

The United States' Northern Dimension? Prospects for a U.S.-Russian Cooperative Agenda in Northern Europe

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The recent terrorist attacks against the United States and the dramatic developments in the Middle East have diverted public attention from other regions where dynamic and impressive changes are occurring, including in Northern Europe. Although the European Union is a key actor in this part of the world (and a natural partner for Russia) the United States also has an important role to play. This memo will identify areas where the United States and Russia could potentially cooperate and determine how they can contribute to creating a zone of stability, security and prosperity in the region.

The Background

According to some assessments, during the Cold War, northern Europe was a “strategic backwater” and received relatively little attention in U.S. policy. The first post-Cold War administration—President George H. W. Bush’s administration—was not particularly interested in the region and instead focused its activities on arms control agreements. President Bill Clinton’s administration was the first to articulate a post-Soviet U.S. policy in the region. However, this policy initially focused on the Baltic states rather than northwest Russia. This strategy was originally designed to please the Baltic-American electorate and make palatable to Estonia, Latvia, and Lithuania their noninvitation into NATO. However, U.S. policy in northern Europe has since developed to embrace other countries, including Russia.

In September 1997 the United States launched a new policy for the region, the Northern European Initiative (NEI). The United States’ official goal is to demonstrate that integration and cooperation in northern Europe will benefit Russia and its Baltic neighbors. NEI has six articulated specific priorities: trade and business promotion, law enforcement, civil society building, energy, environment, and public health.

According to the State department, some of NEI’s detailed objectives are to:

- “Integrate the Baltic states into a regional network for cooperative programs with their neighbors and support their efforts to prepare for membership in key European and Euro-Atlantic institutions;
- “Integrate northwest Russia into the same cooperative regional network to promote democratic, market-oriented developments in Russia as well as to enhance Russia’s relations with its European neighbors; and
- “Strengthen U.S. relations with and regional ties among the Nordic states, Poland, Germany, and the European Union.”

The NEI basically encompasses the old Hanseatic League, including the Nordic nations of Norway, Sweden, Denmark, and Finland; the Baltic nations of Latvia, Lithuania, and Estonia; plus Poland and northern Germany. The initiative includes some of Russia’s most advanced and most distressed cities, its most cosmopolitan and its most remote. Among them are fairly westernized places such as St. Petersburg, Kaliningrad, and Novgorod, and such far northern ports and mining outposts as Murmansk and Nickel. The NEI aims at creating an economically and socially unified region with strong cross-border ties. The initiative seeks to steer western investment to Russian regions and get them to cooperatively handle problems that affect their neighbors to the west, such as Finland, Poland, and the Baltic states.

Significantly, in a number of ways, the NEI has moved U.S. thinking away from the traditional notion of security. First, rather than defining security narrowly in military terms, the NEI conceived of security in terms of the full range of threats to human welfare and quality of life—including economic deprivation, energy shortages, weakness of democratic institutions, communicable disease, environmental degradation, crime, corruption, and loss of cultural identity. Second, NEI abandoned the traditional narrow focus on sovereign states and state institutions as the major security providers, broadening its vision to account for the crucial role other actors—multilateral organizations, NGOs, TNCs, and subnational units can play. Third, NEI cast doubt on the key principle of the European Cold War security architecture: that European security is indivisible. Under the new circumstances making a region (e.g., northern Europe) more secure without creating a security regime for the whole continent has become possible. This again challenged the role of the traditional security organizations (OSCE and NATO) as the major security providers in Europe.

Problems

NEI has not been without its problems, including:

- The main difficulty is that NEI covers not only “soft” but also “hard” security issues. One of NEI’s strategic aims is to include the Baltic states in Western security institutions. Moscow noted that the U.S.-Baltic Charter, which gave the Baltics assurances that Russian opposition would not keep them out of NATO and the EU, followed the NEI four months later, making Russia suspicious of the whole project. Moscow prefers projects like the EU’s Northern Dimension that clearly aim at nonmilitary spheres and do not pose any “hard” security threats to Russia.
- NEI was not presented very clearly or coherently. It was delivered as a series of statements and interviews of high-ranking officials (who sometimes slightly contradicted each other)

rather than a single document, leaving room for different interpretations or misinterpretations of the initiative. For a while regional players were wondering exactly what NEI was.

- The Russian government is also keeping a wary eye on NEI because of its focus on the subnational level, which promotes fears that the center's hold on the regions could be compromised. The State Department has insisted that NEI's aim is not the breakup of Russia and that NEI is not anti-Russian but is designed to give aid where Russia lacks resources to deal with important regional issues.
- Moscow is also unsatisfied with the financial and institutional status of NEI. Washington has not pledged substantial economic and financial support to the project. The U.S. government is ready to provide only limited funds (approximately \$2 million was allocated for NEI projects in Eastern Europe and the Baltics, and \$2 million for assistance for the independent states of the former USSR) and hopes that regional governments and the private sector will provide the main financial contributions. No special agency runs NEI and, for this reason, NEI-related activities remain rather uncoordinated and even chaotic. This has made the United States—in Russia's view—a less valuable partner.
- The EU is also unenthusiastic about U.S. involvement in northern European because it perceives regional cooperation as a EU-Russian bilateral issue rather than a global one. According to the French delegate at the first ministerial conference on the Northern Dimension (1999), the United States and Canada can take part in the execution of individual projects case by case, but this must not lead to an institutionalization of their position in northern Europe. Nonetheless at the Feira 2000 EU summit, the EU, United States, and Canada issued statements stating that their cooperation on the Northern Dimension will be an integral part of the so-called New Trans-Atlantic Agenda.

Why Is the United States Interested in Northwest Russia?

In the United States a debate on the geopolitical importance of northwest Russia is ongoing. Not all political, military, and business elites are convinced of the real significance of the region for U.S. national interests. Against this backdrop, a number of arguments in favor of a deeper U.S. involvement can be suggested:

Economic Considerations:

- Huge natural resources (e.g., natural gas, oil, timber, ore, furs). Although the United States is not engaged in any substantial trade with northwest Russia, the EU has significant interest in cooperation with Russia. For example, Russia accounts for 35–40 percent of EU gas imports and, according to some prognoses, this could increase to 70 percent. Given the current U.S.-Russia rapprochement, this sphere could be of growing interest for the two countries' business communities.
- Northwest Russia is a promising market for U.S. products and technologies (especially in the fields of defense industry conversion and environmental protection).
- Russia has skilled manpower, high-tech sectors of industry (especially in the military-industrial complex), and know-how that can and should be taken into account in the international division of labor.

Political Factors:

- The United States is interested in supporting Russia's fragile, and, in the regions, embryonic, democracy.
- Washington favors the Western-like model of Russian federalism. Such a model suggests considerable autonomy for the members of the federation and the center's respectful treatment of the regions.

Security Determinants:

- Russia is a global player and European security cannot be ensured without Russia's participation. Russia is crucial to the European (and global) arms control process and is indispensable in coping with "soft" security challenges such as environment, smuggling, illegal migration, organized crime, and international terrorism. Northwest Russia is full of these "soft" security risks.
- With EU and/or NATO enlargement the EU-NATO-Russian common border will be extended (not only Finland, Norway, and Poland, respectively, but also the three Baltic states will represent the EU and NATO).
- With the EU and/or NATO enlargement the Kaliningrad enclave will find itself within the EU's and/or NATO's territory.
- With the collapse of the bipolar strategic paradigm, politics in northern Europe is now considered a test case for overcoming Cold War boundaries, for continuing dialogue with Russia and even integrating Russia into Europe's political framework.

Solutions

To capitalize on the positive achievements of the NEI and adapt it to new regional and global realities reformulating and redesigning the project is important. A number of concrete recommendations can be made:

- NEI should be reformulated in a consistent manner as a single policy document or statement so that regional actors can get a clear understanding of the initiative.
- The new version of NEI should clarify that the project has nothing to do with military security and addresses only the "soft" security issues.
- In managerial terms, a special governmental agency with clear missions and a separate and sufficient budget should run NEI. The way of interacting with the business community, international financial institutions (IFIs), and NGOs should be defined. With time, the U.S. government and IFIs could establish a special financial facility (similar to the EU's Northern Dimension) to implement NEI programs.
- NEI should emphasize investments and technical assistance to recipient countries rather than credits and loans (as was the case with the International Monetary Fund, International Bank for Reconstruction and Development, and other IFIs).
- Projects oriented to long-term positive effects on local economies and societies with the aim of strengthening market and democratic institutions should be given priority.

- The most promising areas for investment could be the gas and oil industries, development of regional infrastructure (including pipeline and highway construction, modernization of the railways and airports, upgrading municipal waste water treatment, etc.), introducing environmentally clean technologies, and defense industry conversion.
- The geographic scope of the initiative should be clearly defined and coordinated with the EU. Currently, which Russian regions NEI covers remains unclear.
- The development of horizontal (region-to-region, NGO-to-NGO, company-to company) links and networking strategies should be one of the crucial components of the project.
- At the same time the Russian federal government should be assured that NEI will not result in centrifugal tendencies and will not lead to tensions between Moscow and its regions (the cases of Kaliningrad and Karelia are especially sensitive).
- Because the United States has considerable experience with cross- and transborder cooperation with its NAFTA partners and tackling numerous problems that arise in this context, (visa and customs regulations, illegal migration, transnational crime, smuggling, etc.) it could study successful practices and disseminate them in the NEI region. First and foremost, these experiences can be implemented in Kaliningrad where the EU preaccession procedures (particularly, Lithuania and Poland introducing the Schengen rules) can hamper the freedom of movement of people and goods in the region.
- NEI should be better coordinated with European institutions that undertake similar activities (EU's Northern Dimension, Council of the Baltic Sea States, Barents-Euro-Arctic Council, Arctic Council, Nordic Council, etc.) and an efficient division of labor among them should be established. First of all, the interoperability of NEI and numerous EU programs under the aegis of the Northern Dimension (Phare, Tacis, INTERREG, etc.) has to be improved in order to avoid unnecessary duplications. The EU's experience in adopting a special "Guide to Bringing INTERREG and Tacis Funding Together" (April 2001) could be helpful.

The EU's Finnish-initiated Northern Dimension of the Common Foreign and Security Policy, which was also designed to integrate northwest Russia into the unified European economic space, complements the United States' NEI initiative. The two Northern Dimension projects—European and U.S.—signaled that all key players viewed the northern European region as a unique testing ground for new integration and security models. The NEI can serve to build a cooperative U.S.-Russia agenda in the region and even a U.S.-Russia-Europe cooperative agenda to solve regional issues that affect all participants. This is only likely, however, if U.S. policymakers revisit their financial and political commitment and bring coherence and clarity to this program.