoretical level such issues are well handled in Lake and Morgan (1997), a book which systematically utilizes Buzan's (1983, 1991) concept of regional security complexes, taking a consciously comparative approach and presenting comparisons of selected regional security complexes.

2 This is a conception in the classical tradition of security studies which indicates that the 'new' security thinking of the 1990s may not be that new after all, as shown e.g. in Holst (1967) or Andrén (1972). On the thinking of the 1990s, see (e.g.) Buzan, 1997.

3 The perspective of this book is that states – represented by their governments – are still the major actors of international politics, though they are far from being the only ones that count.

4 'Transjurisdictional' may be a more precise and appropriate term.

5 Among recent works which have contributed to our understanding of the region are van Ham's collection of contributions from the region (van Ham, 1995); Joenniemi's anthology (Joenniemi, 1997) with sociological conceptualizations of regional politics, and the collection by Tunander, Baev and Einagel (Tunander *et al.*, 1997) with innovative geopolitical perspectives (though not confined to Northern Europe), as well as two works in the classical security studies tradition: Dörfer, 1997 – a pointed analysis with a Nordic focus, and Krohn's volume (Krohn, 1996) with a broad survey of the regional security situation.

6 'Formally', however, is not very formal: The Council of Baltic Sea States was instituted by a mere declaration on the part of the governments participating. Its existence is therefore fragile indeed in the formal sense.

7 These two states were not originally considered natural candidates for membership in the Council of the Baltic Sea States, but were subsequently invited to take part.

8 For a recent study of this region with a greater emphasis on individual state policies see Krohn, 1996.

9 Specifically, they should not be taken to mean (e.g.) that Russian authors provide the Russian aspects, Nordic authors the Nordic aspects, and so on.

10 The completion of this volume also owes much to the supporting staff of NUPI – not least Hilde T. Harket and Vibeke L. Sand – as well as assistants Knut Magne Sundal and Jolanda Wijnsma.

Part I
General Perspectives

1

Security on the Great Power Fringe: Dilemmas Old and New

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INTRODUCTION

As implied in the title, this chapter argues that despite all the changes which have taken place since 1990, the classical security puzzles are still with us. They affect, as before, the future of small states, even as new threats and challenges have provided additional complexities.

The subject of small states is easily romanticized. Thus, it bears keeping a long-term perspective in mind. In the long run, the continuity of any smaller unit formally recognized as a 'state' can hardly be taken for granted.[1] Relevant experiences in the twentieth century are found – among others – in Afghanistan, Belgium, Cuba, Czechoslovakia, Denmark, Estonia, Finland, Hungary, Korea, Latvia, Lithuania, the Netherlands, Norway and Tibet. There is also the experience of the Kurds, Palestinians and other jurisdictionally fragmented nationality groups. For areas weak in power resources, independent statehood itself is in most cases discontinuous in the longer trends of time. At the beginning of the twenty-first century small-state governments find themselves repeatedly poised between the caprice of great powers and the effacing embrace of regional integration. The preservation of small, independent states[2] under such geopolitical circumstances may therefore safely be regarded as a hazardous undertaking. In historical perspective their existence at any given time is a stochastic phenomenon, broadly documented *inter alia* by Bozeman (1960) and by Hall and associates (Hall, 1986).

NEW PROBLEMS AND OLD

To what extent are the new security agendas really 'new'? We may take as a starting point the observation that great-power relations at this turn of the century are, if not fundamentally altered, at least in a phase

of marked compatibility. The question is where that leaves *other* inter-collectivity relations. Events during the 1990s in Eurasian settings – ranging from the Caucasus and the former Yugoslavia to Moldavia and the Baltics – indicate that existential challenges to states are no less frequent than before 1990, and that these challenges derive as much from new transborder phenomena as from the classical state-to-state threats. Clearly, therefore, the new problems represent a fundamental challenge to the survival of smaller states, especially of weakly organized states. A vast increase in border-transcending activities and relationships has put great pressure on the border-management capabilities of ex-Soviet areas. The Baltic Sea region has faced particularly the new challenges of international crime, transjurisdictional resource management and displaced minority groups, which have posed unfamiliar, fundamental problems for the region's governments as they were designing new policies.

These new Eurasian circumstances altered, in other words, the working conditions of governments in the security field, and they may well be undermining the ability of individual states to function as such, but they have not invalidated the applicability of models focused on states and their mutual relations. The issues of security still concern how collectivities cope in deliberated ways with trans-collectivity problems.

What is different is that the new dimensions accentuate the need to focus on a broader range of responses by states to the challenges they face. The new transborder phenomena represent a 'second-generation' security dilemma, because if the way out of the old security trap is the opening of borders to international interdependence, then the new threats are precisely the potential undermining of the state by that same, new interdependence.

In the case of the small-state problematique I will now bring the argument one step further by claiming that what I have so far described as two different kinds of security challenges are actually largely overlapping. Security dilemmas (Glaser, 1997) are usually examined from the perspective of equals. Yet it is argued here that security dilemmas are no less relevant in conflicts between unequals, just the way they often occur along the fringes of great powers. When the classical notion of security dilemmas is brought into an analysis which assumes a wide disparity of power between the antagonists, the relevant security threats broaden dramatically in range from the classical confrontation of equals to the manipulation and penetration possible in relations of inequality. For this reason it is my contention that during the last decade, the topicality of security dilemmas on the great-power fringe has, if anything, increased.

Admittedly, along the way it did not always look like that. As the

Soviet Union struggled through its last difficult months, its utter pulverization was considered quite possible. That was long seen to apply even to its successor, the Russian Federation. However, Russia then began regaining at least its core strength. During the winter of 1997–98 Russian diplomacy *vis-à-vis* Estonia, Latvia and Lithuania showed a marked ability to draw on the role of russophone minorities to undermine the bargaining position of its Baltic neighbours (analyzed in the Vares chapter in this volume). These and other East-Central European states were squeezed between the old and the new. The European Union intruded from the west; Russia remained in the east. State capacities were challenged from two sides.[3]

At the same time, the debate over NATO's eastern enlargement, and that process itself, have in any case extended the preoccupation with classical security issues.[4] What all of this boils down to is that for old as well as new reasons the stability of regions located along the fringes of great powers is still in question. That applies not least when those great powers are inwardly disorganized and outwardly restive, when their governments and major social groups are not coping adequately with affairs within their jurisdiction and are at the same time dissatisfied with their country's international standing.

Is transjurisdictional integration the solution? To what extent can organized regional security cooperation provide an answer? How does one draw the line between the instrumental benefits of multilateral solutions and the costs of rigid institutional frameworks? In security affairs more narrowly conceived, is there a case for avoiding institutions in favour of some kind of implicit regional balancing of alignments? Finding workable solutions requires an adequate diagnosis of the nature of the problem. This and subsequent chapters explore the challenges and the possibilities for great power fringes.

TWO THEORIES

There are several plausible theories to explain the major ills in great-power/small-state relations. Here I shall concentrate on two which seem especially pertinent to the Baltic Sea region. One is that of great-power rivalry, another is the familiar theory of imperialism.[5] The former interprets the great power's motives in pressuring the small state as reasonable given its interaction with other great powers and thus in a sense unavoidable. The theory of imperialism, on the contrary, sees whatever pressure is applied to small neighbours as an inherent tendency in most great powers, a tendency which in turn is caused by economic, political or cultural factors.[6]

During the Cold War the USSR was frequently held to be

imperialistic, but its behaviour also fitted the pattern of great-power rivalry. So did that of the United States, otherwise also often charged with imperialism during the 1960s and 1970s.

With the Cold War gone and the great-power rivalry at a minimum, Russia could be seen as an intriguing test case. Pressure applied by Moscow under the new circumstances might be seen to justify the old charges of imperialism. Russia's best counterargument would be that NATO's enlargement has necessitated renewed vigilance and efforts to keep the Western alliance at bay, particularly within the area of the former USSR. In short, in our terms Russia (to the extent its government has been making such an argument) may be acting within the great-power model, whereas some of its Western neighbours are convinced that imperialism is back in the driver's seat in Moscow – and the US and its allies keep their fingers crossed, playing two horses – betting on two theories – at once. (More on the Russian perspective in the Moshes chapter below.)

Developments in North European security relations over the past few years illustrate this ambiguity. Between the governments in the region a subtle debate has been taking place. Prudence in many cases has dictated less than complete transparency in the statement of positions. The United States apparently has wanted the emergence of a separate, subordinate security arrangement in which Estonia, Latvia and Lithuania could be encapsulated and secured without NATO membership. With the exception of Denmark and Iceland, the Nordic states seem to have shared with Washington the sentiment – which has not, however, been officially expressed – that Baltic NATO member-ships may not be the ideal solution in a broader perspective. At the same time, there are signs of internal division of view in several of these capitals. In any case, the Nordic states have all as one rejected the notion of a Nordic–Baltic solution. These aspects are further analyzed by Værnø in her chapter below.

The position of Russia on these issues is amply clear as far as Baltic NATO memberships go, but despite an active elaboration of Russia's Baltic policy after February 1997, its ultimate position remains vague (see the Moshes chapter and Knudsen, 1998a, 1998b). Russia has both launched new cooperative concepts for the region and revealed a clear preference for retaining within it an exclusive sphere of influence, what the Russian government called a 'bloc-free zone'. Nordic views on Russia's role in this context also continue to be vague, except for *obbligato* statements to the effect that Russia must not be 'excluded'. Thus, as will also be elaborated below, there are elements present both of implicit balancing behaviour and of multilateralist, institutionalist approaches.

The terms 'balancing behaviour' or 'balancing moves' refer to the adjustment of a country's alignment *vis-à-vis* major powers. It should be noted that balancing moves in the new circumstances of the 1990s (and beyond) are less clearly discernible than they were before. The overwhelming weight of the blocs at the time of the Cold War solidified the East/West balance of global power and made even subtle balancing moves by non-bloc participants easily perceptible. By 1996–97 clarity has turned to diffuseness. The complicating alternative interpretations are spelled out by Heisler and Quester in their chapter below. In the crowded stream of signals between states, balancing moves – for example, the shifting of informal or indirect ties between states,[7] or statements made, or statements anticipated and yet not made – such moves are much more difficult to read under the present circumstances. Communication between governments also has to cross other barriers, and the North European area cannot be regarded as homogeneous in this respect. The Leeds chapter in this volume shows how patterns of thinking and behaving are likely to vary between different geocultural domains, with the North-European region evidently straddling two such areas.

An analysis of life on the great-power fringe under post-Cold War conditions must sort out the relative salience of the circumstantial and the structurally determined, of the intra-regional specifics and the cross-regional generics (see also the discussion in Lake and Morgan, 1997). Great powers are not necessarily interested in the maintenance of independent neighbours. Yet, the point of creating an explicit security system between a great power and its neighbours would presumably be to preserve the units of sovereign government concerned. There are two further rationales for such a regional security system (if we take the preservation of the existing states as an objective): to prevent the system from turning violent, and to prevent it from becoming a sphere of influence. The two are linked. If one were to focus only on tackling violence, this might at the same time encourage the development of a sphere of influence.

GENERAL EXPLANATORY FACTORS

Let me first try to sort out the general from the circumstantial. The generic aspects of security in a great-power neighbourhood are a combination of a) inequality, or power disparity, and b) contiguity, implying a marked exposure in security terms, of the weaker[8] to the stronger. As already pointed out, there are at least two competing models to account for this problem, great-power rivalry and imperialism.

Great-power rivalry and regional neighbourhoods

Given a condition of great-power rivalry, relations between two
contiguous powers, one small[9] and one great, tend to be unstable,
because they are largely determined by factors outside the bilateral
relationship.[10] A model to represent the relationship may include the
following three causal variables (Knudsen, 1988):

1. the degree of tension between the great power A (the neighbour-
    ing great power) and its main opponent B;
2. the degree of extroversion in A's foreign policy;
3. the small state's foreign policy orientation; that is, the degree of
    its alignment with A or B, or with neither.

The model seeks to capture the probability of the application of
pressure by the great power[11] – whether diplomatic, political (by
manipulation and penetration) or military – against its smaller neigh-
bour. Pressure is thought to be triggered by increased threat
perceptions in the great power. Threats to the great power's security
are in turn related to rival great powers. In this context a small
neighbour's importance is secondary, but rarely insignificant. This is
due to the possible harm the small state is thought to be able to bring
to the strategic relationship. Hence its significance to both (or all) great-
power sides: The greater the tension between the great powers, the
greater the strategic importance of the small neighbour to its great-
power neighbour; the greater the strategic importance of the small
neighbour to the neighbour's great-power enemy.

This translates into a propensity to action on the part of the great
power: As tension increases between the great power (A) and other
states, and the greater the sensitivity to threat on the part of the great
power's elites, the greater the great power's propensity to put pressure
on the small neighbour for reassurances by various acts of compliance
or self-denial on the part of the small power, so as to guarantee its non-
hostile intentions (Jakobson, 1968).

The hypotheses imply that in one respect the small state's policies
are likely to be uninteresting: It often does not matter much what the
small state does to ameliorate neighbourly relations, because its role in
the great-power competition is given by its location alone as potentially
threatening. The territory of the small neighbour may be used as a
stepping stone or a gateway in an attack on the big neighbour by its
great-power rival. Such events may occur even against the will of the
small neighbour, as its forces may be too weak to resist a major assault.
The small neighbour cannot easily alter this by political moves, short
of drastic accommodation or amalgamation with its bigger neighbour.

Even in the post-Cold War détente, however, Russian expectations of Baltic states' policies in the late 1990s, inspired by the anticipated threat of NATO expansion, often seemed to conform to this pattern of reasoning.

An early case from US foreign policy tells openly about the complexities involved. In 1915, Mexico was the object of considerable US attention during the ongoing international crisis. US relations with belligerents at the time were tense. The United States government was seriously concerned over German efforts to exploit domestic turmoil in Mexico, which might divert US attention from events in Europe (Link, 1963: 134; Blasier, 1976: 106–15). Here is how Secretary of State Lansing summarized the situation in October 1915:

> Looking at the general situation I have come to the following conclusions: Germany desires to keep up the turmoil in Mexico until the United States is forced to intervene; therefore, we must not intervene. Germany does not wish to have any one faction dominant in Mexico; therefore, we must recognize one faction as dominant in Mexico. When we recognize a faction as the government, Germany will undoubtedly seek to cause a quarrel between that government and ours; therefore, we must avoid a quarrel regardless of criticism and complaint in Congress and the press. It comes down to this: Our possible relations with Germany must be our first consideration; and all our intercourse with Mexico must be regulated accordingly (Link, 1963: 134n).

Blasier relates how the US–Germany–Mexico sequence was repeated during the crisis years of 1938–39 (Blasier, 1976: 126f).

Counterbalancing and *extended deterrence* are concepts dealing with the responses by a remote great power in favour of a threatened small state. Counterbalancing is here used as the broader concept, covering any move by the remote great power to support the threatened small state, from the most innocuous verbal declarations up to and including military measures.[12] Extended deterrence is a type of counterbalancing and refers to the use of explicit threats and military posturing on behalf of the threatened small state, such as the US policy during the Cold War.[13] Note that there was no question of extended deterrence in the Mexican case just cited, inasmuch as Germany was rather unlikely to engage itself more seriously in defence of Mexican sovereignty *vis-à-vis* the United States.

Provided the major states prefer the status quo, mutual deterrence and other inhibiting factors will start appearing in the great-power relationship as tension increases further towards the highest levels, inducing restraint. Beyond a certain, rather high level of tension

between the great powers, the danger of a major war will keep them from maximum effort in seeking to control the small powers, nor will they have sufficient resources or attention to spare from a potential confrontation with their rival for an attempt to do so.

When tension is very high, counterbalancing by an opposing, remote great power may disappear altogether, on the reasoning that that in itself might precipitate the dreaded event. If, in a crisis or war situation, a remote great power fears that the opposing great power will intervene in the small power, the remote great power may well refrain from trying to draw the small power towards its own side (Riste, 1965: 50 and 126–7; also Fox, 1959: 175). Something like this may have been working against the diplomacy of Estonia, Latvia and Lithuania even under the more relaxed post-Cold War circumstances, as they sought to register the support of the United States. It seems likely that in US policy calculations the danger of precipitating a hardening of Russian policy could follow from a too-involved US policy in the Baltics.

During the First World War the British government, which – true to its traditional policy – was taking a highly restrictive stand on neutral rights, was quite lenient with Denmark and Holland when they were pressured by Germany to practise their neutrality in a pro-German manner. The same process was at work in the Norwegian case during the 1914–18 period, only turned around. Germany may well have wanted to intervene in Norway to stop patently pro-British practices, but was afraid to do so because of Britain's superior power at sea (Riste, 1965, Fure, 1996).

Thus, according to this model a great power's urge to control its neighbours derives primarily from tension with other great powers. When great-power elites perceive increasing external danger, they become wary of the small neighbour for possible deviant policy; hence there is an increase in the great power's propensity to put pressure on the small neighbour and demand compliance from its leaders (Jakobson, 1968: 38). If the cooperative patterns which emerged between the great powers in the 1990s can serve to reduce the likelihood of future great power tension, relations in the Baltic Sea area will benefit – provided the theory is right. If the other theory applies, it will be a different matter.

Imperialism and the power cycle

The alternative theory involves the familiar idea of imperialism. In this case, the reasoning is that the great power is simply out to add to its territory or its area of control, whether to satisfy dreams of political and cultural aggrandizement, or because of more pedestrian economic

rationales. The main thing in this case is that the theory does not refer to direct politico-diplomatic interaction as explaining the great power's behaviour. The urge to expand is seen as simply arising internally and craving satisfaction. In the conventional wisdom of small-state policy-making, the expansionist urge will always be there and is not likely to subside easily.

Power-cycle theories argue that great powers go through cycles or phases proceeding from internal growth to external expansion to overextension and subsequent decline (Modelski, 1978, Gilpin, 1981, Kennedy, 1987). Population growth and resource needs also lead to lateral pressures (Choucri and North, 1975). The great power's power cycles manifest themselves as shifts between extroversion and introversion. Pressure on the small neighbours will rise and ebb as cycles change. In extrovert phases, not only are small neighbours squeezed, tension is also likely to rise between the great power and its rivals, further exacerbating the neighbourly pressures.

The primary stimulus to either phase of the power cycle is likely to be the state of affairs internally in the great power. Is the power elite fresh on the scene or long established; secure in power or on the verge of losing hold? A great power in the extrovert phase may bring out reactions from other great powers and easily raise international tensions just for this reason. Hence the two kinds of theory overlap to some extent. Assuming counterbalancing to be a feature of the system, great-power extroversion directed against its margins leads to great-power tension, leading to further great-power pressure on the small neighbour.

The absence of counterbalancing pressure between the great powers opens a broader leeway for one of them to further extend its influence. Absent counterbalancing may be simply a matter of how a great power's elite chooses to play the great power role, and whether they want to play at all. Regardless of the reason, a great power can by its mere presence in or absence from interstate relations affect the affairs of the system, and the amount of room for expansion on the part of others. By so doing it may also give other great powers the incentive to engage in, or refrain from, solo adventures, cf. Rothstein's ironic comment on how Britain sometimes chose to play its role: 'Note the correspondence between Britain's concentration on internal affairs and the partition of Poland (1772–95), the tribulations of Denmark in the 1860s, and the disappearance of Austria in 1938.' (Rothstein, 1968: 187n). The US isolationist period in the 1920s and 1930s, along with the long absence of Russia and Germany from the international system after the First World War, permitted destabilizing great-power activities to take place in East/Central Europe and in the Far East.

Expansionism may also be opportunistic, coming as a consequence of unforeseen changes in the international system. For example, if capability shifts dramatically to one great-power side, there will be increasing great-power pressures on a small state to lean to that side, as in the process of bandwagoning described by Fox (1959: 187) ('anti-balance of power' in her terms), theorized by Waltz (1979) and further developed by Walt (1987). If the ascendant power is a neighbour, the squeeze may be irresistible, as we had occasion to see with the power shift of 1935–39. If the closest great power is on its way down, however, the consequences may not be as obvious, as we can see from the unfolding of the equally monumental power shift after 1989.

The small state is not willy-nilly the object of external forces. Its governing elites have their own interpretations of the realities facing them abroad. They have their own aspirations for their nation, and their own experiences to build upon in choosing a foreign policy for the future. The small neighbour's chosen foreign-policy orientation serves as a signal to the great neighbour of the extent to which the latter has succeeded or failed in its influence attempts. An alliance between the two may pacify neighbourly relations entirely. A neutral stance by the smaller party may be grudgingly accepted by the neighbouring great power, but might also arouse its suspicion and vigilance. Were the small state to call for counteralliance – acts of global balancing – this may be perceived not merely as a deliberate insult, but as a direct challenge, as the cases of the three Baltic states and Russia demonstrated during the 1990s. There are earlier cases, perhaps most prominently Cuba after 1959. This – the ultimate move of lining up with the big neighbour's enemy – will be taken as a direct threat. Responding in such cases, the big neighbour has sought to counter the move, sometimes with threats, sometimes with persuasion. In most of these cases the small state has decided, sooner or later, to make concessions.

Part of the calculation here has to do with what the small state's foreign-policy orientation conveys to the great powers about effective territorial control. Mathisen (1971) offers a formulation that encapsulates the essence of an exposed small state's circumstances: 'When the small neighbour's strategic importance is great and the authority exercised over the small neighbour's territory is insignificant, the likelihood increases that one of the great powers will intervene.' (Mathisen, 1971: 49). As illustrations may be offered Belgium and Luxembourg in 1914; the Netherlands, Belgium, Luxembourg, Norway and Denmark in 1939–40, Afghanistan in 1979. This applies even when the small neighbour in question has long been within an established great-power sphere of influence. The anxiety of the USSR over Poland in 1956 and 1980 (cf. Kaminski's chapter below) and its interventions

in Hungary (1956) and Czechoslovakia (1968) demonstrate the strength of this political logic.

The phenomenon is the subject of what is often referred to as the power-vacuum hypothesis. Conventionally, 'nature abhors a vacuum'. In this case, 'nature' is a great power. In traditional diplomatic relations, any demonstration that small-state territorial control was inadequate would ring a bell in great-power foreign offices; it raised the spectre of a power vacuum. An uncontrolled area was thought to be ripe for intervention, because if it was important to one great power it was *ipso facto* important to that power's chief rival and so ultimately to them all. In a case like this, given the appropriate circumstances, intervention became a pre-emptive affair.

Great Britain and Germany were both planning to intervene in Norway in 1939–40. In the end the danger of being pre-empted by the other side helped trigger the attack (Fure, 1996). While the moral burden ended up pretty squarely on Germany's shoulders, at least in the public eye, in actual fact Britain had maintained plans for such eventualities ever since Norway became independent in 1905 (Riste, 1965: 34n). Britain refused to guarantee Norway's neutrality in 1907, due to such contingency plans; it arrogated to itself, in other words, the right to intervene in Norway. In Germany, however, the idea apparently did not take hold until the interwar years. What made Germany's Danish–Norwegian campaign a more realistic proposition were other developments – above all technological – that increased these countries' presumed strategic importance, including the role of Danish airfields and the idea of using the Norwegian coast as a string of bases from which to achieve control of shipping lanes – with submarines and aircraft – in the oceans surrounding Britain and beyond.

The question for the twenty-first century according to this theory is whether Russian – or for that matter German – imperialist or expansionist impulses will regain their former significance as inputs for policy in the Baltic Sea region.

BACK TO THE CIRCUMSTANTIAL

By circumstantial aspects I am referring to transient phenomena like the characteristic working modes of the day; in other words, the subtler and more time-bound ways in which states deal with each other from day to day, in particular as such habits affect regional relationships. The collapse of the Cold War system brought significant changes in the way states relate to each other. It altered especially the amount of unofficial contact between former communist societies and other

countries, not least in Europe. It expanded the propensity of governments to use official, multilateral working arrangements. Regional cooperative ventures rebounded in popularity, and a great number of proposals were launched in the first few years of European post-Cold War euphoria. Only some of them have survived, but the enthusiasm continues.

In the long term the continuation of these new trends will in large part be dependent on a combination of (a) a continuing political will to maintain open borders for intersocietal transactions, (b) a continuing acceptance of multilateral working modes in foreign affairs, and (c) the continuing absence of tension. Historical experience with small-state cooperation in strategically sensitive areas has shown such projects to decline and falter as tension among the great powers increased (Brundtland 1971: 132). Of these three factors, the possible interaction of (b) and (c) would seem to offer the key to a more fundamental change of relationships in the future, to the extent that the use of multilateral diplomacy may overcome a return of great-power tension, thus continuing to serve a problem-solving function, and perhaps by so doing even to reduce the tension.

But tension is also dependent on concrete historical developments beyond the great powers' control. In the long run it is difficult to play the role of a great power without occasionally disagreeing – or even getting involved in conflict – with other great powers. The 1990s diplomacy in the UN Security Council and the Contact Group regarding former Yugoslavia and sanctions on Iraq has demonstrated that great-power discord is not just a thing of the past. Other examples are in evidence on a smaller scale. Russia has given a number of indications that its low-tension profile is selectively adapted. *Vis-à-vis* the Baltic states there is little to be seen of the cooperative spirit of Moscow's relations with EU members. Russian relations with Latvia in the late winter of 1998 were marked by a return of tension over the conditions for russophone speakers, apparently deliberately exaggerating the issue sparked off by a non-citizen pensioners' demonstration in Riga and allowing it for some time to severely disrupt diplomatic relations. The chapter by Moshes clearly points to NATO's expansion as the cause, in Russian eyes, of this return of tension.

In short, as is already well established, the achievement of a certain level of mutually beneficial transactions does not – despite the conclusion built into the term 'interdependence' – in itself guarantee continued cooperation and certainly cannot prevent the wilful disruption of international relations. The decisive matter after 1990 is therefore whether the Bush–Gorbachev legacy of multilateralism can survive – and even help to abate – the onset of renewed tension. That is in the end a matter of political will and leadership.

CONCLUDING REMARKS

The state of North European security relations at the turn of the century is marked by the ensemble of these tendencies. On the one hand interdependence has grown by the day and integration has moved ahead. On the other hand, bilateral diplomacy between Russia and its neighbours has continued to stumble and fall. In the West, no responsible actor is ready to diagnose the Russian pattern of behaviour and intentions for sure. Russians themselves have been reluctant to do so. Ambiguity reigns. Options have been kept open. Yet the flows of trade, investments, information and people between East and West in Northern Europe have grown dramatically. The Council of the Baltic Sea States has symbolized continuing cooperation in all civilian fields. On the security side the Conventional Forces in Europe (CFE) agreement provides a formidable bulwark against a renewed military build-up.

Within this general framework of cooperative security we have seen little or no headway made in the area of security organization. NATO's Partnerships for Peace and the Euro-Atlantic Partnership Council have not made much headway in the face of Russian scepticism. The OSCE roundtable for the Baltic region has survived merely as a ghost. Diplomatic preference in the region has been for some, as yet undefined, sort of counterbalancing. The Baltic Charter, agreed between the United States and Estonia, Latvia and Lithuania in January 1998, was an important political document reflecting a strong US interest in the future of these states, but it was less than a security guarantee. In October 1997 the Russian Federation offered security guarantees to the Baltic states, and simultaneously offered to accept guarantees made by others – even NATO guarantees provided they did not involve membership. These offers were rejected by Estonia, Latvia and Lithuania, in joint as well as separate declarations (Knudsen, 1998b). The result left Russo-Baltic relations in limbo.

It was characteristic of Russian policy behaviour during most of the 1990s that it was devoid of any perception that Russia's neighbours needed to be reassured. With the Clinton–Yeltsin Summit in Helsinki 1997 there came a signal of change.[14] Still, Russian policy continued its ambiguous course, with soft and hard moves *vis-à-vis* its three Baltic neighbours alternating fairly regularly.[15] The consequently remaining uncertainty has strengthened the attraction of NATO membership, thus serving to enhance the overall ambiguity of the situation, whether seen from Moscow, Washington or any of the regional capitals.[16] On NATO expansion, Russia clearly felt entitled to more reassurance than it was getting, while NATO felt it had done enough by entering the Founding Act with Russia that set up the Russia–NATO Cooperation Council.

Under such circumstances regional balancing of alignments have been preferred to regional security organization in the day-to-day processes of interstate interaction (Knudsen and Neumann, 1995). In the *overall* pattern of power relations it is pretty evident that a strong bandwagoning trend has been underway in favour of the United States since the early 1990s. But the United States is not always responding the way its suitors are expecting. Washington has apparently not been eager in the case of Estonia, Latvia and Lithuania to play the game of extended deterrence. It has preferred milder forms of counter-balancing, supplemented by local 'subcontracting' in the shape of some kind of subregional security arrangement. The Nordics, clearly potential subcontractors for the Baltic Sea area, have not, however, been willing to enter any serious commitments, essentially hedging their positions for the time being, preferring instead to export their modes of thinking to the Baltic states, as shown in the Archer and Jones chapter below.

At the same time the German government has conducted a cautious diplomacy, presumably keeping its own priority for Polish–NATO membership and the pacification of Russia as its predominant con-siderations (see the Krohn chapter below). Hence the NATO aspirations of the Baltic states and their more enthusiastic backers in 1997 were coolly received in Bonn.

The nervous ballet of the 1990s to secure the independence of Estonia, Latvia and Lithuania while avoiding commitments on behalf of their security may therefore be seen as a *regional* balancing act in Northern Europe which in large part is conditioned by a wish to preserve, yet postpone, for certain states the option of higher-level (supraregional) bandwagoning as long as possible. It is balanc-ing, but on a lower, regional level. This has come out in the small but intense NATO debates in Finland and Sweden during 1996–98, which more than most other signals have revealed the tensions and undercurrents at work beneath the surface of the so-called post-Cold War world.

In the opinion of the governments in both of these countries (excepting some intragovernmental dissension in Finland), to *organize* regional security would be to introduce regularities and inflexibilities in the relationships that would entail a preclusion of options which would otherwise be open to states like Sweden and Finland (cf. the chapter by Dahl on Sweden). Insisting to the last on their 'military non-alignment,' even as members of the European Union, there is little doubt what their main option is. Their assumption seems to be that if they were to take that step first, it would risk unleashing a series of complementary and/or compensatory moves and countermoves by other leading actors in the area. The perceived need to balance