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Executive Summary

Estonia, Latvia, and Lithuania are of the historical, traditional West. Before their incorporation into the USSR they were already rather sophisticated, liberal states with western traditions, western religions (Lutheran and Catholic heritage as opposed to Eastern Orthodoxy) and strong influences from European cultures (Germanic, Polish, and Scandinavian). Unlike the other twelve former Soviet states, these countries also had experiences in democracy and in international organizations, such as the League of Nations, before they became republics of the Soviet Union.

Since regaining independence in 1991, they have built three of the four strongest GDPs in the Newly Independent States, have developed thriving democratic institutions, and have actively pursued foreign and domestic policies that, not surprisingly, are similar to those of most western democracies. One example of such is their rather quick start at introducing nonproliferation export control systems. Fairly soon after becoming independent nations, each of the three initiated programs or governmental decrees that acknowledged the worldwide importance of strong nonproliferation policies.

Unlike Russia, the Baltic countries had to start from scratch in building state ministries, agencies, and regulating bodies for almost every type of domestic and foreign policy imaginable. Such was the case regarding nonproliferation export controls. Nonetheless, as of mid-1997, all three Baltic nations' export control systems are developed to the point that each has in place an export licensing system (which are soon to be supplemented by an automated licensing system developed by U.S. Department of Commerce), regulations delineating the ministerial roles in export controls and licensing, as well as mechanisms for training officials in the government and out in the field at border posts and ports of entry.

In real terms, the Baltic states early-on understood the importance of stopping the transshipment of illicit strategic weapon commodities and dual-use goods that were crossing their relatively weak borders and onto the Baltic sea. In fact Estonia can claim one of the first convictions in the NIS for the illegal possession of radioactive materials. On 24 January 1995, a man in Estonia was convicted to one year of imprisonment for possessing almost 3 kg of uranium oxide.

The Baltic states' return to and reintegration with Europe is their first foreign policy priority. There are many political and economic gains to be made by structured interaction with Europe and with the rest of the western community. However, it could be argued that their pursuit of membership (reintegration) in the economic and security organizations of Europe, such as NATO and the EU, is based more on their identification with the values represented by these institutions and less on a calculation of costs and benefits. Along the same lines, it can be argued that nonproliferation export controls are developing in Estonia, Latvia, and Lithuania because these countries simply identify with the western community's desire to prohibit the spread of weapons of mass destruction. This author, however, believes nonproliferation export control development in the Baltic countries is being motivated by a combination of two sets of influences: Baltic states' identification with the values of the

western community and Baltic states' interest in reaping the political and economic gains (such as solidified interaction with Europe) of behaving responsibly on nonproliferation.

Security concerns, on the other hand, have nothing to do with the recent development of nonproliferation export controls in Estonia, Latvia, and Lithuania. The Baltic states collectively have nothing to keep from falling into the hands of Russia that would add to the military capability of that country. Domestic influences have only influenced export control development in the sense that the few officials who are responsible for these issues clearly perceive and believe export control policies to be in the "national interest" and thus are using their positions to shape such policies.

Baltic states' sense of community and identification with Europe and the western community and their desires to cooperate with these countries therefore are the driving forces behind the introduction and development of nonproliferation export controls. The fact that neither set of influences is playing a dominating role and that it is instead a combination that drives export control development in Estonia, Latvia, and Lithuania can be best supported by the remarks of Andres Tropp of the Estonia Ministry of Foreign Affairs at this year's 4th Annual Symposium for Foreign Export Control officials in Washington, D.C. In stressing the importance of both nonproliferation norms and the benefits to be gained by adhering to these norms, he states, "Estonia's prime consideration for the pursuance of export controls are the objectives of nonproliferation and we are in a position that adherence to a club of like-minded countries has many more political and economic advantages in the long run than have illegal exports in the short run."

As for the future of nonproliferation policies in these countries, it seems the combination of the two sets of influences will continue to drive export control development until the material and non-material aid dries-up and is no longer available from the United States, Europe, or the Scandinavian countries. Estonia, Latvia, and Lithuania will however continue to abide by the rules of the international nonproliferation regime and will continue to update and maintain their export control policies because of the fact that these countries simply identify with the norms and values of the western nonproliferation community and understand the importance behind such adherence. Keeping in mind their past and present-day experiences in western, liberal institutions, such behavior is not all that surprising. The fact that Estonia, Latvia, and Lithuania were all members of the League of Nations in the 1920s soon after winning independence from Soviet Russia says much about the values they held at that time. As they continue their development towards becoming advanced, western countries they clearly have the same values and standards today.

EXPORT CONTROL SYSTEMS OF THE BALTIC STATES

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PART I: Nonproliferation and Export Controls

Current Nonproliferation Situation

In their continued drive towards development as advanced industrialized countries, Estonia, Latvia, and Lithuania are actively pursuing foreign and domestic policies that, not surprisingly, are similar to those of most western democracies. One example is their rather quick start at introducing nonproliferation export control systems. Fairly soon after becoming independent nations, each of the three initiated programs or governmental decrees that acknowledged the worldwide importance of strong nonproliferation policies. In real terms, the Baltic states early-on understood the importance of stopping the transshipment of illicit strategic weapon commodities and dual-use goods that were crossing their relatively weak borders and onto the Baltic sea. In fact Estonia can claim one of the first convictions in the NIS for the illegal possession of radioactive materials. On 24 January 1995, a man in Estonia was convicted to one year of "conditional" imprisonment for possessing almost 3 kg of uranium oxide.²

As former republics of a country which possessed an enormous arsenal of weapons of mass destruction, Estonia, Latvia, and Lithuania also recognized the important need to control and safeguard the massive arsenal that still exists in the region, as well as the related technologies and the know-how possessed by many weapons scientists and engineers throughout the NIS. Though the Baltics themselves were never home to former Soviet nuclear weapons or design or testing facilities, they were (and still are) home to several facilities that have provided some proliferation concerns of their own in the past few years. The large LWGR Ignalina model RBMK 1500 civilian power reactor (two units), which supplies up to 90% of Lithuania's electricity, and its spent fuel storage facility in Lithuania, for example, has already experienced a number of cases of attempted theft and smuggling. In fact in 1993, an entire fuel assembly containing 100kg of uranium was reported to be missing from the Ignalina plant.³ The uranium refinement facility at the Silmet Metal and Chemical Production Plant in Estonia is as well a source of proliferation concern since in fact it provided the uranium for the first Soviet atomic

²Monterey Institute for International Studies, Center for Nonproliferation Studies, Commonwealth of Independent States Nuclear Database.

³"Nuclear Developments," p. 133, *The Nonproliferation Review* / Fall 1996, Monterey Institute for International Studies, Center for Nonproliferation Studies.

bomb. Other nuclear entities in the Baltic states include the nuclear waste repository site at Saku, Estonia, and the relatively small research reactor at the Academy of Sciences in Riga, Latvia.⁴

Though the number of nuclear facilities in these countries is small, each are important and therefore warrant the development of stringent nonproliferation export controls. Export control policies, however, are not just directed at controlling nuclear commodities and nuclear-related dual-use goods. All strategic weapons-related commodities are the targets of national export controls. Thus, Latvia's relatively large chemical and pharmaceutical industry, which is capable of producing important precursors for chemical weapons, should also be taken into account as a possible source of proliferation, and should be a target of Latvian and regional export controls.

More importantly for nonproliferation concerns, however, is the geography of these three countries which makes them an easy target for those criminal groups trying to smuggle sensitive commodities through the extremely porous borders of the NIS and into Europe or onto the Baltic sea. Though most cases of theft and smuggling of strategic commodities have emanated from Russia, reports of the transshipment of sensitive materials in the Baltics have been quite numerous as well. For example, according to press reports in 1996, more than one ton of unlicensed beryllium was believed to be in Sweden after arriving in Stockholm from Estonia by boat. Transshipment issues, therefore, should be of particular concern to the governments of Estonia, Latvia, and Lithuania. Fortunately, it seems they are.⁵ To stem the flow of illicit transshipment from the NIS region and to fight the proliferation of weapons of mass destruction, the Baltic governments have indeed made serious progress since regaining independence to establish systems for controlling the import and export of sensitive commodities.

Export Control Developments⁶

Unlike Russia, the successor to the USSR and therefore the beneficiary of many of the Soviet bureaucratic structures, the Baltic countries have had to start from scratch in building state ministries, agencies, and regulating bodies for almost every type of domestic and foreign policy imaginable. Such was the case regarding nonproliferation export controls. Nonetheless, as of mid-1997, all three Baltic nations' export control systems are developed to the point that each have in place an export licensing system (which are soon to be supplemented by a U.S. Department of Commerce-developed automated

⁴Material, protection, control, and accounting improvements at the Latvian Academy of Sciences Nuclear Research Center successfully demonstrate the strategy of the U.S. Department of Energy - Russia/NIS Nuclear Materials Security Task Force.

⁵In discussions in July 1997 with Baltic export control officials, it was conveyed to the author by all officials that transshipment is the most important nonproliferation issue.

⁶This section is based on research gathered on a visit to the Baltic states by the author in July 1997 and on official government policy papers and articles written by government officials.

licensing system), regulations delineating the ministerial roles in export controls and licensing, as well as mechanisms for training officials in the government and out in the field at border posts and ports of entry to control exports.

Other developments in their export control systems include the introduction of strict control lists for exports. These three countries now have control lists that correspond to many of the major export control regimes and of the European Union (EU). Latvia, in fact, is a member of the chemical suppliers control regime, the Australia Group (AG), and also ratified the Chemical Weapons Convention (CWC) in 1996. Regarding control lists, Latvia's contains three parts: the first part controls chemical commodities as enumerated in the AG and the CWC; the second part is the International Munitions's List; and, the third part, which controls dual-use goods, is based on the EU's list of dual-use goods.⁷ Estonia's lists are also based on the export control regimes and were developed with the help of Finnish, Swedish and EU expertise.⁸ And not unlike her Baltic neighbors, Lithuania currently has lists that mirror those of the export control regimes and of the EU.

Unlike Estonia and Latvia, however, Lithuania experienced bureaucratic problems that delayed the implementation of a *comprehensive* export control system until July 1997.⁹ As of that date, Lithuania now has a complete regulatory basis for export controls. Licenses are reviewed in Lithuania by a working group within the Ministry of Economics. This group, with representatives from twelve ministries and agencies whose activity covers controlled items (including the important Nuclear Power Safety Inspectorate which oversees the Ignalina nuclear power reactors), is responsible for approving or denying license applications. The license will only be reviewed once all requirements for such, including an end-use statement and an import license signed by the importer, are met by the applicant.¹⁰ Once the working group approves the license application, it is the responsibility of the Ministry of Economics to actually issue the license.

Inter-ministerial cooperation in Estonia and Latvia is represented in each country by an inter-agency commission on export controls (or "control committee," as it is called in Latvia) with representatives from between five and ten different ministries. These commissions coordinate the export control policies of each country and help make the decision of whether or not to approve

⁷"System of Control of Export, Import and Transit of Strategic Goods, Services and Technologies in the Republic of Latvia," Ministry of Foreign Affairs, Control Committee of Strategic Export and Import, Republic of Latvia, 1997.

⁸Personal discussions with Andres Tropp, Third Minister, Ministry of Foreign Affairs, in Tallinn, Estonia, July 1997. See also, Indrek Tarand, "Estonia," in *Nuclear Export Controls in Europe*, ed. Harald Muller. (Brussels: European InterUniversity Press, 1995), p. 267.

⁹Personal discussions with Ruta Sakalauskiene (Chief Specialist, Head of Export Control Group, Ministry of Economics, Republic of Lithuania) in Vilnius, Lithuania, in July 1997, confirmed the introduction of their new system. The new system is now typified by a more sophisticated regulatory basis.

¹⁰*Ibid.*

licenses.¹¹ In both Estonia and Latvia the commission is chaired by the Ministry of Foreign Affairs (MFA) and it is the official MFA stamp of approval that is stamped on the license. Whereas in Estonia the MFA is the actual body which then issues the license, in Latvia the agency responsible for issuing licenses is an executive non-governmental body called the Export and Import Control Department.¹²

When comparing the systems in these countries, it is clear that Estonia and Latvia are further ahead in their development than Lithuania. Minor developments which typify the progress made in these two countries include Estonia's internet web site on export controls (which lists current export control legislation and procedures for exporting and importing) and Latvia's yearly publication of updated lists and regulations, which is readily available at all customs sites and ports of entry free of charge.

Despite the work ahead that Lithuania has in building a solid nonproliferation system, the country no doubt has a strong political commitment (arguably the most important aspect of any country's export control system) to adhering to international nonproliferation rules and norms. Baltic states' seriousness in observing international nonproliferation guidelines is perhaps best exemplified by the fact that Latvia applied for membership to the Nuclear Suppliers Group and the Wassenaar Arrangement (the conventional arms export control regime) even though it is not a producer/supplier in either nuclear or nuclear-related or conventional arms commodities.¹³

Most of the problems that do exist in these countries' systems do not center around the issues of developing a bureaucratic structure. As one can see from the above descriptions, aside from the rather slow progress Lithuania has made, these countries are moving along well in building the different agencies and regulations needed for controlling exports. Latvia, with its "non-governmental body responsible to the government" and control committee arrangement, has done a particularly good job at developing a process that allows for licenses to be properly reviewed and expedited. That is not to say, however, these countries are not having problems in their bureaucracies. Since these countries are small, weak, developing nations, their limited ability to put financial resources into their nonproliferation bureaucracies constitutes a problem. This is evident in government positions where often an export control official must also be responsible for many other political issues. In Latvia, officials who work for the Export and Import Control Department are at the same time working for the Latvian Development Agency, which promotes foreign investment and business in Latvia. Given the exemplary behavior of the officials at the Export and Import Control Department in the past, it is

¹¹For more details on the systems of these two countries, see the following: "Memo of Legal Base on the Export and Transit of Strategic Goods," Ministry of Foreign Affairs, Republic of Estonia; and, "System of Control of Export, Import and Transit of Strategic Goods, Services and Technologies in the Republic of Latvia," Ministry of Foreign Affairs, Control Committee of Strategic Export and Import, Republic of Latvia, 1997.

¹²Ibid.

¹³Ibid.

unlikely that this arrangement has lent itself to problems of conflict of interests. Nonetheless, it is an example of where problems might occur due to limited financial means from within the Latvian government.

The *real* problems in these countries center around the very crucial elements of customs authority, border enforcement, and information gathering and intelligence. As is the case in all of the NIS, government agencies in the Baltics simply do not have the resources to pay their customs and enforcement staff good salaries. The turnover rate therefore is dangerously high, especially within the lower ranks of these agencies.¹⁴ As well, without steady competitive incomes for border guards and customs officials, the Baltic governments will be running the risk of increased bribery at these sites in exchange for allowing illicit commodities (including narcotics) through the border. Information gathering and intelligence also pose real problems for these countries' export control systems, and again one can point to the lack of financial resources as the culprit. Simply put, these countries do not have and cannot afford the intelligence capabilities possessed by most other developed nations to identify which end-users are "good" and which are "bad." Consequently, even though Estonia, for example, is trying very hard not to proliferate strategic commodities, because of a lack of intelligence and good information gathering capabilities, Estonian officials may not know the difference between a good end-user with altruistic purposes and a bad one with the intentions of building a nuclear bomb. On the other hand, these countries often may have the intelligence on a particular end-user but because cooperation between customs authorities and government export control officials is a problem in these three countries, the intelligence will not be properly utilized.

Despite the many problems and despite the fact that these countries started from scratch after gaining independence in 1991, the Baltics' systems of export controls are in the 60 - 80% range in terms of how they compare to developed-country standards. Lithuania clearly has more work to accomplish and as well needs time to test and tweak its new system. It therefore falls in the 60- 70% range, while Estonia and Latvia, with already almost two years of practical experience, fall in the 70- 80% range. The fact is these countries have made significant progress in the past few years and are well on their way to developing systems comparable to those in Western Europe. Time will only improve these systems.

¹⁴This particular problem was iterated to the author on several occasions by Baltic export control officials during the author's July 1997 visit. For more on this topic, please see, "Project Amber," *Customs Today* 31, 1 (Winter 1996). J. Terry Conway, the U.S. Customs Department official in charge of "Project Amber," describes Latvian border enforcement "a figment of somebody's imagination."

Part II: Explanations for Export Control Development

Security Concerns

Estonia, Latvia, and Lithuania share the same single security threat: the Russian Federation. Though the Baltics have been dominated or occupied by other countries in their past, they have been forcefully incorporated into the Russian nation-state three times, in 1795-1914, 1940-1941, and 1944-1991.¹⁵ As if that were not enough to instill a horrific fear of their eastern neighbor, in 1996 Russian armored combat vehicles increased from 200 to 600 in the Pskov region, along the border of Latvia and Estonia, under the Conventional Forces in Europe Treaty (CFE). The Estonian Foreign Ministry described this as "a question of national survival... Russian airborne and *Spetsnaz* forces in Kaliningrad, Pskov and in other areas of the Leningrad Military District pose a direct threat to Estonia and the other two Baltic states."¹⁶ As well, campaign rhetoric from the 1996 Russian presidential elections included many statements from all contenders, including Boris Yeltsin, on the feasibility of annexing the Baltics in the hopes of restoring the power and prestige of the former Soviet Union. Regarding NATO enlargement issues, many presidential hopefuls also commented on what would happen if the Baltics were ever admitted into the military alliance. Communist Gennady Zyuganov declared, "Eastern expansion of NATO [to the Russian border] would mean the division of Estonia."¹⁷ In April 1996, Anatoly Surikov, the individual considered to be the author of the Russian defense concept told a newspaper in the Baltic states that, "If a real attempt is made to admit the Baltic states into NATO, we will introduce our troops into the Baltic states. This is an inevitability."¹⁸ The most important policy statement issued from Moscow regarding Baltic membership in NATO and other Western organizations came in February 1997. This document, perhaps the strongest indication of Russia's intentions to keep the Baltics within Moscow's orbit, stated that the only basis for Baltic security is "the preservation of their status outside blocs."¹⁹ From these types of statements and policies one can understand the fear the Baltics have of possible reabsorption by their most hated enemy. Unfortunately there is not much the Baltics states can do about Russia's threats or intentions other than plea for security guarantees from Europe or hope for NATO membership. The development of nonproliferation export controls, by the same token, will not aid in enhancing Baltic security since the large powerful nation to the east already possesses every type of nuclear, chemical, and biological weapon of mass destruction known to man. As non-nuclear weapon states who have pledged not to

¹⁵Ceslovas V. Stankevicius, "NATO Enlargement and the Indivisibility of Security In Europe: A View from Lithuania," *NATO Review*, September 1996, p. 23.

¹⁶Felix Corely, "Estonia: Facing Up to Independence," *Jane's Intelligence Review*, March 1996, p. 110.

¹⁷All quotes in Republic of Estonia, Ministry of Foreign Affairs Press Release No. 12, Reflections of Estonia.

¹⁸FIBS-SOV-96-084, 30 April 1996; Baltic States: Estonia.

¹⁹"Russia's Long Term Guidelines in Its Relations With the Baltic States," Presidential Press Office of the Russian Federation, 11 February 1997.

develop weapons of mass destruction and who are having severe difficulties building their own *conventional* militaries, the Baltics collectively have nothing worth controlling in order to keep from falling into the hands of Russia, therefore adding to the military capability of that country.²⁰

Along the same line, the Baltics are small, weak states in the international community who rely on cooperation to improve their physical security and thus are more dependent on absolute gains than on relative gains, hence their stated desire to join NATO. All three countries see full integration into Western Europe, including membership in the Western European Union (WEU, the military arm of the EU) and NATO, as the only realistic way to secure their defenses against Russia. Some examples of their cooperation with these organizations include their "associate partners" status with the WEU and their willingness to work with NATO as Partnership for Peace countries.²¹ Both of these are seen as stepping-stones to full membership, which undoubtedly would increase their security and help balance the power of Russia. More directly, the Baltics are collaborating with each other to help increase their military capability. In April 1997, for example, the Baltic defense ministers agreed on several defense projects to help build a common defense structure. Latvia will preside over the formation of the joint Baltic peacekeeping battalion BALTBAT. Estonia will be home to the staff headquarters of the BALTRON mine-sweeper squadron, while Lithuania's air control center in Karmelava will become the major air control headquarters of the Baltic states.

In sum, states with security threats will develop export controls to help counter those threats. Unlike some of the other NIS, namely Russia who supposedly has no specific external security threat, these three nations can easily identify a large, potentially predatory country who threatens their existence. But export control development in the Baltics will not enhance their security against Russia because the Baltics themselves are not in any position to balance the military strength of Russia.

Cooperation with Other Nations

As small states interested in and dependent on foreign investment to strengthen their economies, the Baltic countries know very well the value of cooperation with other nations. Cooperation with the United States, with their European neighbors, and with each other on everything from trade agreements to establishing stock exchanges and banking networks has occurred since regaining independence.

²⁰During the Soviet era, Estonia, for example, was flooded with over 500 military bases and 120,000 Soviet troops. After regaining independence, Estonia was stripped of all the Soviet army's military hardware and was forced to build up its armed forces from scratch. As of late 1996, the Estonian navy consisted of seven patrol and minesweeping vessels, six of which were under repair. The air force consisted of one helicopter.

²¹On 9 May 1994, in Luxembourg, the Baltic states became Associate Partners of the WEU. Regarding their cooperation with NATO's Partnership for Peace, Lithuania, for example, joined the Partnership Planning and Review process in 1995, and since then Lithuania's troops have participated in over 25 joint military exercises and in over a hundred events within the PFP framework. Four Lithuanian peace-keeping platoons took part in the peace-keeping and peace implementation missions in Croatia, and Bosnia-Herzegovina.

Regarding nonproliferation policies, evidence shows that much cooperation has also taken place between the Baltics and the Western community in developing export controls. The Baltics in fact have received material aid (equipment) and non-material aid (advice) from countries like the United States to strengthen their licensing systems and stabilize their borders so as to limit the number of illegal transshipments. Baltic states' export control development has also been effected by their interest in future interaction with and reciprocity from the United States and the Western Community. In this vein, the Baltic countries have calculated that the benefits of developing solid nonproliferation policies, such as increasing the chances of EU membership, outweigh the costs. Thus, it is clear that cooperation with other nations (or the possibility of future cooperation) has helped in developing export control systems in these countries.

Many states of the former Soviet Union have received direct assistance (material aid) from the Western community linked to export control development. Through the Cooperative Threat Reduction program (more popularly known as Nunn-Lugar) Belarus, Kazakstan, and Ukraine have all received direct financial/material aid to help develop policies for controlling sensitive exports. We would therefore expect these countries' systems to be more highly developed than those which have not received any help. Belarus, in fact, has to date received over \$16 million for such. The Baltics, though not part of the Nunn-Lugar program, have also received help from the United States (through programs such as Project Amber and the Nonproliferation Disarmament Fund) and Europe to strengthen their export controls. For example, in 1997-1998 Estonia, Latvia, and Lithuania will all be receiving an automated system from the U.S. Department of Commerce to increase the efficiency of their licensing procedures. Estonian Customs in 1996 were provided a \$250,000 van by the U.S. Customs Service to detect radioactive materials, nuclear weapons, and all types of explosives to curb cross-border smuggling. Estonian Customs have also been the beneficiaries of non-material aid in the form of advice and consultations from EU customs organizations.²² The Scandinavian countries in the past have also provided material and non-material aid to the Baltics to develop export controls. Such non-material aid includes advice from Finnish and Norwegian specialists on developing control lists and drafting export regulations.²³

Aid from the West has certainly effected the development of important nonproliferation/export control policies in the Baltic countries. The possibility of future interaction and integration with the West will, undoubtedly, also play a role in the continued development of export controls. For example, EU membership and integration into trans-Atlantic structures is important to the Baltic countries. To be

²²Conversations with Estonian officials in Tallinn, Estonia, July 1997.

²³During the very early stages of developing their export control system, Estonian officials took advantage of Finnish and Norwegian expertise in developing control lists. The result was a list "basically identical to the Norwegian list of strategic goods," wrote the Deputy Foreign Minister, Indrek Tarand, in 1995. See Indrek Tarand, "Estonia," in *Nuclear Export Controls in Europe*, ed. Harald Muller. (Brussels: European InterUniversity Press, 1995), p. 267.

considered as serious candidates, the Baltics must bring up their export control levels to standards of western nations. Though NATO membership in the near future looks improbable, the Baltics are still in the running for EU membership, with Estonia most likely being in the first round of new EU countries.²⁴ Their affiliation with the EU dates back to June 1993, when the EU announced at the Copenhagen meeting of the European Council that the associated Central and East European countries would eventually be invited to become fully-fledged members of the European Union. But membership in the EU brings costs, such as domestic and foreign policies that must correspond to EU policies. Nonetheless, membership would provide the Baltics open trade in one of the largest, most competitive markets in the world. In this regard, it certainly seems the benefits of possible EU membership and trade and interaction within the European community far outweigh the costs of developing export controls. This is not too surprising given some of the recent statements by policy leaders in the Baltics. Lithuanian President Algirdas Brazauskas at a WEU Permanent Council meeting in 1996 was quoted as saying, "in pursuit of integration into Western and trans-Atlantic structures Lithuania has resolved to further coordinate its interior and foreign policy with Western partners."

Cooperation between the Baltic states themselves is also important for their speedy return to European institutions. Despite what one might think, however, the Baltic states often are at serious odds over each other's foreign and domestic policies. All three countries, for example, have had problems settling border disputes with their Baltic neighbor. Latvia and Lithuania, in particular, have been in heated conflict over their sea border since independence. At the same time, the policy leaders of the Baltic states are not deaf to the many statements from Europe which call for cooperation between them, and normalized relations with Poland and Russia, if they want to strengthen their chances of integration into European organizations.²⁵ European Parliament President Klaus Haensch, for example, told the Estonian parliament in May 1996 that the Baltic states have a better chance of EU membership if they act *together*. Baltic policy leaders in recent have responded appropriately. In October 1996 at a NATO meeting in Brussels, the presidents of Estonia and Latvia stated they understand that "*close cooperation and mutual integration of the Baltic states* is an important factor for their successful integration into European and trans-Atlantic structures" (emphasis added). They then stated that in order to achieve these strategic goals, their countries "*underline the importance of cooperation in*

²⁴At the NATO Madrid Summit in July 1997, it was decided that the first round of new members would include Poland, Czech Republic and Hungary. Baltic states' membership in the short term is unlikely due to vehement opposition from the Russian Federation.

²⁵Though relations between the Baltic countries and Russia are tenuous at best, relations between Poland and the Baltics, despite Poland's history of vying for control of the region for centuries, could not be better. Polish support for Baltic integration into NATO was dramatically expressed by Polish President Kwasniewski's attendance at a Baltic presidential summit in Tallinn on May 27, 1997, - the very day Russia was signing its historical charter with NATO.

external border control" and will continue "to coordinate efforts against organized crime, illegal migration, smuggling of weapons and drugs, and international money laundering."²⁶

With EU expansion looming in the near future, many cooperative initiatives have been undertaken by Estonia, Latvia, and Lithuania, perhaps to show the extent of their ability to work together on issues. In November 1996, for example, the Baltic free trade treaty on farm goods came into force after all three parliaments ratified the agreement. Cooperation between the Baltic countries on nonproliferation policies, export controls, and border control since 1996 have been rather intense as well. An agreement on cooperating in strategic export controls between Estonia, Latvia, and Lithuania was drafted in 1996 and is pending approval by each of the three governments. Also, the establishment of the Baltic Customs Union has been underway since 1996.

Not only have the Baltics been cooperating with the United States, the EU, and each other in developing export controls, but (as stated earlier) almost since gaining independence they have also been adhering to the established rules and norms of the nonproliferation regime. All three countries are members of the Non-Proliferation Treaty and all three have agreements with the International Atomic Energy Agency (IAEA) on the application of nuclear safeguards. Again, their adherence could be a product of calculating costs and benefits, with the benefits being future interaction with and reciprocity from the EU and the Western community. Nonetheless, their cooperation demonstrates their willingness to behave "responsibly" on nonproliferation issues, perhaps in the hope that in doing so they will increase the certainty in their relations with the European and international community.

Domestic Influences

Up to this point these countries have been analyzed collectively, rather than individually on whether or not security concerns or cooperation with other nations help explain export control development in Estonia, Latvia, and Lithuania. This type of analysis has been possible because all three face the same security threat, all three are applying for EU membership and are having to meet the same requirements for such, and, in terms of U.S./foreign government assistance, all are approached, generally speaking, in a collective, regional manner.²⁷ However, in the spirit of Lithuanian Prime Minister Vyatuatas Landsbergis' recent statement, "*Baltic* is not a country," it is more appropriate to analyze Estonia, Latvia, and Lithuania individually in order to determine the likelihood of whether or not domestic influences help explain export control development in these countries. One general statement that should be made about their domestic situations is that all three are democratizing more quickly than the other NIS. Evidence, such as the decreasing funds for the

²⁶Joint Declaration by the President of the Republic of Estonia and the President of the Republic of Latvia at NATO Headquarters, Brussels, 25 October 1996.

²⁷In fact, regarding EU membership, the Baltic countries until 1996 year were applying based on the policy that all three must be admitted at the same time.

Baltics from the Support for East European Democracy (SEED) Act, supports this statement. SEED programs, which are coordinated by the U.S. Department of State, are divided into three categories: economic restructuring, democracy building, and quality of life. SEED funding has been winding down for the past two years in the Baltics because of the speed with which western political and economic standards have taken hold. For example, fiscal year 1997 requests from the U.S. Congress for SEED programs was zero for Estonia and Latvia, and only \$7 million for Lithuania, down from \$12.4 million two years ago.²⁸

Though democracy seems to have taken hold, that does not necessarily mean there is yet a political climate in Estonia, Latvia or Lithuania very conducive to interest groups and non-governmental organizations (NGOs) playing important roles in influencing the policies of these three governments. Interest groups are beginning to appear, more or less, but it is impossible to speak of nonproliferation interest groups in these countries similar to those in the West, such as the Arms Control Association in the United States or the Peace Research Institute of Frankfurt, Germany. As well, because the volume of strategic imports and exports is not that large in any of these countries, it is unlikely that NGOs are going to start sprouting-up demanding increased or decreased controls on such types of commodities. Domestic interest groups' influence therefore is not an important factor to consider when analyzing reasons explaining the development of export controls in Estonia, Latvia and Lithuania.

Despite the successes of democratic institutions of late in Estonia, Latvia, and Lithuania, these countries (as mentioned many times already) are developing nations with governments and budgets that restrict the number of officials working on export control issues. We should understand the low number of export control officials is due partly to the fact that the Baltic economies are not heavily dependent on strategic commodity exporting and thus export control issues are not as important as they are in major supplier countries like the United States and Russia. Nonetheless, export control agencies in the Baltics have only a small percentage of the staff that their Western counterparts possess. This aspect of their domestic political situations--small budgets and small bureaucracies--does affect export control development. Because only a few officials within these governments are selected to work on these issues, those who are charged with export controls have wide-ranging responsibilities. Export control developments therefore are based on the work of these few individuals. Take for example the situation in Estonia. Though Estonia's export control system is solid, it relies heavily on the shoulders of just a few individuals within the Ministry of Foreign Affairs (MFA). At the same time, if the commission that reviews licenses in Estonia cannot come to a consensus, the final decision is made by the chairman, who also is located within the MFA. Clearly, this individual and the other export control

²⁸See the U.S. Department of State Report to Congress for Foreign Operations, 1996.

officials within the ministry are in rather powerful positions to influence the export control policies of Estonia consistent with their *own* preferences. The same can be said for Lithuania, whose export control bureaucracy basically consists of four relatively inexperienced individuals within the Ministry of Economics. Latvia, on the other hand, has developed an agency *independent* of the government which is responsible for many export control functions and acts as an intermediary between the Latvian government and industry. Again, however, it was the preferences of only a few individuals (perhaps only one individual, the expert on Latvian export controls - Girts Krumins) that decided this arrangement.

Fortunately it seems all export control individuals in Estonia, Latvia, and Lithuania have been committed to developing stringent systems of control for their countries. They therefore can take responsibility for the successes in export control development that have occurred in recent years. The problem lies in the future. If any one of the handful of these officials decides to leave their posts, it will take much time for their replacement to learn the ropes of export controls. Such are the consequences of small government budgets and small bureaucracies.

"Return to Europe"

As Soviet republics, the Baltic states were officially referred to collectively as *Pribaltika*, in reference to their geographic location. The popular designation in the USSR however often had been *nash zapad* ('our West'). This distinction between popular and official Soviet language is evidence that among the Soviet masses the three Baltic countries were always seen as different from the rest of the Soviet Union.²⁹ Indeed, the Baltics were different from the other Soviet republics in the sense that before their incorporation into the USSR they were already rather sophisticated, liberal states with western traditions, western religions (Lutheran and Catholic heritage as opposed to Eastern Orthodoxy), strong influences from European cultures (Germanic, Polish, and Scandinavian), and experiences in democracy. Baltic identification today with western norms and values therefore is probably playing a pretty significant role in the development of stringent nonproliferation and export control policies in these three countries.

The Baltic's return to and reintegration with Europe is their first foreign policy priority. As already stated, there are many political and economic gains to be made by structured interaction with Europe and with the rest of the Western community. However, it could be argued that their pursuit of membership in these economic and security organizations is based more on their identification with the values represented by these institutions and less on a calculation of costs and benefits. Often the role of values is stressed by the policy elites of Estonia, Latvia, and Lithuania when speaking about EU or NATO membership. For example, in an op-ed published in a major American newspaper in 1996 on

²⁹For more on this please see Gerner, Kristian, *The Baltic States and the End of the Soviet Empire* (London: Routledge, 1993).

the need of Baltics' membership in NATO, Mecišlovas Laurinkus, chairman of the Foreign Affairs Committee of the Lithuanian parliament, wrote, "...we want to be recognized as an inseparable part of the Western community sharing common values."³⁰ Likewise, Lithuanian President Algirdas Brazauskas at the North Atlantic Council in October 1996 stated: "Our determination to join the European Union and NATO is seen as a necessity by the Lithuanian society. The membership is the only way for us to return to the community of Western nations which share the common values of democracy, individual liberty, and the rule of law."³¹ In March 1996, the then Estonian Minister of Foreign Affairs, Siim Kallas, when speaking about Estonian relations with Europe, stated, "In the last five years of our independence, Estonia has emerged as the frontier of Western values and principles in Europe."³²

Though Baltics' identification and "sense of community" with Europe is driving their development in general, we can also expect Baltic states' export control development to be affected simply by their regular interaction with the western, liberal community and its advocacy of strong nonproliferation policies. This is particularly evident in Latvia's list of "sensitive destinations," which prohibits export licenses to states that support international terrorism and to states developing weapons of mass destruction.³³ Countries that are building clandestine nuclear bombs or that support terrorism are referred to in the Western community as "rogue" nations. Latvia's recognition of the importance of not cooperating with these "rogue" countries is clearly an example of their common values with the West regarding nonproliferation.

Western identification on the part of the Baltic states drives export control development in these countries probably more so than in any of the other NIS. Considering their histories, this should not be that surprising. Though there are still significant internal problems in the Baltics, such as those surrounding Russian minorities' rights in Estonia, the Baltic countries no doubt view themselves as sophisticated countries and take pride in their adherence to the norms and values of most if not all of the international organizations of Europe. For example, despite its rough relationship with Russia which is currently typified by lagging border issues and double taxation of Estonian goods on the Russian border, Estonia nonetheless has behaved admirably within European institutions regarding these issues. Estonia in fact even served as president of the Council of Europe from 1995-1996.

Considering their affinity for European integration, or more importantly considering the fact that the Baltics are of the historical, traditional west, it would be difficult to deny the importance of their identification with Western values in developing their foreign policies. And, indeed, the evidence

³⁰Mecišlovas Laurinkus, "The Baltics and a Growing NATO," (Washington Times, 2/7/97).

³¹President of the Republic of Lithuania at the North Atlantic Council, Brussels, 16 October, 1996.

³²FBIS-SOV-96-062, 29 March 1996, "Estonia: Foreign Minister on Relations with U.S., Europe."

³³"System of Control of Export, Import and Transit of Strategic Goods, Services and Technologies in the Republic of Latvia," Ministry of Foreign Affairs, Control Committee of Strategic Export and Import, Republic of Latvia, 1997.

shows that identification does in fact play a role in their foreign policies. Identification therefore is most likely playing a role in their development of nonproliferation export control systems as well.

Part III: Concluding Remarks

Baltic states' calculations of the costs and benefits of export controls along with Baltic states' interests in future interaction with and reciprocity from Europe helped motivate the development of strategic export control policies in this part of the world. In this regard, the policy elites of Estonia, Latvia, and Lithuania believe that in order to increase their chances of future membership in the European Union they must develop important foreign policies, such as stringent nonproliferation export controls, that correspond to the same policies of the EU. Other equally, if not more, important influences on the development of such policies include Baltic states' identification with Western and European norms and values on the nonproliferation of weapons of mass destruction. Being such that the Baltics are European countries who hold the same values as the Western, liberal community regarding political and economic freedoms, their identification with the practice of controlling strategic trade is not all that surprising.

Security concerns, on the other hand, have nothing to do with the recent development of nonproliferation export controls in Estonia, Latvia, and Lithuania. The fact is the Baltic states collectively have nothing worth controlling to keep from falling into the hands of Russia that would add to the military capability of that country. Domestic influences on the other hand have only influenced export control development in the sense that the few officials who are responsible for export controls clearly perceive and believe export control policies to be in the "national interest" and thus are using their positions to build such policies.

Cooperation with other nations and the Baltic states' sense of community and identification with Europe and the Western community therefore are the driving forces behind the introduction and development of nonproliferation export controls. It is difficult however to determine which of these two is playing a more influential role. This author actually believes that neither set of influences is playing a dominating role and that instead it is a combination that drives export control development in Estonia, Latvia, and Lithuania. This can be best supported by the remarks of Andres Tropp of the Estonia Ministry of Foreign Affairs at this year's 4th Annual Symposium for Foreign Export Control officials in Washington, D.C. In stressing the importance of both nonproliferation norms and the political and economic benefits to be gained by adhering to these norms, he states, Estonia's prime consideration for the pursuance of export controls are the *objectives of nonproliferation* and we are in a position that *adherence to a club of like minded countries has many more political and economic advantages in the long run* than have illegal exports in the short run (emphasis added).

As for the future, it seems the combination of the two sets of influences will continue to drive export control development until material and non-material aid dries-up and is no longer offered by the United States, Europe, or the Scandinavian countries. However, Estonia, Latvia, and Lithuania will of course continue to abide by the rules of the international nonproliferation regime and will continue to update their export control policies because of the fact that these countries identify with the Western nonproliferation community and understand the importance behind such adherence.

