

Kaliningrad Oblast, Russia, and Baltic Security

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As a small Russian exclave some 300 kilometers away from the bulk of the Russian Federation, Kaliningrad Oblast is rarely mentioned in discussions of NATO expansion. (Kaliningrad is the Russian name of the city and oblast, or province. In German, the city now called Kaliningrad was long known as Königsberg; in Polish it was Królewiec; and in Lithuanian Karaliaucius. The Russian name will be used here except when referring to the pre-1946 period.)

Despite the lack of attention to this issue, the future of the oblast is important for NATO in four respects:

- 1) Kaliningrad Oblast is the site of tens of thousands of Russian ground and air forces equipped with 1100 main battle tanks, 1300 armored combat vehicles, dozens of Scud and SS-21 surface-to-surface missiles, and 35 advanced Su-27 fighter aircraft, among other modern weapons. Some of these weapons still carry nuclear payloads.
- 2) Kaliningrad Oblast is the headquarters of the Russian Navy's Baltic Fleet and the site of one of its two main naval bases in the region, Baltiisk. The Baltic Fleet does not include any strategic-missile submarines, but it does include 32 major surface combatants (3 cruisers, 3 destroyers, and 26 frigates), more than 230 other surface vessels, roughly 200 naval aircraft, 9 tactical submarines, and a brigade of naval infantry.
- 3) Kaliningrad Oblast borders on northeastern Poland, which means that if Poland becomes a member of NATO in 1999 (as seems likely), the Western alliance will be contiguous with Russian territory in the central part of Europe. (Until now, the only border between Russia and a NATO country has been the short Russian-Norwegian boundary along the Murmansk Peninsula, well above the Arctic Circle.)
- 4) Kaliningrad Oblast borders on southwestern Lithuania and is close to Latvia, Belarus, and Estonia. The future of the province will bear directly on the future of the three Baltic states (Lithuania, Latvia, and Estonia) and Belarus, especially if the next phase of NATO expansion brings one or more of the Baltic states into the alliance.

Taking account of these circumstances, this policy brief will discuss the status of Kaliningrad Oblast, the problems that Russia faces in the region, and measures that Western countries could adopt to ensure that the province will not become a source of NATO-Russian tensions.

Background

Historically, Königsberg was of great importance to both Poland and Lithuania. From the 15th through the mid-17th centuries, the two states laid claim to most or all of the region now known

as Kaliningrad Oblast. During that time, a large number of the inhabitants in rural areas around Königsberg were of Lithuanian descent. (This situation continued until well into the 20th century, which helps explain why many Lithuanians, after gaining independence in 1918, often referred to East Prussia as Lower Lithuania.) Poland's interest in the region was less direct, stemming mainly from the lengthy period in the 15th-17th centuries when the southern portion of Prussia (as the region was then known) was ruled by German vassals of Poland. During the many decades of formal Polish rule, the region was never fully integrated into Poland, remaining instead a largely Germanic territory.

In 1660 the German state of Brandenburg seized Prussia from Poland. Four decades later, the region was renamed East Prussia. From that point until the end of World War I, Königsberg was an important city--both politically and culturally--in the German/Prussian Empire. Following Germany's defeat in World War I, Königsberg and the larger region of East Prussia were separated from the rest of Germany by the Polish corridor. Königsberg was still the capital of East Prussia when the Red Army occupied it in April 1945 and when the Soviet Union annexed the entire region after the war, as agreed at the Potsdam Conference. (The statement released at Potsdam noted that "the Conference has agreed in principle to the proposal of the Soviet government concerning the ultimate transfer to the Soviet Union of the City of Königsberg and the area adjacent to it as described above subject to expert examination of the actual frontier. The President of the United States and the British Prime Minister have declared that they will support the proposal of the Conference at the forthcoming peace settlement.") The new oblast was placed under the jurisdiction of the Russian Soviet Federation of Socialist Republics (RSFSR), and in April 1946 the city and oblast were both renamed after the then-Soviet president, Mikhail Kalinin. Although the oblast was not contiguous with the rest of the RSFSR, the territorial separation mattered little so long as neighboring Belarus, Lithuania, and Latvia were also constituent parts of the Soviet Union.

The post-WWII status of Kaliningrad Oblast's borders was settled in an agreement signed by the Soviet Union and Poland in late 1945, which affirmed that "the republic of Poland and the RSFSR have no territorial claims against one another." This agreement was renewed by the Soviet government and the newly non-Communist Polish government in November 1990.

With the breakup of the Soviet Union at the end of 1991, Kaliningrad Oblast remained a part of Russia, but it was suddenly bordered by a newly independent Lithuania. Ground lines of communication with the rest of Russia had to pass not only through Lithuania, but through at least one of two other newly independent states: Belarus and Latvia. (The only other line of communication is a sea link with St. Petersburg, which is of only limited use.)

Current Complexion of the Oblast

At present, Kaliningrad Oblast's population of roughly 930,000 (some 415,000 of whom live in the capital) consists predominantly of ethnic Russians (78 percent) and small minorities of Belorussians (10 percent), Ukrainians (6 percent), Lithuanians (4 percent), and Germans (less than 1 percent). Although the minority communities tend to be clustered in certain areas, no ethnic tensions have been evident in the oblast. From 1993 until October 1996, the oblast

government was headed by a Yeltsin appointee, Yurii Matochkin, but he lost to an erstwhile ally, Leonid Gorbenko, in gubernatorial elections that revolved mainly around local issues.

Economically, Kaliningrad Oblast has long been dependent on heavy industry, fishing, and shipbuilding. All of these sectors were hard hit by the economic decline that began in the final years of the Soviet regime. Unemployment in the oblast has remained very low (in part because 10-15 percent of the work force is employed by the Russian military), but average incomes there are a good deal lower than in other parts of the Russian Federation. Kaliningrad Oblast's status as a free economic zone has been in flux in the 1990s, having been proclaimed and then repealed in 1993 and restored in 1996. The oblast depends heavily on economic contacts with surrounding states, especially Lithuania, which, with its nuclear power plant at Ignalina, supplies 80 percent of the electricity used in the oblast. Until recently, foreign investment in the oblast was negligible, but a few potentially significant deals have been signed since 1996 with South Korean, German, and French investors.

The oblast and central Russian governments have both been anxious to develop Kaliningrad Oblast into a major trading center by constructing a modern highway system linked with the two contiguous states (Poland and Lithuania). However, the Polish and Lithuanian governments have declined to take up this proposal, ostensibly because of environmental concerns. Most likely, the real reason behind Poland's and Lithuania's objections is their concern that an elaborate transportation network could be used for military purposes if the political situation in Russia were to take a disastrous turn.

Strategic Considerations

Until 1945, Königsberg had never been a part of Russia or the Soviet Union, but over the past 52 years Kaliningrad has been a crucial military outpost for the Soviet and Russian armed forces. In 1994, the oblast was designated by the Russian army as the "Kaliningrad Special Region," the headquarters of the 11th Independent Guards Army as well as of the navy's Baltic Fleet. The breakup of the Soviet Union deprived the Baltic Fleet of key bases in Latvia, Lithuania, and Estonia, leaving Kaliningrad Oblast as the Fleet's only ice-free naval outlet to the Baltic Sea. Similarly, the Soviet/Russian army's loss of crucial air defense installations in Latvia and Estonia after the breakup of the USSR sharply increased the importance of Kaliningrad Oblast for air defense. Overall, then, the strategic significance of the oblast for Russia is substantially greater than it was for the Soviet Union.

In the same way that Kaliningrad Oblast is important to the Russian military, the military is important to the oblast. The army and navy absorb more than 10 percent of the labor force in the oblast, and the presence of thousands of troops (who for the most part have been paid on time) ensures a steady source of income for the region. Thus, for both strategic and economic reasons, the Russian armed forces are bound to have a major role in determining the future status of Kaliningrad Oblast.

Russian military deployments in the oblast declined somewhat between 1990 and 1996 to meet the aggregate limits imposed by the Conventional Forces in Europe (CFE) Treaty (no reductions

were needed to meet the CFE zonal limits, which are well in excess of actual deployments). The number of Russian troops permanently deployed in the oblast has been around 60,000-75,000, and at times somewhat higher. The much higher figures sometimes cited, ranging from 200,000 to 500,000, are inaccurate. When Soviet/Russian troops were being pulled out of Eastern Europe and the Baltic states, many of them used Kaliningrad Oblast as a brief transit point. Some observers mistakenly lumped those troops together with the permanently deployed forces in the region, giving rise to marked overestimates. (In addition to this upward bias, the figure of 500,000, cited in 1993 by Lithuanian prime minister Vytautas Landsbergis seems to have been deliberately inflated. The entire population of the oblast is only 931,000.)

The continued presence of many thousands of heavily-armed Russian troops has been a source of friction with both Lithuania and Poland. In early 1997, shortly before Lithuanian voters returned Vytautas Landsbergis to his former post as Lithuanian prime minister, he argued that the "anachronistic" concentration of Russian military forces in Kaliningrad Oblast posed a "growing threat" to Lithuania and "a problem for the whole of Europe." Landsbergis and other Lithuanian officials have cited the Russian army's presence in Kaliningrad as a reason that Lithuania should be admitted into NATO. Polish officials made similar statements about their country in the early 1990s. Although Polish complaints about Kaliningrad diminished after the former Communists gained control of the government and presidency (in 1993 and 1995, respectively), Poland's receipt of an invitation in July 1997 to become a full member of NATO has spurred Polish defense ministry officials to remark that they "will now have a concrete guarantee against any future military problems in Kaliningrad."

Another reason for the neighboring states' concern about the continued military presence in Kaliningrad Oblast is the rash of "unconventional" problems that seem to be connected, at least partly, with the Russian army. The Russian press has featured numerous reports about the prevalence of drug smuggling in the oblast, primarily involving Russian, Lithuanian, and Ukrainian citizens. In 1995 more than 100 people were arrested in Kaliningrad Oblast for narcotics trafficking, and in 1996 nearly 220 people were arrested. Although the local Border Guards and units of the Federal Security Service (FSB) have repeatedly expressed their determination to prevent drug gangs from entering the oblast, all evidence suggests that smugglers usually encounter few problems crossing the borders, in part because of collusion with certain members of the army. Equally serious has been the problem of illegal arms smuggling, which clearly has involved military officers. Arrest reports show that criminal gangs have established links with well-placed officers, who in some cases have been able to turn over grenades, mortars, firearms, and other weapons for sale. In early 1997, the FSB announced the formation of a special seaborne division (the 4th Naval Division) to combat smuggling in Kaliningrad Oblast. This division, consisting of naval, ground, and air forces, has undertaken broad area patrols, but local FSB officials have warned that the division is hampered by "a shortage of fuels and lubricants and by other problems." Although many of these problems would persist even if Russian troops were pulled out of the region, the army's presence, far from helping to deter illegal activities, is widely perceived as having contributed to them, especially the weapons smuggling.

Future Scenarios

A number of scenarios for the future of Kaliningrad Oblast can be sketched out:

- 1) continuation of a heavily militarized exclave under Russia's direct jurisdiction;
- 2) far-reaching autonomy for the oblast with a continued military presence, though perhaps at reduced levels;
- 3) far-reaching autonomy for the oblast and demilitarization;
- 4) transfer of the oblast to Lithuania, Poland, or Germany; and
- 5) an attempt by the oblast to secede or to negotiate independence.

Of these scenarios, the first and second seem to be the only likely ones. No Russian official or politician of any political stripe has ever indicated a willingness to relinquish Kaliningrad Oblast; nor is there any pressure on Russia to do so. With a predominantly Russian population, the oblast has not been a fount of any secessionist or pro-independence sentiment. Although some oblast officials have been interested in achieving greater autonomy to allow the free economic zone to be more attractive to foreign investors, they have never hinted that it would be desirable to press for independence. Only if the Russian Federation as a whole begins to disintegrate, and the central government is left in chaos, would the possibility of independence for Kaliningrad Oblast be anything more than fanciful.

The prospect that Russia would transfer Kaliningrad Oblast to Lithuania, Poland, or Germany is even more implausible. Although a few commentators in Russia have hinted that it might be worth trying to strike a deal with Japan that would exchange some of the southern Kurile islands (those of no military significance) for a large quantity of money, this sort of arrangement has never materialized even for Japan. It is all the more unlikely that Russia would consider giving up Kaliningrad. Some ethnic Germans in Russia have urged that they be resettled in the oblast, and small East Prussian expatriate communities in Germany have demanded the return of their Heimat; but the German government has repeatedly disavowed any interest in trying to reclaim the territory. The Polish government has adopted a similar stance. In Lithuania, one of the candidates in the last presidential campaign, Stasys Lozoraitis, talked about incorporating Kaliningrad Oblast (or Lower Lithuania, as he put it) into Lithuania, but this proposal gained no popular support. Mainstream Lithuanian officials have never raised the issue.

Because independence or a transfer of the oblast to another country can be ruled out (barring some drastic change of circumstances in the whole of Russia), the future status of the oblast is likely to be determined by how well the local economy does over the next several years. A resumption of economic growth and increases in foreign investment could enable the oblast to seek a considerable degree of political and economic autonomy. If economic circumstances fail to improve and foreign investors shun the region, the oblast is likely to remain under tight Russian control.

Even if Kaliningrad Oblast eventually receives far-reaching autonomy (comparable to that granted to Tatarstan or Sakha), the Russian military presence is unlikely to disappear. Russian military officers have consistently emphasized the strategic significance of Kaliningrad Oblast,

especially with the loss of key facilities in the Baltic states; and they have never displayed any willingness to eliminate (or even sharply reduce) Russia's military deployments there. Although some modest reductions occurred in the 1990s to comply with CFE, those reductions seem to be the limit of what the Russian army and navy will accept. This suggests that, of the above scenarios, the second is the most plausible if economic conditions in Kaliningrad Oblast improve, and the first is the most plausible if economic hardships continue.

Policy Options

During the Cold War, most Western countries refused to recognize the Soviet Union's incorporation of the Baltic states, but they did not raise any questions about Kaliningrad Oblast. The Potsdam agreements had clarified that issue from the outset. By the same token, Western countries since 1991 have not challenged Russia's claim to Kaliningrad, a claim that is now widely seen as legally valid. It is extremely unlikely that Germany or any other NATO country is going to deviate from that policy, despite the clamor of a few expatriate organizations and political fringe groups.

Even while the West maintains its de facto and de jure recognition of Kaliningrad Oblast as Russian territory, the expansion of NATO to Poland and perhaps eventually to the three Baltic states necessitates a careful policy vis-à-vis Kaliningrad. In particular, Western countries should consider how they can best promote the second--or better yet third--scenario outlined above. If Kaliningrad Oblast remains a highly militarized exclave, it will be a potential source of friction with NATO; but if the NATO countries can take steps that would encourage greater political autonomy in Kaliningrad, a reduction of Russian military deployments, a clampdown on drug smuggling and illegal arms trafficking, and reassurance of the neighboring states (especially Lithuania), the whole Baltic region will be better off.

Seven such steps appear desirable:

- 1) Through follow-on agreements to CFE, the NATO countries should press for larger Russian military reductions in Kaliningrad Oblast, offering commensurate Western reductions in return.
- 2) The zonal agreements as they now stand must be drastically revised to take better account of the dissolution of the Soviet Union.
- 3) In line with both the September 1991 pledge by George Bush and Mikhail Gorbachev (later reaffirmed by Yeltsin) to disband ground-based tactical nuclear weapons and the February 1997 statement by NATO that it will not deploy nuclear weapons on the territory of new members, the United States should promote the denuclearization of Kaliningrad Oblast.
- 3) Exercises conducted by the Partnership for Peace and the Atlantic Partnership Council should more actively involve the Baltic Fleet alongside Western navies. In addition, the United States could establish more frequent exchanges and military-to-military contacts with senior officers of the Baltic Fleet and the 11th Independent Guards Army, and could seek agreement through OSCE on the size of military exercises in the region.
- 4) In line with a recent proposal by Russian prime minister Viktor Chernomyrdin, the United States should encourage Russia to set up Hot Lines between the Kaliningrad Oblast military command and the defense ministries of neighboring states.

- 5) With Russia's cooperation, the United States should explore the possibility of directing some of the US counternarcotics aid for the former Soviet Union specifically to Kaliningrad Oblast. The United States has maintained a low-level counternarcotics program in Russia and Central Asia (via the Drug Enforcement Administration and the UN Drug Control Program) since 1992, with the bulk of aid to Russia focused almost exclusively on the areas abutting Central Asia. Some limited diversion of funding to curb the drug trade in Kaliningrad Oblast would be amply justified, provided that the Russian government agrees and the money can be used effectively.
- 6) The NATO countries should reaffirm that when the Baltic states are eventually admitted into the alliance, no large-scale NATO contingents will be permanently deployed there (barring some drastic change of circumstances).
- 7) To allay any concerns that Lithuanians might have about Kaliningrad Oblast, the NATO countries should give a clear commitment as soon as possible about the status of the Baltic republics vis-à-vis the alliance. Judged by the criteria laid out in the official Report on NATO Enlargement in September 1995, Estonia is already at least as suitable a candidate to join NATO as Poland, Hungary, and the Czech Republic are. Lithuania and Latvia lag behind, but they, too, are likely to qualify at some point for membership. Although Russia has been voicing strong objections to the possibility of bringing the Baltic states into NATO, the Western countries are unlikely to give Russia a permanent veto. (Whether the Western countries acknowledge it or not, Russia did have a de facto veto on Estonia's candidacy in the initial round of NATO expansion in July 1997.) It would be wise now to specify how NATO will handle the Baltic region once Estonia, Lithuania, and Latvia are admitted into the alliance. If instead NATO waits and leaves the Baltic republics in a gray zone, Russian opposition to the inclusion of the Baltic states in NATO will intensify and it will be all the more difficult to manage this issue later on.

At the same time that the NATO countries dispel any further ambiguity about the Baltic states, they should take two steps to allay Russian concerns.

- 1) They should persuade Lithuanian officials that continued harsh rhetoric about Kaliningrad Oblast is no longer warranted. On the contrary, it would be desirable if Lithuania sought an agreement with Russia that would acknowledge Russia's claim to Kaliningrad.
- 2) NATO should clearly affirm that Russia itself can eventually become a member of the alliance if it meets the criteria laid out in September 1995 and if it wishes to join.

If in fact Russia does someday meet NATO's requirements and seeks to join the alliance, the whole question of Kaliningrad Oblast will fade away (apart from efforts to curb drug smuggling). Until that time, it would behoove Western governments to do what they can to ensure that the oblast does not become a threat to Baltic and European security.