



I N S T I T U T E O F P U B L I C A F F A I R S

**Not Just the Question of Visas.
Kaliningrad Region in Light of
the EU Enlargement**

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Executive Summary

- The question of Kaliningrad Region should be considered:
 - as an important issue in the light of Russian internal policy
 - in the context of Russian relations with the EU
 - in the context of Russian relations with countries neighbouring with the region.
- Russia's approach towards the region originates from the philosophy of power, which the country has developed after the fall of the USSR. The authorities use international issues as an opportunity to enhance their status in the eyes of the nation and the society. All conflict situations in the international arena may be used as a pretext to mobilise the society and to re-emphasise importance of the central administration as the institution, which decides about all-Russian affairs.
- Official foreign policy of the government of the Russian Federation is focused on Russian cooperation with the EU. Foreign affairs are subordinated to internal objectives such as consolidating democratic rule in Russia, establishing a market economy that would efficiently serve current economic relations and improving Russians' living conditions. This results in a pro-Western and pro-European tendency in Russian foreign policy, which includes acceptance and support for the process of the EU enlargement. At the same time Russian authorities are governed by an imperative to maintain territorial integrity of the Federation. Only with great difficulty do they recognize exceptional status of the region within the Russian Federation. Government actions show a lack of a coherent concept of a strategy towards the region.
- The army may use strategic importance of the region to gain advantage over other pressure groups in the country. This may limit the process of opening up of the region towards the EU.

- Spreading of infectious diseases is a serious problem faced by the Kaliningrad region. Rising count of HIV infections is tied to the increasing number of drug addicts and alcoholics. Although in previous years most infections were observed among drug addicts, it can be feared that the virus will start to spread among persons who do not use drugs. Kaliningrad region has syphilis infection rates two times higher than mainland Russia, where syphilis already occurs more often than in other European countries. Low incomes of district's citizens and bad financial situation of the local health care system contribute to the spreading of another disease - tuberculosis.
- The way in which the issue of Kaliningrad is approached by authorities in Moscow, especially the President's administration, shows signs of a conflict upon symbols. Arguments issued by the President and his representatives during negotiations relate to fundamental principles that are virtually impossible to discuss. They would speak about national pride, human rights or attempts to infringe upon Russian national integrity.
- Local authorities, especially governor Vladimir Yegorov with his administration and part of deputies of the Kaliningrad Duma (local parliament), conform in their official statements to the policy of the government in Moscow and wait for a signal to act. On the other hand central authorities ignore local ones in terms of the dispute with the EU. This is done in line with the general rule of centralisation, on which the Russian state is based, especially in international relations.
- Kremlin wants the enclave to become a key transit node of that part of Europe, which would give Russia independency from energy supplies through the territory of Lithuania. Kaliningrad region would then become a gateway between Russia and Europe. Worth noting is the inconsistency of actions taken by the government Federal Development Programme for the Kaliningrad region till 2010 does not include any investments into region's industry, despite the fact that one of its main goals is a shift from import to production/export economy.

- A discrepancy is at the heart of Russian policy on the Kaliningrad region, stemming from a fear about Russia's territorial unity, as well as from a general specificity of Russian political tradition, which was always reluctant to allow authentic autonomy of its regions. Central government understands the specificity of region's current situation, but tries to solve the arising problems through centralised means – delegating a special envoy to the region, who in his activities disregards local level authorities.
- The EU wants to export stability and safety and at the same avoid importing crime, contraband and other negative economical and social phenomena. The questions of transit and visas cannot be considered separately from these issues.
- The EU cooperates with Russia within The Cooperation Council between the EU and Russia, with the Partnership and Cooperation Agreement (PCA) serving as a base of all enterprises undertaken by governments of member states. Denmark, Germany and Sweden are among countries most involved in helping the region.
- Ten Russia-EU summits have been held in the framework of Russia-EU co-operation. Kaliningrad became a live issue around 2000. At the last summit (Brussels, 11 November 2002) the EU accepted the conditions of granting Russian citizens Facilitated Transit Documents (FTD) and Facilitated Rail Travel Documents (FRTD). However, EU refused Russian demand for visa-free transit by high-speed non-stop trains and declared the proposal infeasible at the moment. Russia received a promise that in the next year (2003) independent consultants will produce a feasibility study of the high-speed train construction. It was further declared that discussions concerning this issue would be continued in the future. Implementation of a visa-free transit scheme has to be preceded by cooperation on a regular basis between Russia and EU in regard to immigration policy. Russia also has to fulfil its commitment to sign a readmission agreement until 30 June 2003.

- Poland has opposed Russian demands for the visa-free transit since the very beginning. Polish approach has met with the support of the EU. In July 2002 Poland was excluded from talks about visa-free transit and Russia issued an official statement that Poland is not considered a transit country.
- Strategy on the Kaliningrad region is part of both Polish foreign policy and Polish-Russian relations. Polish government considers eastward extension of the EU an opportunity for the region. To eliminate the sense of isolation and to improve living standards of the region's population, Poland is willing to begin comprehensive cross-border and local co-operation with the region and active participation in EU programmes. In sum, Polish strategy converge with that of the EU.
- Lithuania is against further isolation of Kaliningrad and insists on comprehensive co-operation with the region. It has agreed to the conditions of the November Russia-EU summit, but has also demanded guarantees of Lithuanian accession to the Schengen acquis and additional financial support from the EU. In Lithuania, critical voices also surface, which believe that summit conditions are degrading for Lithuania.
- Economic analyses carried out in Kaliningrad region indicate that EU enlargement would particularly weaken small and medium business and will not negatively affect major economical enterprises. Owners of local companies accuse Russian institutions of lack of sufficient involvement and tardiness in adjusting Russian procedures to EU requirements. There are also fears of possible increase of prices of energy, other products imported from neighbouring countries or costs of transport through new EU member states. This would decrease buying capacity of Kaliningrad's residents.
- The issue of the introduction of visas at the borders is not only a matter of solving technical obstacles or limiting the right to travel. It involves certain expenses for a region, which is second poorest in the whole of Russian Federation, taking into their gross regional product per head.

- Research findings indicate that for most citizens of the Kaliningrad region, charges for visas and passports, as well as need to switch to more expensive means of transport, will constitute a significant financial burden for family budgets.
- Research findings confirm the position of Polish Ministry of Foreign Affairs, which states that Poland is not a transit country for residents of the region.
- Residents of Kaliningrad region have ambivalent feelings about EU enlargement in the context of region's future economic situation. The majority is pessimistic. Negative consequences of future EU enlargement are most often mentioned among the older generation. We assume that in this group the largest percentage of respondents still thinks in categories imprinted on their minds in the times of the Soviet Union.
- There are no significant differences between views on introduction of visas between respondents who travel to other regions of Russia or abroad and those who never leave the enclave. This might be proof of the fact that people form their opinions not only through individual experience of travel but also from other sources, i.e. media campaigns or politicians' statements.
- Even those who have not recently visited other regions of Russia or have never travelled abroad can deem the introduction of visas a limitation of their potential ability to travel. Since they are being flooded with information about the region being cut away from the rest of the country and about future difficulties, they perceive changes as a threat.
- The majority of population does not see any positive consequences of the implementation of the Schengen Agreement. They regard introduction of visas as a potential obstacle in travelling to other parts of Russia or abroad and connect this with a possible worsening of living conditions of their families.

- Vast majority of the region's population believes that Russian government has not made best endeavours to enable them to travel freely to and from mainland Russia. Therefore they do not consider the EU candidate countries and member states as solely responsible for their future discomfort.
- With regard to the specific situation of Kaliningrad region, most of its residents believe that it deserves special treatment from the Russian Federation.

Introduction

In order to analyse problems of Kaliningrad, as seen from the Russian perspective, we have to listen to the opinions of numerous subjects: representatives of central and local authorities, of local business and of nongovernmental organisations. The collected data has to be compared with views shared by the citizens of the region. Particular subjects define the issues that emerge from the new circumstances differently. They would often avoid making explicit statements. Mismatches between those opinions can reveal the compound nature of the previously mentioned issues.

This report contains analyses based on data from bibliographical and press sources about Kaliningrad region, as well as on interviews conducted by experts of the Institute of Public Affairs (ISP) in September 2002 with representatives of local government, NGOs and local businessmen in Kaliningrad. The report also includes findings from a survey research ordered by the ISP and carried out on a sample of 1004 respondents by *GfK Russia* in Kaliningrad region in the period between August and October 2002.

The issues posed by the Kaliningrad region are not only the matter of Russian Federation's foreign policy. Russian approach to the problem in the international arena originates from a particular internal policy targeted at regaining control over country's regions by central administration.

Principal arguments that emerge during negotiations with the EU, such as the question of limiting country's sovereignty or human rights, are part of the negotiating ritual. Russian authorities start with a firm negotiating position at the beginning of each negotiation, in order to manifest their patriotism and unhesitating stance in front of the society. Eventually they shift to a more pragmatic approach and a certain level of compromise can be reached. It should be noted that all proposals of solutions leading to a compromise came from the EU representatives.

Theoretically, there are two possible strategies of Moscow government towards Kaliningrad region. One of the possibilities is decentralisation leading to more autonomous relations between Moscow and the region, creating a possibility of an

integration of some sort with the EU in the future. Reunification, which means reconstruction of previous direct control of the central authorities over the region, is the second strategy. Moscow is currently acting as if it has chosen the second solution. It is exemplified in sending President's special envoy Dmitry Rogozin to the region. One could consider it an attempt to introduce direct presidential reign. The person who was officially appointed for this post is known for his anti-western and dogmatic attitude.

A discrepancy is at the heart of Russian policy on the Kaliningrad region, stemming from a fear about Russia's territorial unity, as well as from a general specificity of Russian political tradition, which was always reluctant to allow authentic autonomy of its regions. Putin's presidency is characterised by a return to a centralisation policy, expressed in both formal and informal limiting of the importance of institutions of democratic rule and of the separateness of Federation's members. Presidential initiative that led to the creation of so called federal districts led by officials nominated by the President, made right after Putin's coming to power, is a good example of such policy. The process of renewed centralisation creates greatest paradoxes in case of the Kaliningrad region. Central authorities, understanding region's specificity, try at the same time to solve the arising problems using centralised means, for instance by delegating a special envoy, who acts with disregard for local level institutions.

During talks with the EU, only most obvious issues, such as free transfer of residents, are mentioned. However, it seems that the problem of Kaliningrad region constitutes of something more significant than just the concerns brought up during negotiations, such as visas, electricity transfer, transit of goods or the fisheries limits. The statement on facilitated scheme for the cross-border transit of region's residents, which was achieved during the November summit in Brussels, shows that the issue of visas, which drew strong media interest, was in fact easy to solve. The real problem faced by the government in Moscow and the EU countries is that an enclave incompatible in regard to living conditions and all other standards is to remain within the boundaries of united Europe. Kaliningrad will be a unique case inside EU borders. It is worth remembering that Switzerland, which does not belong to the European Union, does not vary from the surrounding countries in living standards.

The situation in Kaliningrad region is quite different. The clash of misaligned logics of the two economical systems, administration structures, public services etc., might turn it into a zone of instability.

To surround the region with the thick wall of Schengen borderline may result in a decrease in the cross-border flow of persons. Furthermore, it may affect the informal economy sector, which probably forms the basis of the region's economy. And it would not bring the region any profits in turn. Apart from being a visa travel regime, the Schengen Agreement is also an economic tool, which increases control at Union's external borders and simultaneously liberalises transfer of persons within the boundaries of the EU. Therefore, we should take care of real issues emerging as a result of the collision of the two incompatible logics. On one side, the logic of Kaliningrad region is based on intentionally generated ambiguities in the system of tax and duty relaxations that create informal economy structures. On the other, the logic of Schengen aims at preventing such economical pathologies. In effect this may lead to a sudden breakdown in the region's economy, which shall cause a major social crisis.

Russia has to decide whether to take further measures to isolate the region in the name of maintaining Federation's territorial integrity or to elaborate a model of gradual integration of the region with the EU, at least on the ground of economical standards unification. And this is the question that Russia has to be asked.

It seems that the last decade, during which an opening of the region towards neighbouring countries could have been observed, established the basis for local level cooperation. The implementation of the Schengen Agreement regulations should therefore focus on eliminating past pathologies rather than impairing that cooperation.

1. Kaliningrad Region in Regard to Russian Internal and Foreign Policy

Process of enlargement of the European Union and the likely eastward extension of European borders made Kaliningrad region a permanent and priority element of a dialogue between the European Union and the Russian Federation. Specificity of the geopolitical situation of this Russian enclave become a key issue, as it will soon become a separated island among an integrated European structure. Russian authorities are concerned about possible isolation of the region and demand abolition of visas (which are to be introduced by Poland and Lithuania in 2003) for its citizens travelling between the region and the rest of Russian territory. To justify a more and more radical attitude, Moscow brings up the issue of violating the freedom of movement of Russian citizens within their own country, which is guaranteed by international law standards. Besides, Russia considers it groundless that its citizens should be dependent upon decisions made by authorities of a foreign country or organization, such as the EU. On the other hand, we have to take into consideration the characteristics of region's localisation in relation to currently candidate countries, which are about to become members of the EU (their accession is planned for 2004). As EU members these will accept *acquis communautaire* regulations and soon afterwards will become states of the Schengen *acquis* (this is planned for years 2006-2008). Those regulations place many responsibilities, also in relation to the protection of the borders. The Moscow-Brussels talks, after many difficult stages of negotiations, finally reached a compromise (Russia-EU Summit in November 2002). The discussions about the situation in Kaliningrad region however, are often very distant from Kaliningrad itself. Research, whose findings are analysed in this report, had been carried out over the period between September - October 2002, before the previously mentioned summit was held. Nevertheless, they reflect attitudes that have been present in the Kaliningrad region for a long time.

The case of Kaliningrad region should not be discussed only in the context of relations with the EU, which will surround its territory in a short time. Kaliningrad is also an important issue in Russia's internal politics, and an attitude towards this

dilemma has originated from a certain philosophy of power, which has developed in Russia since the fall of the USSR. It is no secret that the authorities use international issues to improve their status inside the country and among the society. Multiple examples from the modern history of Russia prove that skilful management of crisis situation provides the establishment with an opportunity to implement their own agendas. Let us only mention the accusation of violating human rights of Russian citizens made against Latvia or Russia's objections against NATO extension, which was described as an attack on the country. Radical anti-Western campaign led by the Russian Federation after the intervention of Western forces in the Kosovo region is another example out of a great number of such cases. Nonetheless, when the dramatic tension dissipates, the situation may become diametrically different, which is proved by the shift in Russian attitude towards NATO. It may seem that Russia's only true problem since the fall of the USSR and the reigns of Jeltzin's administration has been the weakness of central power in face of regional aspirations. All crisis situations occurring on the international arena may serve to strengthen social mobilization and to reaffirm the significance of central administration as the sole actor that decides about all-Russian affairs. Argumentative approach also allows the government to manifest its firm stance when it comes to protecting national pride and importance of Russia. As such it is a reaction to Russia's post-imperial complex. This scheme is also visible in the case of Kaliningrad region.

1.1. Possible governmental strategies towards the region

Salomon Ginsburg, a deputy of Kaliningrad Duma, anticipates two possible ways of resolving the dispute about the functioning of Kaliningrad as an enclave within the EU¹. First, there is the possibility of decentralising and allowing local authorities to participate in solving the issues that emerge in relation to the EU enlargement. Even some form of integration of the region with the EU seems feasible, since otherwise it could easily become a black hole on the map of Europe. However, it seems that Russian government prefers an opposite strategy -- the strategy of reunification and

¹ See: Iwanow W., *Wolność słowa w obwodzie kaliningradzkim na przykładzie lokalnych środków masowej informacji* (Freedom of Speech in the Kaliningrad Region. The Example of Local Mass Media) in: *Obwód Kaliningradzki – Przegląd Faktów, Wydarzeń, Opinii* (Kaliningrad Region – Review of Facts, Events and Opinions) No. 5, 2002, Ośrodek Badań Naukowych im. W. Kętrzyńskiego, Olsztyn, pp. 9-17.

centralisation of power within the Russian Federation. They blame the EU and its candidate countries for supporting separatism in the region. According to Russian authorities, introduction of visas serves as proof of their viewpoint. Often, the issue of limiting or dividing Russia's sovereignty is also being brought up. The most spectacular manifestation of reunification strategy (although separatist tendencies² in the region are really low, at an approximate level of about 5%, according to S. Ginsburg, *Bat nad enklawą (Whip over Enclave), Obwód Kaliningradzki...* Nr 6-7, p. 19) was the designation of Dmitry Rogozin, who is well known for his anti-Western speeches, unwilling to compromise and a stalwart defender of Russia from the West, as a special envoy of the Russian President. This is a clear signal for local authorities and the rest of Russian society that the issue of Kaliningrad is an all-Russian problem that affects country's integrity. Local authorities are neglected during selection of foreign delegations and discussions about the status of their region. For political power elites, expressing their attitude towards the issue of Kaliningrad is a great opportunity to manifest their patriotism. Such approach is visible in the pronouncements of representatives of a whole spectre of political parties, from radical *National-Bolsheviks* up to liberal *Jabloko*.

1.2. Military concerns in the Kaliningrad region

Before 1990 the district was a highly isolated zone. In October 1990, USSR's Highest Council abolished the regime of isolation in the Kaliningrad region, which therefore became accessible to citizens of other countries³. Kaliningrad has been considered for a long time a strategically important zone and in the 1990s it was considered the most militarised territory in Europe. Military potential of the region was to be engaged during a future war in an attack on the Danish straits. However, this massive military grouping has been in recent years significantly reorganised. The number of stationing navy units has been reduced to the size of a flotilla, although the name "Baltic Fleet"

² The pro-Western Baltic Republican Party is the only one representing strong separatist tendencies in the region of Kaliningrad. Its chairman, who is a great supporter of the referendum about the affiliation and the future status of the region, Sergey Pashko postulates that a fourth Baltic republic should be established which should become a member of the EU in the future.

³This decision was tied to the so-called 2+4 Agreement, signed on 12 August 1990 and ratified on 13 August 1990. The agreement declared good standing, partnership and cooperation between USSR and German Federal Republic.

remained to maintain force's prestige. In case of an eventual conflict arising in the future, small naval units could be used to paralyse Baltic sea transport. Number of military personnel in the region equals approximately 25 thousand and doubles if 25 thousand enlisted in other armed services are also considered. Together with their families they constitute approximately 10% of region's population, whose opinion is very influential. Present governor, Vladimir Yegorov, who has been elected in 2000 also derives from the Fleet headquarters (Admiral Yegorov used to be a commander of the Baltic Fleet). Strong position of the military lobby is one of the region's characteristic features. In some issues, the military lobby can exercise influence over the regional administration through Yegorov himself and many other officers, who have connections in the administration and business environment.

Military lobby is interested in securing sufficient supplies for the military units. Today there emerges a question, raised by Russian newspapers, of soldiers who in accordance with the Russian law and military regulations are not allowed to have passports, because they have access to confidential information. These soldiers will now have to travel by more expensive airplanes or ferries instead of relatively cheap trains. The best solution for the military would be the introduction of sealed trains, which could also carry supplies for military units. The issues related to the transfer of army units within the Russian Federation are also considered important by region's authorities.

Introduction of permanent naval connections with mainland Russia forces the Baltic Fleet will have to share a fragment of the harbour and its wharves in Baltijsk. This is strongly disapproved by army authorities and even caused a reaction by central authorities.

Citizens of the region have to face consequences of a long-term stationing of Soviet troops in the past. Environmental consequences of weapons storage, possibly including chemical or nuclear armament, remain unknown⁴.

⁴ Environmental problems are also caused by open-cast mines of amber, peat and brown coal. Still, greatest damage to the environment is caused by the emission of waste into the Baltic Sea. Kaliningrad is second, after Petersburg, city on the Baltic coast with largest sea pollution. Kaliningrad recently became a leading site for illegal sinking of toxic chemical waste. For example, in 2002 40 tonnes of such waste, mainly currently banned pesticides, were discovered. Nuclear waste is also stored in the region (Galeotti M., *Kaliningrad at the Crossroads*, Jane's Intelligence Review, August 2002).

Strategic importance of the district may become an advantage for the military lobby as a pressure group in Russia. It can lead to a delay in the process of opening the district towards the European Union, which in a longer perspective would cause stagnation of the economy.

1.3. Epidemiological danger⁵

AIDS is a serious problem faced by the Kaliningrad region. Spreading of HIV is connected with a growing number of drug addicts and alcoholics. In 1997, there were 137 addicts for each 100,000 residents. In 2002, this number quadrupled. In previous years, most HIV infections were observed among drug addicts. Currently fears arise that infections will occur ever more often among persons not using drugs. We lack reliable data concerning the spreading rate of the disease. Statistical data shows, that in 1997 1,276 HIV carriers were noted, their number increased by 728 in 1998. In 2000, 2,685 infected persons were identified in the region, with 45% of them in the development stage of the disease. Currently, there are officially 3,000 HIV carriers in the region and their number could be two times higher according to unofficial sources. Official statistics show that, in Kaliningrad region, infection rate per 100,000 persons is the highest in whole Russia⁶.

Low incomes of the population and poor financial state of the health care system help the spread of tuberculosis. Taking into account the number of residents, density of population and the spread of pulmonary tuberculosis, we should assume that residents of urban areas are most endangered. In 1999, more than 800 residents developed for the first time advanced tuberculosis. At the beginning of 2000, 4,000 persons suffering from different forms of tuberculosis were receiving medical attention.

Venereal diseases are another serious medical condition affecting Kaliningrad's citizens. In 2000, there were 5,000 cases of syphilis noted in the region. An epidemic of syphilis has been developing in the region during whole of the 90s. Currently, syphilis morbidity rates are two times higher than in Russia as a whole. Analysis of

⁵ Fyedorov, G.M., Symayeva, I.N., *Dyemograficheskiy krizis i yego slyedstva dlya kaliningradskovo sotsyuma (Demographic Crisis and Its Consequences for Kaliningrad's Population)*, in: Klimyeshva A.P. (ed.), *Kaliningradskiy sotsyum v yevropeyskom kontekstye (Kaliningrad's Population in the European Context)*, Kaliningrad 2002, pp. 122 - 142.

⁶ Galeotti, M., *Kaliningrad at the Crossroads*, Jane's Intelligence Review, August 2002.

statistical data shows ineffectiveness of preliminary prophylactic procedures, conducted mainly among the male part of population, both in cities and rural areas.

2. Relations Between the European Union and the Russian Federation and the Issues of Kaliningrad Region

2.1. Strategy of the European Union on Kaliningrad

In the context of impending extension of the European Union, special importance is attached to the relations between Moscow and Brussels. Officially, both sides declare that they want to define and protect the status of Kaliningrad enclave in the vicinity of the European structure. The EU is willing to export stability and security to the region and simultaneously it wants to avoid importing crime, contraband and other negative social and economical phenomena. According to the EU, the enlargement of its structures should present for Kaliningrad an opportunity to revive its market and bring a solution to the problems experienced in the region. Economical growth, improvement of living standards and strengthening of the rule of law in the region should lead to a decrease of immigration pressure, crime and other negative phenomena that are feared in the EU. Transit and visas cannot be discussed separately from those issues.

In the dispute about the future of Kaliningrad, which takes place between Russia, the EU, Lithuania and Poland, the EU aims to determine areas, which especially require close co-operation. These include such issues as: maintenance of the free transit as part of a transport network with Russia, freedom of movement of persons, energy supplies, and fishery. Co-operation in the previously mentioned areas would help Kaliningrad to benefit from opportunities created by the extension of the EU and to deal with the challenges it currently faces. Nevertheless, European Union does not agree to grant the region any special status – whether it be membership, an economic union or a visa-free travel regime.

The Russian Federal Government officially fulfils a foreign policy of entering into closer relation with the EU. Russian Ministry of Foreign Affairs emphasises that Russia's foreign policy is simultaneously subordinated to internal policy objectives, such as development of democracy and market economy that would efficiently serve current economical relations and improve living conditions of the society. Russia is not able to accomplish those goals unless it will integrate into a common global

economic space. This caused a pro-Western and pro-European shift in Russian policy, which includes acceptance and support for the process of EU enlargement by the Russian Federation.

2.2. The Cooperation Council Between the EU and Russia, and The Partnership and Cooperation Agreement

The European Union cooperates with Russia within the framework of The Cooperation Council between the EU and Russia, acting under the “1+15” formula.

The Partnership and Cooperation Agreement (PCA) of 1994, which came into force on 1 December 1997, forms the basis of all joint actions. Activities affecting Kaliningrad are carried out by individual EU member states. Among those most involved in help for the region are: Denmark, Sweden and Germany. The EU has sponsored numerous projects, mainly under TACIS programme, i.e. large projects targeted at the establishment of public institutions, energy sector, transport, reconstruction of the companies, trainings of the personnel and environmental protection. Assistance under TACIS programme has been granted since 1991 and was intensified in 1994, when Kaliningrad was qualified as a priority region. In 2001 new projects related to cross-border traffic, nuclear waste disposal, health services, support for small and medium companies sector and promotion of trade and investments in Kaliningrad were started. In the dispute about Kaliningrad, there emerge also proposals of converting the region into a centre of technical innovations' development. Both present EU members and candidate countries actively participate in the activities for the region.

The EU addresses following issues and proposals: better management of cross-border traffic at border crossings and acceleration of entrance procedures, establishment of a necessary transport strategy, selection of priority fields of the regional transport infrastructure that require extra financial assistance and modernization, determination of the feasibility of introducing EU regulations to regional border traffic, simplification of visa procedures and migrations movement management, determination of the feasibility of establishing consulates of EU member states in Kaliningrad, finalisation of the re-admission agreement, finding feasible scenarios of future energy supply for Kaliningrad, examination of possible

consequences of EU extension for access to fisheries and for a future fisheries cooperation agreement between the Russia and the EU. The question of environmental protection in the region of Kaliningrad is also being discussed.

2.3. The EU Common Strategy on Russia and the EU Northern Dimension

The EU Common Strategy on Russia was agreed in June 1999. The Strategy combines priority goals in such areas as: consolidation of democracy, rule of law and public institutions; integration of Russia into a common European economic and social space; stability and security in Europe and beyond; common challenges to the European continent (including environmental issues, crime and illegal immigration).

Russian Federation is one of the major targets of the EU Northern Dimension, which operates in the fields of foreign and cross-border policy of the EU⁷. In July 1999, Russia and Lithuania issued a joint proposal concerning the status of Kaliningrad in the light of the Northern Dimension, followed by a detailed proposal issued by Russia in October 1999. It is in this document that Kaliningrad region and its future role as a Russian enclave in the European Union were presented. The Northern Dimension initiative was subsequently included in the EU Common Strategy on Russia.

2.4. Russia-EU summits

Ten Russia-EU summits have been held within the framework of Russian-EU cooperation. Kaliningrad-related issues become more vivid around the year 2000 when two summits were held, first on 29 May in Moscow and then on 3 October in Brussels⁸. Both sides became aware of the urgency of these issues and though they lacked any proposals of resolving the problem, Kaliningrad started to appear continuously in the dialogue between Moscow and Brussels.

⁷ The Northern Dimension covers the following geographical area: Baltic Sea region, Arctic Sea and North-West Russia. Countries situated within the scope of the Northern Dimension that are not members of the EU are: Estonia, Russia, Poland, Norway, and Iceland.

⁸ Two summits take place each year, due to changing EU presidency.

In January 2001 European Commission issued the Communication “The European Union and Kaliningrad” which proposed solutions aiming to prevent further isolation of the region. Among other issues, the document included an analysis of the situation of the enclave in the fields of economy, environmental protection, health, corruption levels, crime and contrasts between local law and regulations and law standards applied in the EU. It presented implications of EU enlargement for the region, such as: lower average duty charges on goods exported from Russia to new EU member states, lower costs of transit of Russian products through the territories of Latvia and Lithuania. Simultaneously, Brussels presented negative consequences of the process, mentioning introduction of visas, difficulties with energy supply for the enclave, Russian military transit through Lithuanian territory, and negative attitude present in a part of the Russian society towards eastward expansion of Western organisations.

In 2001 two Russia-EU summits were held, on 17 May in Moscow and on 30 October in Brussels. Both sides decided that Kaliningrad’s development is primarily a responsibility of local and federal Russian authorities. The document issued at the summit in Brussels (30 October 2001) presented a more elaborate opinion about the issues of border protection. Both sides expressed their will to continue their dialogue aimed at achieving an agreement on the issues of consulates and visas, in the context of new countries being admitted to the EU and the Schengen Agreement. The document laid stress on the need to sign a readmission agreement. In the economic sphere, it focused on increasing the importance of a debate about the idea of Central European Economic Space (CEES), which would cover the area of Russia and the EU⁹. Furthermore, at the October 2001 summit they agreed to establish a common group gathering twice a year and working on the concept and schedule of a closer economic integration of the Russian Federation with European Union. Moreover, it is crucial to note that at the very same meeting Russia informed about forming its own working group on Kaliningrad-related issues.

In April and May 2002, Russia demanded that extraterritorial corridors be formed through the territories of Lithuania and Poland, which would allow transit of goods

⁹ The project of CEES emerged during the Moscow summit in May 2001, when an expert taskforce dealing with the project was established.

and passengers between Russia and Kaliningrad. Vehicles and trains would pass those corridors without any supervision of Polish or Lithuanian authorities on condition that they would leave Poland and Lithuania in the period of twelve hours. The EU was unwilling to undermine any of the Schengen Agreement regulations and thus refused Russia's demands.

In 2002, both Russia-EU summits, on 29 May in Moscow and on 11 November in Brussels, were dominated by debates on Kaliningrad-related issues. The Moscow Summit in May did not bring any breakthroughs or constructive resolutions. Russia did not want to withdraw its demands, including the creation of two land corridors, through which Russian citizens could travel using their internal passports with a special 12-hour transit pass. Russians would also be allowed to travel in Lithuania on their way to and from Kaliningrad in sealed buses and special trains. Moreover, simplified procedures would be used when issuing Lithuanian, Polish and "Schengen" visas.

The EU, according to its previous statement, refused Russian demands and President Putin was told that Kaliningrad residents travelling to Russia by land, as well as Russians travelling to Kaliningrad would have to obtain "Schengen" visas. The EU presented following proposals: inexpensive and easily obtainable visas for the period preceding Polish and Lithuanian access to the Schengen Agreement (about 3-5 years); long-term and inexpensive frequent use visas; possibility of applying for a visa of new member states by mail, in travel companies or business chambers; benefits coming from multilateral agreements on the recognition of transit visas of Russian residents by Poland and three Baltic republics¹⁰ as well as other visa-related simplifications such as entitlement to travel in any of the new member states with a visa issued by a single EU member state; assistance in modernisation of the border crossings' network; development of a network of consulates of EU member states accredited to Kaliningrad; economical assistance, grants for environmental protection activity, campaigns against AIDS and other epidemic diseases; assistance in resolving the issue of energy transit. The EU reaffirmed the above-mentioned proposals of facilitations and assistance on 12 July 2002 in

¹⁰ This beneficial solution would mean that a Russian citizen with an Estonian visa, for instance, could freely travel through Poland.

Moscow in the form of a proposed partnership for Kaliningrad scheme. Nevertheless, both sides were far from reaching a compromise and a signed joint agreement only affirmed that they would continue to seek a resolution of the Kaliningrad issue, which would be satisfying for each side.

On 18 September 2002, European Commission presented a document concerning the issue of transit to and/or from the region after the extension of the EU. It introduced new solutions such as: division of Russian passengers travelling in Lithuania to or from Kaliningrad into two groups: those who travel more and less frequently. The first group would be issued with the Facilitated Transit Document (FTD) that would entitle them to multiple entries in short time intervals and could be valid for a period of several months with the possibility of revalidation. FTD would be issued by Lithuanian consular offices free of charge or with a minimal fee on the basis of lists of travelling citizens provided by Russia. Consular offices would be entitled to refuse to issue such a document. Less often travelling people would have to apply for normal visas. Furthermore, the document proposed examining the feasibility of establishing a high-speed train connection between the enclave and mainland Russia, which would travel non-stop through the territory of Lithuania. The EC mentioned however that the conditions necessary for introducing such visa-free transit could not be met at the moment. Such solution would require the modernization of the railroad infrastructure and Lithuania would have to retain the right to exercise control over the trains or to refuse them to enter. Discussion on this subject is possible only after Poland and Lithuania finally join the EU. Brussels again refused the proposal of introducing visa-free travel by buses through the territory of Lithuania, because it would stand against legal regulations of the Schengen acquis and because of the lack of technical conditions. The EC addressed to Poland and Lithuania a confirmation that proposed solutions to the Kaliningrad transit issue would not affect their application for full membership in the Schengen acquis. Furthermore, the EU restated the need of signing readmission agreements, which Russia continued to refuse to sign.

European Commission's proposal was met with a cold reception of the Russian representation, which particularly criticised unclear division of Russian citizens after introduction of FTDs, which according to Russians are nothing else than surrogates

of visa documents. The European Commission mentioned in the text of the document from 18 September 2002 that the acquis is not inflexible and has nothing to say on the issue of transit of persons through EU territory from a third country to the same third country. Therefore the EC gave itself certain flexibility and offered to examine the feasibility of high-speed trains. It was also ready to continue debates on the introduction of a visa-free travel regime in the future.

Russia opted for Lithuanian participation in the negotiations, since Lithuania is a country with direct interest in those issues. The initiative to include Lithuania in the negotiations came from Austria. The ministers of foreign affairs of Greece, Italy, Spain and France addressed in turn Lithuania, asking it to reconsider its decision against undertaking feasibility studies of a scheme of visa-free transit for Russian travelers.

After the meeting of diplomatic representatives of the „Fifteen” in September 2002, the European Commission and Denmark, who presided over the EU in the second half of the 2002, held a series of meetings with Lithuania and Russia on the future of Kaliningrad region. During 24 and 25 October 2002 an European Union summit was held in Brussels, which among other things reaffirmed the EU statement on negotiations with Moscow in relation to the issue of transit of Russian passengers from and to Kaliningrad through the territory of Lithuania. It included such solutions as: introduction of FTDs on July 1 2003, applicable to all types of direct transit of passengers between Kaliningrad and mainland Russia; internal Russian passports together with FTDs or other transit permits would be respected by Lithuanian border authorities in case of train transport until the end of 2004; the decision about studies which would be undertaken by independent experts in 2003 (to prepare a report into feasibility of introducing high-speed visa-free train travel between Kaliningrad and the mainland Russia through the territory of Lithuania in accordance with the Schengen Agreement) has to be agreed with Lithuania after necessary adjustments are made; Russia is to sign readmission agreements with candidate countries (particularly with Lithuania); the EU confirmed that the decision regarding high-speed train scheme is only possible after Lithuania and Poland access the acquis; moreover, the EU committed itself to assist Lithuania in fulfilling the conditions of full access to the Schengen acquis the soonest that it is possible. Lithuanian representation agreed

with this statement and furthermore asked that an approximate date of its access to the Schengen acquis before 2006 be determined, but the EU turned down this postulate. Furthermore Lithuania insisted that FTDs should be issued in all of EU member and candidate transit countries (including Poland). The EU's statement, however, did not determine the precise route; mentioning only that it relates to all types of the direct transit. The EU position does not mention Poland in any way.

Last Russia-EU summit held on 11 November 2002 in Brussels eventually led to a compromise. The conditions of transit of Kaliningrad region residents to Russia through the territory of Lithuania and other questions agreed during the summit are listed below:

- From July 1 2003, Russian citizens willing to travel through the territory of Lithuania to and from the region would need both FTD and an internal passport. Such interim requirements would be in force till the end of 2004. From the beginning of 2005 transit through EU territory will require internationally recognizable passports (Lithuania is to introduce visas for Russian citizens since 1 January 2003, six months before introducing FTDs).
- The FTD would be a multiple-entry document and shall be valid only in regard to direct transit via all forms of transport by land to and from Kaliningrad during the substantial period of time; it would be issued either free of charge or with a low fee, in Lithuanian consular offices.
- Those Russian citizens intending to make single return trips by train through the territory of the Republic of Lithuania, should apply for a *Facilitated Rail Travel Document* (FRTD), obtainable on the basis of personal data submitted at the time of ticket purchase. To obtain such a document, Russian citizens will have to apply for a permission of Lithuanian authorities. Applications could be made in travel offices and also directly at railway stations. Lithuanian authorities would be entitled to deny entrance to persons who apply for such document. Passengers who obtain FRTD would not be allowed to step out of the train in Lithuania and the duration of

each transit would be limited in time (the time limits have not been yet determined).

- The EU promised financial assistance in the implementation of the facilitated transit scheme and the issuance of facilitated travel documents.
- Visas for Russian citizens shall also be introduced by the rest of candidates (from 1 July 2003 in the case of Poland).
- Russian proposal for visa-free transit by high-speed trains through the territory of Lithuania is postponed, since at the present moment it is impossible to implement. Decisions on that issue will be taken after Lithuania's accession to the European Union.
- A decision to launch a feasibility study in 2003 by independent consultants will be made in agreement with Lithuania.
- Russia confirmed its intention to sign a readmission agreement with Lithuania and obliged itself to do this not later than 30 June 2003 (FTD will come into force on 1 July 2003).

It is worth noting that practically all initiatives of specific compromise solutions, which arose during dialogue on the Kaliningrad-related issues, were proposed by the EU. Long awaited compromise made at the summit in Brussels was welcomed by EU and especially by Denmark, EU presidential country. The EU proved its flexibility when it agreed on the conditions of issuance of FTDs and FRTDs to Russian citizens. It did not give in regarding the question of high-speed visa-free travel scheme and considers it presently impossible to implement.

Russia is also satisfied with final results of negotiations, although President Putin noted publicly that these are not optimal solutions. Regarding the issue of visa-free high-speed trains, Russia received a promise that in year 2003 an independent team would start to work on their design (previously mentioned feasibility study). High-speed trains could serve for visa-free transit through the territory of Lithuania. Still a

final decision on that issue is to be taken only after Lithuanian accession to the EU and would require univocal agreement of EU member states (if the negotiations are unsuccessful or their results are not beneficial for Lithuania, there exists a threat of Lithuania blocking this decision, to which it has sovereign right). However, it was underlined that visa-free transit must be preceded by systematic cooperation in the area of immigration policy, which includes Russian commitment to finalise the readmission agreement soon.

2.5. Polish strategy towards Kaliningrad region

Russia issued demands for visa-free transit of passengers also in Poland. The situation became particularly tense at the turn of April and May 2002 and later at the Russia-EU summit on 29 May 2002. Since these demands were stated in terms of “extraterritorial corridors”, Poland, which is prejudiced to such rhetoric, strictly denied Russian postulates. This was met with full support from the EU. In July 2002, Poland was excluded from the dispute on transit transfers and Russia officially stated that Poland is no longer considered a transit country. Polish authorities shall introduce visas for Russian citizens on 1 July 2003.

However, that was not the end of Polish involvement in the issues of the Kaliningrad Region. Strategy towards Kaliningrad forms an integral part of Polish foreign policy and Polish-Russian relations. Poland wants to keep good neighbourly relations with the Russian Federation and Polish authorities see eastward expansion of the EU as an opportunity rather than a threat to the region. Poland is satisfied with the solutions developed during the EU-Russia summit on 11 November 2002. It is ready for a multi-levelled cross-border and interregional cooperation with the region and willing to actively participate in EU programmes aimed at eliminating the sense of isolation and raise the standards of living of residents of the enclave. Poland supports and takes part in cooperation between border guards, local administration and business environments.

Still, the debate about future of the Kaliningrad region lacks one important component: visible cooperation between Poland and Lithuania. After EU Eastern enlargement, the Kaliningrad issue will concern at most its immediate neighbours, Poland and Lithuania, and other EU countries only to a lesser extent. It seems that

Poland excluded itself from talks on this issue too early. Lithuania also did not receive sufficient support and was forced to make many concessions concerning solutions for the region, receiving in return a promise from the EU that it will find itself among the first group of candidate countries, which will be fully accepted to the Schengen acquis. Therefore Poland, together with other new EU member countries, will be forced to wait for Lithuania's readiness. Delayed introduction of Lithuania into the Schengen acquis will also affect Poland. In this context, it seems worthwhile to tighten relations and widen areas of cooperation with Vilnius.

2.6. Lithuanian strategy towards the Kaliningrad region

Lithuania regards co-operation with the Kaliningrad region as a basis of sustainable development of both bilateral Lithuanian-Russian relations and relations with the rest of the Baltic region. Lithuania pays special attention to mutual cooperation in the area of energy, transport and other economic sectors, as well as to expansion of cultural exchange, dialogue and interpersonal relations. It also insists on establishing a partnership between Russian Federation and European Union in the context of its future membership in the European structure. Lithuanian government's guidelines for the future relations with Kaliningrad include: development of cross-border and interregional relations through activity of Euroregions, preparation for the implementation of joint cross-border projects funded by the EU support programmes, implementation of concrete environmental protection schemes, joint actions against organised crime and improvement of border protection.

Lithuania considers the joint agreement reached in the course of negotiations between Russia and the EU a result of a search for political compromises and a starting point to achieve a solution that would suit Lithuania best. Its participation in the implementation of the November agreement will depend on European guarantees regarding Lithuanian access to Schengen zone (Lithuania expects guarantees of being among the first countries to join Schengen agreement) and additional financial support. Lithuania stated that any further decisions will furthermore depend on Russian willingness to cooperate, particularly in relation to the agreement on state borders, readmission agreement, development of a network of Lithuanian consulates in Russia, regulations regarding the transfer of Lithuanian passengers in Russia and

other issues substantial to both sides. Still, critical voices can also be heard and Lithuanian political opposition deems the agreements humiliating.

3. Kaliningrad Region from Russian Perspective – Three Points of View

3.1. Central government

The way the authorities in Moscow approach the issue of Kaliningrad region and in particular the approach of President's administration can be interpreted in terms of a symbolic conflict. Arguments used by the President and his representatives relate to fundamental principles, with which it is virtually impossible to discuss. They speak of the national pride, issues of human rights and attempts of infringement upon Russian national integrity. President Putin's statements, such as: "We will never agree (...) to destroy sovereign Russian territory" issued during the EU summit in Seville in June 2002, fully express argumentative character of the approach that Russia has chosen to present in the negotiation process. However, President's co-workers from the lower levels of administration issue statements, which show a realistic understanding of the Kaliningrad issue. At the meeting with the representatives of the European Commission and the representatives of Polish and Lithuanian governments in March 2002, Vice-minister of Foreign Affairs of the Russian Federation Ivan Ivanov defined four areas of problems, which have to be resolved: transport of passengers and transit of goods between Kaliningrad and mainland Russia, problems with energy supply in light of adapting Lithuanian energy transfer scheme to European standards, and fishery quotas which have to be renegotiated and adapted in order to adhere to European regulations. Although he presented concrete issues, which need to be resolved, Russian proposals omit the priority issue of an organism existing within the integrated EU territory, which differs significantly in economical and political aspects from bordering countries. Russia and the EU have to ask themselves an essential question whether the region is going to be integrated with the EU or remain isolated.

Introduction of visas for Russian citizens is a major subject in the dispute about consequences of the EU extension. According to Russian authorities, it would limit Russian residents' freedom of movement within the Russian Federation, which is guaranteed by international law and is therefore a violation of human rights. Introduction of visas is the most spectacular act of the EU extension and the part of

negotiations which attracted strongest attention. Other issues seem not to exist in the official statements.

3.2. Local government

Local authorities wait for a signal to act, in the meantime issuing official statements that conform to the policy of the government in Moscow. Nevertheless, central government ignores local authorities in talks with the EU. Deputies from the regional Duma (local parliament) agree to all proposals issued by the President and treat present situation as an opportunity for the region. They seek to take advantage of President Putin's proposal to make Kaliningrad a gateway between Russia and Europe. According to plans, this could be achieved through implementation of the Federal Kaliningrad Region Development Programme Till 2010, which includes co-operation with EU structures. The programme, based on a project of German Gref, the Minister of Trade and Economical Development, and Vladimir Yegorov, the governor of the Kaliningrad region, was endorsed in October 2001 by the government of the Russian Federation. Its objective is to level large differences in the rate of social-economical development between the district and neighbouring countries and to equalise the prevailing standards in the region. For that purpose, transport infrastructure is to be developed, i.e. existing road connections and sea harbours will be modernised and new ones will be built, together with a new thermo-power plant. Kremlin intends to turn the enclave into an important transit point in that part of Europe and at the same time wants it to be independent from energy supplied through the territory of Lithuania. It is worth to take a note that the programme does not plan any investments in the production sector, although one of its main postulates is a shift from import to production and export economy (in practice, this would be achieved through investors, mainly foreign ones, manufacturing in the district high quality products at reasonably low prices, in order to sell them to Western European countries).

Deputies of the Kaliningrad's Duma do not see the possibility of resolving EU enlargement-related issues at the local level. In their opinion, all such issues should be solved through a special agreement between the EU and Russian central

government. They assume that such agreement would allow adaptation of region's legislature, including production regulations, to EU law standards.

They consider the extension of the EU an opportunity. Still, they are aware of the lack of a formal framework for their actions. Among positive future consequences they mention adaptation of the market so that it would comply with European standards, development in the areas of environmental protection and medicine and an increase in educational possibilities. They underline that their region has best ability of adjusting to EU standards, since it is nearest geographically and has good relations with neighbouring countries. They issue proposals for the establishment of an EU accredited representative in Kaliningrad as well as agencies responsible for EU information policy. They are conscious of the fact that negative attitude towards EU extension is related to increasing negative opinions about the EU, which are mostly related to the planned introduction of visas. The agencies would take care of wide distribution of information about the EU, so that it would no longer be perceived only in the light of visa-related complications.

Deputies of the local parliament are convinced that some measures should be undertaken to increase living standards of region residents', since a large group among them lives from cross-border trade. They pointed to the fact that reduction of cross-border relations would adversely affect economically not only the residents of the district, but also a significant number of Polish and Lithuanian citizens living near the border.

It is also worth mentioning specific Russian views on the process of European integration and issues relevant to the Schengen acquis. Still alive is an opinion that Schengen rules were created without taking into consideration the fall of the USSR. A popular belief states that while EU cannot develop without maintaining good relations with Russia, she herself can prosper without cooperation with the EU. Though on the level of local authorities the problem of visas is approached in a pragmatic manner, even there a rhetoric, which sees visas as a limitation of human rights, is sometimes used.

Such radical attitudes can also be found among employees of region's administration. The EU statement on the transit of persons and goods are seen as a

dictate, through which a foreign country tries to decide about issuance of visas to Russian citizens travelling within the area of their own country. Again, they neglect the right of other countries to take sovereign decisions and exercise control over their territories. Visas may become obstacles to the cooperation with foreign partners on the field of cultural and educational activity. Still it is understood that they will also decrease in the length of queues and amount of contraband on the borders.

Regional administration is also aware of concrete issues, which may emerge after the EU extension. The EU standards will hurt the Russian-manufactured aeroplanes, since airplanes manufactured in Russia may be turned away from Lithuanian air zone because of their incompatibility with environmental standards. Facing this challenge, the Ministry of Transport and civil aircraft carriers have already started adapting their planes to the requirements. Railroad traffic is another live issue, for necessary adjustments, which have to be made in Lithuania to fit standards of the EU, requires overcoming both technical (Lithuanian rail tracks will have to be standardised) and legal obstacles and will thus pose another challenge for transportation of persons and goods.

Supply of energy to the region is another vital issue. At the present moment, 90% of basic energy supplies is transferred through the territory of Lithuania. Fears of a dramatic increase in energy prices after EU enlargement begins to surface. There are plans to build a power plant in the region capable of securing 50% of basic energy needs. The Byelorussian company had won the tender for the construction of an electric plant and according to latest information has already started the construction works. Another proposal was made by the Russian GAZPROM company, which includes construction of a gas pipeline running on the Baltic Sea floor from Russia to Northern Germany. An arm of the pipeline would be used to send gas to the region without transit through foreign territory.

Local authorities also mentioned the issues connected with transit of passengers and goods through the territory of Lithuania, with securing provision of energy supplies and basic energy sources (gas), management of the border infrastructure and residents' visits to neighbouring countries and Russia. They also use stronger arguments: even now we can anticipate increase of death rate among children and

people in the productive age, who do not have passports and cannot afford airplane tickets, whereas specialised medical centres are situated outside the region. Problems also emerge with the transport of mentally ill and criminals who serve their sentences in prisons in the region, to the regions where they permanently reside.

Although local leaders do not want to infringe upon competences of central authorities, they can present recommendations and detailed solutions of issues that may emerge after the extension of EU and implementation of Schengen Agreement to the territories of Poland and Lithuania. They speak about the consequences of the extension in terms of specific problems, which have to be resolved. Thus, their approach towards the process of European integration is pragmatic rather than ideological. This should not be any wonder, since as residents of Kaliningrad they do not treat the region instrumentally. It is not surprising either that their arguments are more emotional, for instance they fear isolation from mainland Russia and increased foreign influence in the region. In a country as centralised as Russia, where the authorities put great attention to territorial integrity, any attempts to express own opinion would be considered a kind of separatism. All solutions must thus be agreed at the central level. Therefore the debate about consequences of EU extension is dominated by the standpoint of federal authorities.

A conflict exists between local and presidential administration. Its most spectacular symptom was the resignation of Valery Stiugov, a member of the Russian Federation Council and a former president of Kaliningrad's region parliament. Stiugov resigned in protest against the appointment of Dmitri Rogozin as President's special envoy for Kaliningrad, who according to Stiugov is an aggressive and anti-Western politician, not suitable for the role of the negotiator, ignoring all suggestions coming from local authorities and who sees negotiations with European Union only in terms of symbolic conflict.

3.3. Local entrepreneurs

In accordance with the regulation of the Ministry Council of the RF, which was subsequently reaffirmed by President's decree, in 1991 Kaliningrad was given special economic status in the Russian Federation. A Free Trade Zone (*Jantar*) was established with the goal of reducing high costs of transit of goods imported from

mainland Russia or foreign countries. Special status of the region was eventually regulated in 1996 by a federal act on the Special Economic Zone (SEZ). SEZ functions on the basis of duty, VAT and excise tax immunities for goods imported to the region or manufactured within the Zone and transported to remaining tax territory of the Russian Federation. Immunities are granted on condition that an increase in goods' value through manufacture or other enhancement (not less than 30% or 15% depending on the category of the product) is high enough to consider the product "made in Kaliningrad". The regulations did not provide any further tax reductions other than those in force in the whole of Russian Federation. The immunities were aimed at compensating losses suffered by the region due to its geographical situation and isolation from mainland Russia, which made it necessary to organise costly transit of goods through the territory of another country. Through them, Kaliningrad products became competitive on the Russian market due to their lower prices. Still, Kaliningrad products do not have any better chances of competing on the EU retail market. Local businessmen are aware that they will not enter the EU market, since they are unable to compete with Western companies.

Duty free zone provides an opportunity to transfer goods from surrounding countries to Russia without paying the usual duty tax. It nurtures the development of an unofficial economy and illegal trade. Kaliningrad's residents also use large discrepancies between prices of excise products in the region and neighbouring countries, especially in Poland. Half of the alcohol, which is manufactured in the region, is subsequently smuggled by so-called 'ants'. Eighty percent of food imported into the district comes from small individual trade¹¹. Introduction of more stricter and more thorough control at the borders may destabilise this unofficial economy.

It is interesting to consider in this context negotiation proposals presented to the authorities by representatives of the Kaliningrad Chamber of Commerce. They speak of introducing transit of persons and products in sealed trains, buses and trucks, which would not be subjected to border controls. This could save a significant part of enterprises which function within the framework of unofficial economy¹². Introduction

¹¹Smorodinskaja, N., *Bałtycki szkopał (The Baltic Difficulty)*, quoted after: *Obwód kaliningradzki – Przegląd Faktów, Wydarzeń, Opinii (Kaliningrad District – Review of Facts, Events and Opinions)* No. 6/7, 2002, Ośrodek Badań Naukowych im. W. Kętrzyńskiego, Olsztyn, pp. 30-31.

¹²Ibid.

of visas and effective border checks would only slightly increase the costs of conducting legal trade.

Representatives of local business are convinced that the EU extension would mostly undermine small and medium companies. It would not weaken major companies, since in their case the issue of introducing visas or of introducing different means of transport would be barely important from the economic point of view. Entrepreneurs express their concern about introduction of EU standards in the surrounding countries, which according to them would lead to a displacement of products from Kaliningrad region on respective retail markets. Numerous petitions, filed before federal institutions, complain about the lack of devotion and tardiness in relation to the issue of adjusting Russian standards to the ones in force in the EU. Their concerns also relate to a possible increase in the prices of energy, other goods imported from neighbouring countries and finally the costs of transport through territory of other countries -- new members of the EU. This would decrease the buying power of Kaliningrad residents. According to a member of the Russian Federation Council, Nikolay Tulayev, a widespread introduction of Schengen regulations to the territories of Poland and Lithuania would lead to a doubling of prices and a decrease of local economic growth by one third in the region¹³.

Businessmen repeatedly ask about the consequences of EU enlargement and in particular of the extension of Schengen acquis for regions, where cross-border trade remains the main source of income. Although they usually point to problems that may occur in neighbouring countries, this is of course dictated not just by their care about the well being of Poles or Lithuanians, who live near the border. This might just prove the importance of cross-border trade for the Kaliningrad region.

We have to pay attention to one more aspect of the introduction of visas. One of the priority sectors of the Kaliningrad region's economy is tourist industry. Eighty percent of the 200 thousand of Russian tourists who mainly visit health resorts financed by Russian social security arrive to the region by trains. Visa requirements would be for them a serious obstacle and would further deprive the region of its main characteristic feature, as today region's promotional slogan says "Kaliningrad is a

¹³ *ibid.*

gateway to Europe". Holiday offers include short-term visits to Poland, in particular to Sopot and Mikołajki. Businessmen from the tourist industry fear that introduction of visas would cause a significant decrease in tourist traffic.

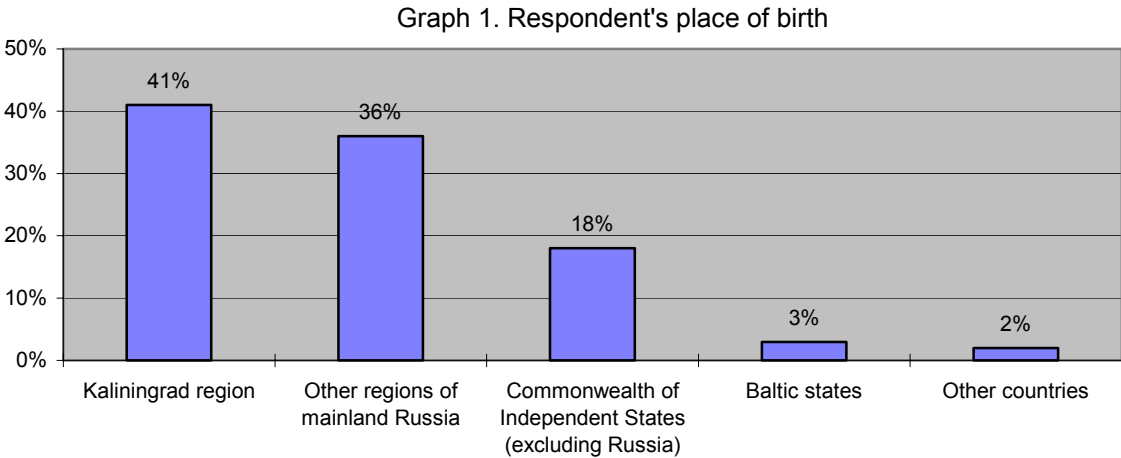
Generally speaking, we may observe that businessmen see the issue of EU enlargement not only through a prism of visa requirements. Their approach is more pragmatic than that of central authorities. The proposal of establishing an EU standards information centre, which they made, would be best fulfilled with the use of funds from the TACIS assistance programme. Thus they not only have postulates, but also know how these can be accomplished, leading to harmonization of product standards for goods targeted both at the EU market and mainland Russia.

4. Findings of the Survey Research

In this part we would like to present findings of the survey ordered by IPA and carried out by *GfK Russia* in the Kaliningrad region during the period from August to October 2002 on a sample of 1004 adult citizens.

4.1. Mobility of Kaliningrad region residents

Kaliningrad region is inhabited by approximately 950,000 of people. One of region's characteristics is a population consisting mainly of immigrants, as only four out of every ten residents were born in the region. Every third resident was born in other parts of Russia and almost one-fifth of the population comes from countries associated in the Commonwealth of Independent States, other than Russia.



Source: IPA data.

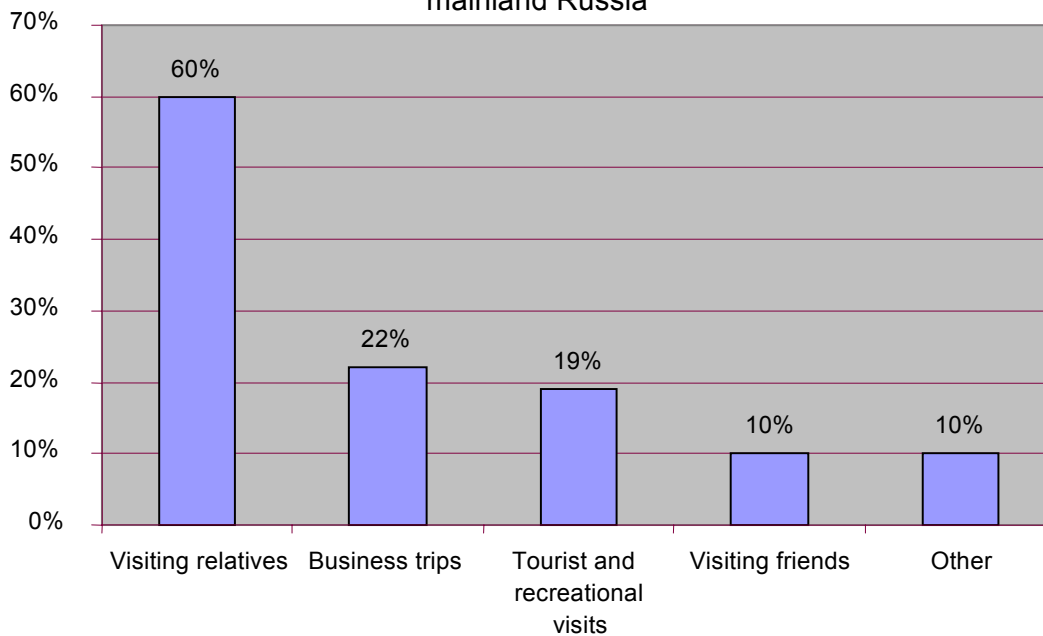
We may assume that such characteristics of the region will lead to high mobility of its population, with Kaliningrad residents frequently leaving the enclave. According to respondents' statements, during the preceding twelve-month period 250,000 persons, or one-fourth of the whole population, visited other regions of mainland Russia. Most often, they would frequently mention meeting the family as the aim of their visits, which is not very surprising, regarding the fact that every third resident of

the enclave was born in mainland Russia, outside the region. Also among those who were born in the region, there are many persons who have relatives in other parts of Russia. The second most frequently mentioned reason was business trips, which appeared three times less often. The largest group among those who travel to mainland Russia were respondents between 27-47 years old, who constituted a quarter of those travelling. The number of older travellers was significantly smaller (less than 10%).

Research ordered by President's special envoy and carried out in June 2002 provides us also with unexpected results¹⁴. Frequency of visits to other regions of Russia declared by respondents is completely different, with the percentage of respondents who leave the region several times a year equal to only 3%, when according to our research they number 24%. What could cause such a great difference? It was probably related to a media campaign, which has been led since the EU-Russia summit on 29 May 2002, when the government launched preparations for the Copenhagen summit, which was to be held in November 2002. According to the Russian research findings, an increase of interest in the issue of visas occurred in this period. Asked the question, "Did you hear about discrepancies between Russia's and EU position concerning introduction of visas for Russian citizens travelling on land between mainland Russia and the region?" 52% of the respondents responded affirmatively in June 2002 and their number increased up to 65% in September. At the time when the IPA research took place, i.e. the period between the last days of August and the beginning of September 2002, approximately 90% of the respondents knew about the introduction of visa requirements by Poland and Lithuania. It seemed to be really important for the respondents to manifest their belief that the introduction of visas would actually limit their freedom of travel, though it would be very hard to verify such hypothesis. However, if the data of the Polish Ministry of Foreign Affairs is true and 90% of the cross-border traffic consists of residents of the frontier areas, the actual number of visits to mainland Russia might be lower than that declared by respondents.

¹⁴ *Kaliningradskaya problyema v zyer kale obshchestvyennovo mnyenya, Isledovatel'skaya gruppа CYRKON and Kaliningradskiy sotsyologicheskiy tsyentr*, Moscow, October 2002.

Graph 2. Reasons for leaving Kaliningrad region and visiting mainland Russia



Source: IPA data. Percents do not add up to 100, since respondents could mention up to three countries.

Majority of those who use to travel stated that they visit other regions of Russia several times a year using the cheapest means of transport, which require transit through the territory of other countries. Among persons who travel by land, great majority (92%) responded that on their way to Russia they cross in transit the territory of Lithuania¹⁵. Approximately 80% of the travellers, who do not have any passports, travel to Russia by train. As far as airplane or ferry connections are concerned, respectively only 8 and 1% of travellers mentioned those means of transport, which do not require transit through other countries. After the introduction of visa requirements, all other passengers will have to obtain their passports, since from the beginning of 2005 transit through EU territory would require them to have international passports. The second necessary document would be a visa. Lithuania is about to introduce visas on 1 January 2003, six months before the implementation of the Facilitated Travel Documents (FTD) scheme. Persons who will not fulfil those conditions will only be allowed to leave the region by air or sea. This would involve extra expenses, whereas average monthly family income, according to the

respondents, is lower than 100 euros and in one-third of the households oscillates between 100-200 euro. Only 16% of the respondents declared that their family income is higher than 200 euros. Information about the economical situation of region's residents can also be found in the Russian research. The largest group of about 50% of the respondents, asked about what they fear the most in terms of future events, mentioned, in order: increase in the prices of basic products, increase of the costs of communal services and, low income. This proves that in general respondents are concerned about their economical situation, the more so that according to the Russian research data, approximately 60% of the respondents find it difficult to satisfy even such fundamental needs as purchase of food or clothing¹⁶.

During the last 12 months, an estimated number of 100,000 residents of the enclave who do not own passport documents visited mainland Russia, including 86,000 passengers, who have been travelling by train. Approximately 24,000 of these "non-passport passengers" travelled by land in private cars or by bus. Residents of the region (and they are the only ones) are still entitled to travel through the territory of Lithuania without such a document. They constitute a group, which would be the most vulnerable in face of negative consequences of the Schengen Agreement. Estimated number of passengers, who have been travelling by air to mainland Russia during the mentioned period is equal to about 20,000. Majority of those visits were official trips, which did not injure family budgets.

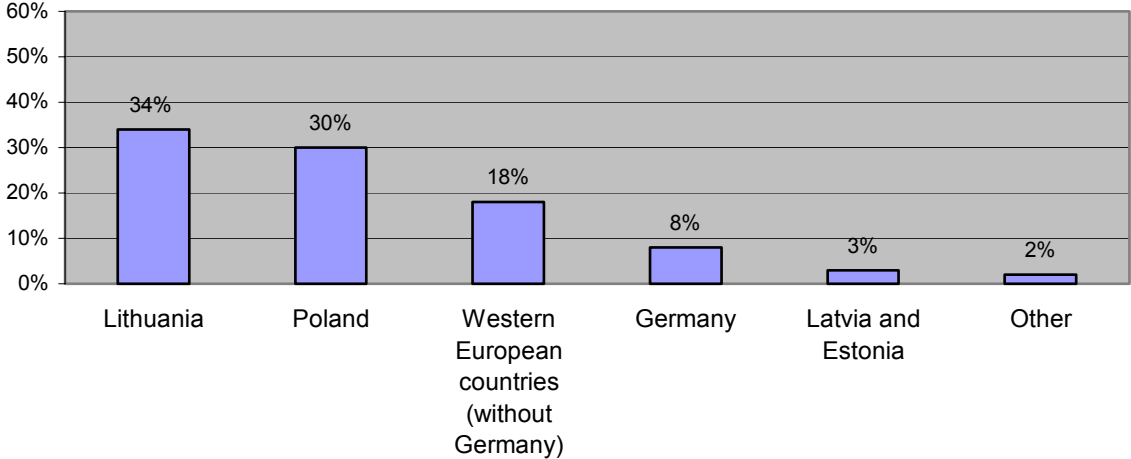
Therefore, the issue of the introduction of visa requirement at the borders is not only a technical obstacle or a question of limiting the freedom of movement. Actually, it has a bearing on personal expenses. For most of the residents of the Kaliningrad region, visa and passport charges or even the necessity of choosing more expensive means of transport would constitute a great burden for their family budgets.

If we exclude transit passengers, half of the respondents declared that they visited countries other than the Russian Federation during the last decade. 31% of respondents declared that they travelled abroad during the 24-month period preceding the research. This gives an estimated number of 300,000 residents of the region who have visited foreign countries at least once during the last two years.

¹⁵ Respondents could mention more than one country.

Among most often visited countries are other countries of the Commonwealth of Independent States; they were mentioned by four out of every ten respondents.

Graph 3: Travels abroad in the last 24 months



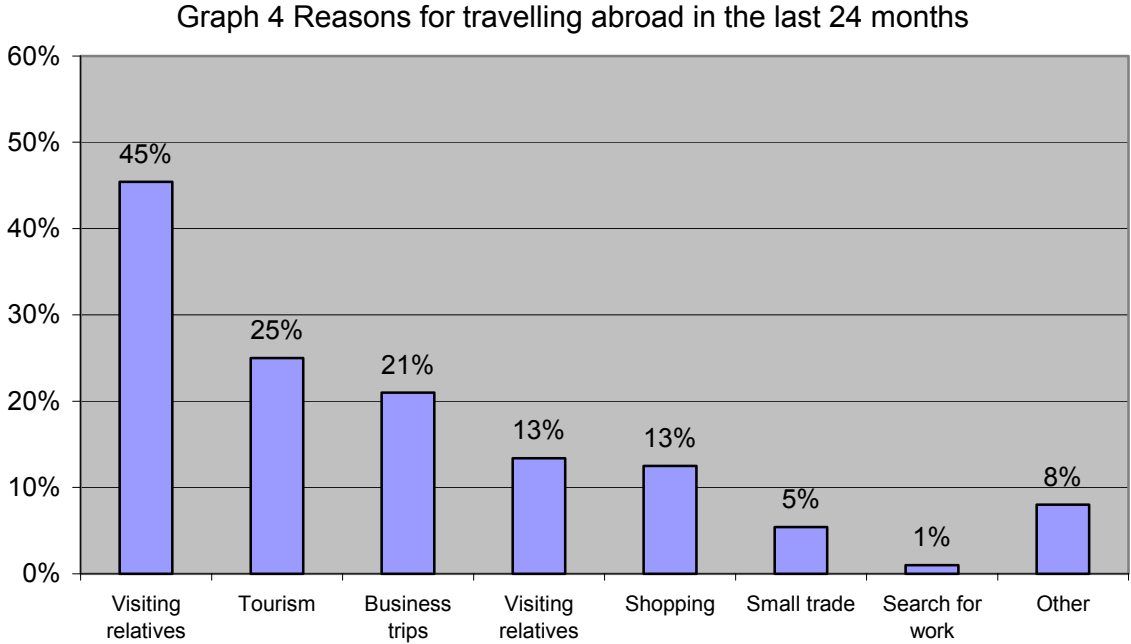
Source: IPA data. Percents do not add up to 100, since respondents could mention up to three countries.

We can make a rough calculation that approximately 87,000 of non-transit passengers have visited Poland and approximately 100,000 have travelled to Lithuania. It is interesting to note that a large percentage of respondents have visited Western Europe, including Germany; their number equals one-fourth of all travelling respondents. Thus, we can assume that a large number of those travelling abroad have already went through visa procedures, either when obtaining a visa for a particular Western country or a Schengen visa.

Among those, who transited to Russia across the territory of other countries, 15% of respondents declared that they travelled through Poland. We can therefore assume that 34,000 of passengers from Kaliningrad passes through the territory of Poland each year. This confirms the position of the Polish Ministry of Foreign Affairs (MFA), which stated that Poland is not a transit country. According to MFA data, 950,000 Russian citizens crossed Polish-Russian border in 2001 and only 10,000 of those, or about 1%, were transit passengers to mainland Russia. 90% of all border crossings

¹⁶ *Kaliningradskaya problyema...* op.cit.

result in visits were made for economical reasons. Usually these are short and multiple visits made by the same group of visitors¹⁷. Difference between the results obtained by IPA and MFA is equal to two statistical points and thus not very significant. Still, we must remember that MFA research provides only estimate, and not exact measures of transit traffic.



Source: IPA data. Percents do not add up to 100, since respondents could mention up to three countries.

Even now, a large number of respondents (45%) travel to visit their relatives. They would most frequently travel to countries, which belonged to the USSR until 1990. Approximately 25% of respondents declared that they travel for tourist reasons. However, it is difficult to calculate the exact number of those travelling, who are involved in small cross-border trade. Only 1% of respondents openly declared that cross-border trade is their main or supplementary source of income. This would mean that approximately 9,000-10,000 residents of the Kaliningrad region benefit from differences in prices of products between Kaliningrad and surrounding countries, earning their living this way. Asked about the reasons of their travels, 5%

¹⁷ *Raport Departamentu Europy MSZ: Stanowiska ws. Ruchu osobowego i tranzytu osobowego z i do obwodu kalinigradzkiego FR (Report of the Department of Europe, Ministry of Foreign Affairs: Position on Individual Travel and Transit to and from Kaliningrad Rgion of the Russian Federation).*

of the respondents mentioned small trade. They constitute 1.5% of all respondents, slightly more than results of the question about source of income suggest. Certainly, part of the respondents, such as housewives or non-working retired persons, did not declare involvement in small trade and answered that they visited abroad for official reasons.

4.2 Economical consequences of the EU enlargement

When we asked the residents of Kaliningrad region about their attitude towards the EU extension in the context of the future changes of the economic situation, their opinions were mixed, with majority remaining pessimistic. Every four out of ten residents believe that economic situation in the region will get worse. The number of optimistic answers was twice smaller.

Table 1. Influence of the accession of Poland and Lithuania to the EU on the economical situation of the Kaliningrad region

What will be the influence upon the economical situation of Poland’s and Lithuania’s accession to the EU?	Percentage of respondents
It will improve economical situation in the region	19
It will have no influence upon the economical situation of the region	14
It will worsen economical situation of the region	40
It is difficult to say	27

Source: IPA data.

In none of the age groups can be observed a predominance of optimists. Pessimistic attitudes are strongest among the oldest group of respondents. Among those who are over 57 years old, only 14% of respondents believe that economical situation would improve after the enlargement of the European Union. Elder people share traditional negative views on those changes. Young people, 16- 26 years old, who are studying or starting their professional careers, seem to be more optimistic --

every fourth of them believes that the situation will improve. The percentage of pessimists is similar in all age groups. Among oldest respondents, the largest percentage, 35% of them, had difficulty with answering this question.

Table 2. Influence of Poland and Lithuania’s accession to the EU on the economical situation of the Kaliningrad region. Answers according to age division (percentage of respondents)

What will be the influence upon the economical situation of Poland’s and Lithuania’s accession to the EU? (%)	Age (in 10-year intervals)				
	16-26	27-36	37-46	46-56	57-and over
It will improve economical situation of the region	24	20	18	23	14
It will have no influence upon the economical situation of the region	15	18	14	12	10
It will worsen economical situation of the region	38	37	44	42	41
It is difficult to say	23	25	24	23	35

Source: IPA data.

There are no significant differences in respondents’ views on economical consequences of EU extension for the region in relation to their occupation or the level of family income. Among the richest group, fewest number of respondents could not answer the question, but the group still did not express stronger optimism than other groups.

4.3. *Introduction of visas*

(When the survey was conducted the FTD and FRTD has not been suggested yet. Due to it respondents was asked about introduction of visas).

As we previously mentioned, central authorities treat EU enlargement in terms of basic principles and deem it as a violation of the right of Russian citizens to free movement within the boundaries of their own country. It is worthwhile to examine the level of knowledge about the introduction of visas among the society.

Knowledge about introduction of visas in Poland and Lithuania is widespread, with 90% of our respondents being aware of this fact. Vast majority of the respondents believe that visas will make it more difficult for them to transfer to other parts of Russia as well as to other countries. They are convinced that it will impair financial situation of their families. This seems quite obvious and is not only tied to the issue of small cross-border trade. Only 6% of the respondents who travel abroad admitted that they do it for economical reasons, i.e. to look for a job or take part in minor cross-border trade.

The residents of the enclave will not only have to pay visa costs but furthermore cover expenses of travelling by a more expensive means of transport (by air or by ferry transport, with the later still under construction, as has already been mentioned in our report) when visiting other parts of Russia. We have to mention that the basic salary of 60% of the respondents is financed with money from the national budget. Among them are retired people, pensioners, professional soldiers, employees of state-owned companies and employees of the public sector. This means that their incomes are relatively low and are furthermore centrally regulated by authorities. In the group of people who receive salaries from the national budget, 65% of respondents declared that their family income is lower than 200 euro per month. Incomes of persons who manage their own business, including farmers¹⁸, are similarly low. After Poland and Lithuania join the EU, the costs of transit through these countries will increase. This most probably will lead to a general price increase

¹⁸ 17% of respondents refused to answer the question about family incomes and it is probable that their incomes are higher than the average. Kaliningrad region was in 2001 the second poorest among the 10 members of the northwest part of the Russian Federation, measured by gross regional product per head. This index equals in the district USD 4,900 and is thus smaller by a thousand dollars than

in the district, mentioned in interviews by local businessmen. At the same time incomes of people paid from state budget will remain at the same level. This will cause living conditions to deteriorate and will limit funds for eventual travels.

Table 3. The influence of the introduction of visas in Poland and Lithuania (percentage of respondents)

	For people like me, travelling to other parts of Russia will become more difficult	For people like me, it will be more difficult to travel abroad	Financial situation of my family will deteriorate	Waiting time and the queues at the borders will be significantly shorter	Corruption of border officials will decrease	International crime will decrease
I agree	70	63	46	36	19	21
I don't agree	15	19	25	42	57	57
It is hard to tell	15	18	29	22	24	22

Source: IPA data.

Asked about the influence of the introduction of visas on the waiting time at the border, 42% anticipate that the queues will be shorter, 36% believe that the situation will improve and only few believe that the introduction of visas will lead to a decrease in the corruption at the borders or that it will limit the level of international crime.

It is interesting to note that the distribution of opinions about visas, measured in percent, is similar among respondents who travelled to other parts of Russia during the preceding 12 months and those who did not leave the region. 35% of those who did not leave the district and 40% of those who left the region several times a year agreed that the waiting time at the border would be shorter. Among those who did not agree with this statement were, respectively, 42 and 45% of the respondents. 65% of respondents who did not leave the district and 62% of those who travelled to other parts of Russia agreed that for people like them it would be more difficult to travel to other parts of Russia. Respectively 17 and 21% of the respondents shared the opposite opinion. In case of other questions about the consequences of the

the average GDP in the Russian Federation and three times smaller than the size of Polish GDP.

introduction of visas, this relation was similar.

Different views about consequences of introducing visas appear equally often among both those who travelled to other parts of Russia during the preceding 12 months and those who did not. Approximately 45% of respondents from the first group and 41% from the second one do not see any chances of improving the situation at the border crossings, in terms of reducing the queues there. Still, in both groups a relatively large number, approximately four of each ten respondents, share optimistic views about the expected reduction of waiting time at the borders.

Far smaller is the number of optimistic responses to the question about expected decrease in corruption at the borders. Only 21% of those who left the region and 20% of those who did not, expect that the situation will improve. Small differences are visible between the percentages of answers concerning the question about possible obstacles to travelling to Russia. As much as 71% of the respondents who did not leave Russia, compared to two-thirds of those who did travel abroad, fear new difficulties. It is interesting to note that those who did not leave RF during the preceding 24 months more often feared future difficulties in travelling to Russia. In both groups the percentage of those considering visas as obstacle to travels is high, with 71% of those who did not leave the country and 62% of those who did believing so. Among those who did not recently leave Russia, less people expect difficulties in travels abroad. Still, their percentage is still large, counting as much as 65% of respondents from this group. Among people travelling from the region to foreign countries, similar ratio expects difficulties in travelling into mainland Russia and abroad.

Looking at the question about possible changes in family's financial situation, 46% of those who did not leave Russia expected its decrease, compared to 44% among those who did travel abroad. It seems interesting that in both groups a similar number of people believes that they will loose from the introduction of visas. Perhaps this is a result of a general conviction that every change only makes things worse.

People with lower incomes more frequently (55%) than those with higher incomes (about 30%) declared that they are concerned about the financial situation of the family after the introduction of visas. Analysis made according to respondent's

education levels showed almost no differences in the percentages (a little over 40% on average) of respondents who shared pessimistic views about the situation of their families after introduction of visas. However, among those who do not expect their financial situation to deteriorate, the percentage of answers increased together with respondent's education level. Among people who have not finished secondary education, the percentage was equal to 16% compared to 32% of respondents who have finished graduate studies. Also the lower the education level, the less the respondent was able to answer this question. 38% of those with lowest education and only 24 percent of university graduates could not answer the question.

We could expect that there would be some striking differences between the answers of those who left or did not leave the region to travel either to Russia or abroad. However, the fact that no such differences occurred indicates that opinions of respondents from both groups are shaped not only by personal experiences of travelling but also by other sources, media campaigns for instance. Perhaps it is also important that both those who travel and those who do not travel outside the region have incomes so low that every extra expense is a burden for family budgets. Moreover, even those who have not recently visited mainland Russia or other countries may recognise introduction of visas as a limitation of their potential ability to travel. Kaliningrad residents are being flooded with information about the district being cut away from the rest of the country and about possible difficulties arising from this fact. In this context, they consider changes a threat and a limitation of their freedom to choose.

Meanwhile, residents of the region see possible disadvantages of the implementation of the Schengen Agreement, which will make it more difficult to travel to mainland Russia and other countries and will cause a decrease in the living standards of their families. Advantages of the Schengen visa, which would enable its owner to travel to many countries, could convince those of Kaliningrad citizens, who travel abroad not only in transit to mainland Russia. Our research shows, that attitudes of those travelling abroad do not differ from views of those not leaving Russia.

Research findings indicate that every tenth inhabitant of the region left the country at least once a year and every fourth one visits mainland Russia several times a year. If

we consider the fact that only every third citizen has a passport (25% according to European Committee data from September 2002) then the negative attitude of Russians toward visas can be better understood.

In respondents' answers to our questions, the measure of pessimism becomes visible in an interesting manner. The older the respondent, the more often he will provide pessimistic answers to questions about the effects of introducing visas. The oldest group gave pessimistic answers to three quarters of questions, while 60% of answers was pessimistic among the youngest group. Taking into account education, it is hard to prove statistically that the level of pessimism decreases inversely with the level of education. Even if this occurs, the ratio of the decrease is insignificant. Analysing difficulties that respondents had while answering questions about the influence of introduction of visas, we see that the oldest group more frequently was unable to give their opinion on the subject of changes in financial situation of their family. In the youngest group, average respondent had problems with answering a quarter of the questions, compared to one-third of the oldest respondents. Among the middle group, respondents were generally able to answer more questions than the respondents from the two previously mentioned groups. It appeared that those who are the least educated had problems with answering the questions more frequently and on average were unable to answer one-third of all questions.

Research ordered by the President's special envoy indicates that residents of Kaliningrad have difficulties with anticipating the consequences of the introduction of visas. When asked whether they are definitely against the implementation of visa regime, as many as 71% of the respondents answered that they do not know. 14% of the respondents said that the region is part of Russian territory and 5% mentioned a possible increase in the bureaucratisation of procedures at the border and difficulties in travelling. Only 1% of respondents mentioned economic difficulties, which could arise in the region after introduction of visas. This shows that it is really difficult for Kaliningrad residents to understand what sort of risk the visas pose, and thus proves that insufficient information is available to Kaliningrad residents¹⁹.

¹⁹ *Kaliningradskaya problyema...*, op.cit.

When answering the question about the evaluation of Moscow’s activity regarding freedom of movement to Russia proper, most of Kaliningrad’s residents responded that they are convinced that government did not do enough. Approximately 63% of the respondents believe that Russian government did not use all available measures to facilitate contacts between mainland Russia and Kaliningrad.

Table 4. Do you believe that Russian government used all means at its disposal to facilitate contacts between mainland Russia and the Kaliningrad district?

Respondents answers	Percentage of answers
Yes	11
Rather yes	10
Not really	22
No	41
It is hard to tell	16

Source: IPA data.

This might be due to the fact that official statements continuously state fundamental issues and few concrete solutions emerge despite the ever closer date of EU enlargement. Still, residents of the region do not blame for future difficulties solely the EU member states or candidate countries.

Seen in the light of the unusual situation of the Kaliningrad region, its residents believe that authorities of the Russian Federation should treat it differently. As many as eight out of ten residents responded that way. According to local commentators, it is the bureaucracy of central authorities that blocks development of the region, does not take into regard its specific situation, and therefore provokes oppositional attitudes in the society. We must remember that special privileges granted in 1991 to Kaliningrad within the framework of Free Economy Zone have been gradually reduced and some of them have never been implemented.

However, these findings cannot be considered proof of a hypothesis that Kaliningrad

residents want to be separated from mainland Russia. Residents are mostly immigrants from the territory of the former USSR and their awareness of territorial separation stems from the fact that after Soviet Union’s demise, Kaliningrad’s territory was separated from Russia proper by the territories of now sovereign countries.

Table 5. Do you believe that the district should be granted special status within the RF due to its geographical and strategic situation?

Respondents answers	Percentage of respondents
Yes	68
Rather yes	14
Not really	4
No	6
It is hard to tell	8

Source: IPA data.

Recommendations

European Union activities towards the Kaliningrad region have to be conducted carefully, taking into account Russia's internal politics. After all, they will affect territorial integrity of Russia, which the government in Russia considers one of key national issues. Accusations of fuelling separatist activity in the region should be avoided. Instead, a negative image of the European Union present among Kaliningrad residents should be changed. This goal can be attained with a broad information programme, reaching a wide range of social groups: school children, students, businessmen and representatives of local administration. Organisations supported by the EU should also strive to reach as many residents as possible with the goal of showing them, that EU enlargement carries benefits also for them. One should not forget that key decisions will continue to be made by the government in Moscow, and it is there that all specific proposals should be directed. It is not advisable to try to pressure Moscow to effect changes in its position towards the Kaliningrad region. It seems more profitable to slowly create accomplished facts, and in this way improve situation of local economy and the attitudes of residents. The situation in the region should also be monitored, so that the events do not take an unexpected and unwelcome turn.

Recommendations concern following issues: information and education, society and culture, politics and economy.

- Our research proved the existence of a large percentage of residents with a negative attitude towards EU enlargement, who see the future in a pessimistic manner. A large group of badly informed people also exists. An active information strategy can help solve these issues. The information centers should be opened with this goal in mind and consulates of EU countries should also be used. These would be responsible for conducting an information programme about the EU, which would use different channels to reach different groups. For example, leaflets with appropriate information could be included with the Facilitated Transit Documents (FTDs). Such a campaign would have as its goal a change of the

negative image of EU, predominant in Russian media and presented by some Russian politicians during negotiations with the EU.

- In this context, it becomes important to appropriately manage the TACIS fund, which should be used to train Kaliningrad specialists dealing with EU issues. The fund should be used to further develop the department of European studies at the local university. Staff educated in this manner could then be used for different EU enterprises. The possibility of using EU support by local organisations would also increase. Finally, trained specialists could themselves conduct trainings for businessmen.
- Information about initiatives concerning cooperation, both international and regional, should be published on regularly updated web pages, prepared in Russian, Lithuanian and Polish, so that interested persons would have easy access to them.
- A representative of the region should be stationed in Brussels, be it a representative of the local government or business organisations.
- Contacts made by the local government with partners in border regions of Poland and Lithuania are for the region an important factor in international politics. They should be encouraged to develop different form of cooperation.
- It is desired to promote tourism from and to the Kaliningrad region. A low fee for entry visas to Russia should be negotiated, so that travelers from the EU would be motivated to visit the region. Efforts should also be made to make visas for Russian citizens affordable, in effect combating region's isolation.
- European Union should become involved in fighting social pathologies, such as drug and alcohol addiction. It should also participate in combating health risks, such as the AIDS epidemic.

- Organisations associated with the EU should become patrons of all sorts of cultural events. It is also worthwhile to stimulate artistic and scientific exchange, especially in territories near the border.
- Attempts should be made to enliven region's economy. Enforcement of Schengen regulations will most probably limit the informal economy, depriving a significant group of people on both sides of the border of their income. An EU credit guarantees programme for medium size investors should provide incentives to invest in Kaliningrad. Meetings between Polish, Lithuanian and Russian businessmen could help in strengthening economic exchange and should therefore be intensified.

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