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The Baltics: Still Punching Above Their Weight

DANIEL S. HAMILTON

At the stroke of midnight on December 21, 2007, champagne corks popped and cameras flashed as border gates lifted throughout the Baltic states. Estonia, Latvia, and Lithuania, along with six other countries, became the newest members of the European passport-free zone known as Schengen.

The Baltic states' membership in the 24-country zone, which stretches from Finland to Portugal, is but the latest in a series of historic steps reuniting mainstream Europe with the three small countries. The Soviet Union ruled the Baltic states from the end of World War II until they broke free from the crumbling communist bloc in 1991. Over the ensuing 17 years, the Baltic Sea area has developed from a region divided by the Iron Curtain into Europe's most dynamic economic zone, one characterized by vigorous trade, cooperation, and exchanges on all possible levels.

Much of this transformation has occurred thanks to the energy and determination of Estonians, Latvians, and Lithuanians—peoples who have consistently punched above their weight since winning independence—in contributing to joint security efforts, resolutely defending their interests against much larger states, and growing smartly economically. As they have become more secure, more successful, and more self-confident, they have stopped being recipients of aid and advice and have become innovators and contributors in their own right. Now anchored firmly in the West, they are intent on sharing the lessons of their success with struggling democrats to their east. And as they learn the ropes within the Euro-

pean Union and NATO, they are not just making their way but are breaking new ground.

Each of the Baltic states is proud of its independence and of its unique language, culture, and heritage. Each resists being lumped indiscriminately by outsiders into a single “Baltic” entity, and on occasion each finds itself at odds with its neighbors. Nonetheless, the Baltic states share a number of characteristics and face many common challenges as they strive to find their place in twenty-first century Europe.

OUT OF THE BEAR'S SHADOW

A good deal of public discourse and policy debate in the Baltic states revolves around relations with Russia. The discourse covers issues such as history, borders, ethnic ties, and security. These issues are intertwined and often deeply emotional.

As the Balts chart their future, many outsiders find them remarkably fixated on the past. This is perhaps understandable, given their turbulent history. A century ago, Estonia, Latvia, and Lithuania were ruled by Russia's czars. Following World War I they gained independence, only to see Soviet troops sweep in following the Hitler-Stalin non-aggression pact of 1939. Hundreds of thousands of Balts were sent to Stalin's Siberian gulags. Nazi troops came next, and were greeted as liberators by many Balts, some of whom collaborated in rounding up the region's Jews. Following World War II Soviet rule was harsh, and was accompanied by the arrival of Russian workers whom Moscow used to justify its argument that the Baltic states must never be independent.

For all of these reasons, the ghosts of history haunt the Baltics. Indeed, within the past 12 months tensions arising from the region's history have sparked riots, shootings, and cyber attacks.

One prominent issue in Estonia, for example, is the status of the country's Russian speakers. This is

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seen by many as a defining issue of Estonian statehood, one that divides ethnic Estonians and Russians within the country and that colors bilateral relations with Moscow. Under Soviet rule, untold numbers of Estonians were killed or deported, while many Russians migrated to Estonia, some of them under force. During this time the percentage of Russian speakers in Estonia's population jumped from 8 percent to 40 percent. Even today, ethnic Estonians account for less than 1 million of the country's 1.34 million people.

Following Estonia's independence in 1991, automatic citizenship was restricted to those who held it before the Soviet occupation, along with their descendents, and a rather strict naturalization policy was established that required examinations in the Estonian language. More than 100,000 individuals, most of them Russian speakers, were left stateless and suffered from foreign travel restrictions and limited rights. Despite periodic attempts by Russian speakers to ease the naturalization policy, successive Estonian governments have preserved it. In a recent episode, the government rejected proposals to accord automatic Estonian citizenship to children of stateless residents and to waive the Estonian language requirement for older stateless residents.

The ethnic tensions that simmer in Estonia boiled over in April 2007 when the government decided to remove from the center of Tallinn (the nation's capital) a controversial Red Army war memorial and place it in a military cemetery. For ethnic Estonians, the statue was an oppressive symbol of Soviet occupation. For ethnic Russians and for Moscow, however, the move was an insult to the Soviet dead of World War II. When the government moved the memorial, protests by ethnic Russians erupted. One person was killed, forty were injured, and hundreds were arrested. Russian President Vladimir Putin denounced the move and Russia warned of serious consequences to relations between the two countries. Shortly thereafter key Estonian institutions were subjected to an orchestrated barrage of cyber attacks, and pro-Kremlin youth groups besieged the Estonian embassy in Moscow.

Arguments over history have also complicated border talks between Estonia and Russia, leaving Estonia as the only ex-communist EU member state bordering Russia whose frontier with that country

is not formally defined. Latvia has had similar border issues with Russia but has recently made progress on them; the two countries signed a border demarcation treaty last year. The treaty had been ready for signature in May 2005, but Russia pulled out at the last minute after Latvia tried to attach a declaration concerning the Soviet Union's annexation of the region of Abrene in 1945—a declaration that Russia rejected as tantamount to acknowledging Soviet occupation of Latvia. Latvia ultimately indicated that it could proceed on the treaty without the declaration, paving the way for the signing. The treaty remained controversial, however, and in the end Latvia's constitutional court had to settle the controversy before the treaty could be ratified.

PIPELINE POLITICS

Energy is perhaps the most significant ingredient in volatile Baltic-Russian relations. The Baltic states import 100 percent of their natural gas and nearly 90 percent of their oil from Russia, and

Russia's energy giant Gazprom controls more than 35 percent of the three countries' national gas distribution companies. Moreover, the Balts and their Euro-

pean neighbors are concerned about the safety of a number of aging Chernobyl-style Russian nuclear reactors on their doorstep.

All three Baltic states are resisting a Russian-German joint venture, called Nord Stream, to build a pipeline under the Baltic Sea that would send gas directly from Russia to Germany, bypassing the Baltics and cutting them out of transit fees and access to the flow. Many Balts find it disheartening that the former German chancellor, Gerhard Schröder, not only engineered the deal while in office but now sits on the board of the venture, in which Gazprom holds a 51 percent interest and German companies BASF and E.ON each hold a 24.5 percent interest. Balts were also unnerved when the companies, with German and Russian government support, agreed to the project without adequate deliberations within the Council of Baltic Sea Countries, a group that includes all littoral nations and focuses on maritime and ecological issues.

Baltic opposition to the Nord Stream deal has roiled EU politics. Germany, supported by major EU partners, has pressured the Baltics not to stand in the way of the deal, and has offered various forms

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of participation—to no avail. European Commission President José Manuel Barroso underscored the importance of the project to EU interests before a public audience in Tallinn in December.

Despite this pressure, the Estonian government in September 2007 rejected an application from Nord Stream to survey the seabed in Estonian waters. Originally the pipeline would have traversed the seabed in Finnish waters, but Finland asked Nord Stream to shift the pipeline route away from Finland and closer to Estonia. Helsinki suggested that the seabed would be flatter along a more southern route and would thus offer less environmental risk—a rather transparent effort to shift to the Estonians the onus of opposing Russia.

Nord Stream was thus compelled to request Estonian approval for the seabed survey, handing Estonia an opportunity to question the entire enterprise. Estonia and other countries point out potential environmental hazards involved in a Baltic Sea pipeline, and argue that a land-based pipeline, known as the “Amber Project,” would be cheaper and make more sense.

The Balts—and others in the West—are also wary of broader potential consequences of the Nord Stream deal. First, the agreement would permit Gazprom to buy significant shares in German gas companies once the Baltic pipeline system is completed. Critics of the project are concerned that this could allow the Russian firm to veto shipments of gas from Germany to Poland or the Baltic states, should any of them have a dispute with Gazprom over price or availability and should Russia decide to reduce or cut off the flow of gas.

Second, critics are concerned about the Kremlin’s pattern of reaching energy deals with national energy companies in key European countries, transforming them into energetic lobbyists for Moscow’s energy interests. (Gazprom has entered into joint ventures with companies in Germany, Italy, Britain, and France.)

Third, the Balts are frustrated that there has been no coordinated push by either the EU or the United States to require Russia to open its energy market to foreign investors; after all, Western companies and markets are open to Russian investors.

Fourth, the Balts point anxiously to energy developments in southern Europe. In January 2008 Russia signed a pipeline deal, called South Stream, with new EU member Bulgaria, bypassing transit countries Ukraine and Poland. Four days later Serbia gave Gazprom a controlling interest in its national oil company. The two deals threaten

to derail yet another pipeline project, called Nabucco, which is designed to avoid Russian territory (and greater EU dependence on Russian energy) as it delivers gas to Europe from Central Asia.

In 2006 both Putin and Gazprom’s CEO, Alexei Miller, warned EU ambassadors that Russia could divert natural gas from Europe to China if Gazprom were not allowed more freedom to buy Europe’s downstream energy facilities. But they did not offer similar access to Russian energy markets. The Balts fear that a tight world energy market and high fuel prices will provide Moscow with enough leverage over the West to pursue non-reciprocal policies and to continue its monopolistic, non-transparent business practices. They argue that the West should ignore Russian bluster and use its leverage to force Moscow to play by the same transparent, competitive rules that guide business in the West.

THE ENERGY WEAPON

The sharp Baltic reaction to the Nord Stream project and Russia’s energy politics is born of experience with Moscow’s use of energy as a weapon. When Latvia refused to sell its oil transit company Ventspils Nafta to Russia, and when Lithuania decided to sell its Mazeikiu Nafta refinery and export terminal to a Polish company rather than to Kremlin-backed Russian companies, Russia responded by stopping the flow of oil to both countries. The Russians blamed pipeline problems, but Latvians and Lithuanians do not buy that story.

When Lithuania turned to Kazakhstan to supply Mazeikiu Nafta through the Russian pipeline system, Moscow blocked the deal, despite a transit agreement between Kazakhstan’s oil company and Transneft, Russia’s monopoly transporter of oil, which explicitly provides for such a possibility. Following the spring 2007 tensions between Tallinn and Moscow over the Red Army war memorial, Estonia’s flow of fuel was also shut off for several weeks.

There is nothing new in Moscow’s behavior. In 1990 the Kremlin sought to halt the Baltic drive for independence by interrupting energy flows. In 1992 Moscow responded to Baltic demands that Russia remove its remaining military forces from the region by again halting energy supplies. In 1993 and 1994 Russia reduced gas supplies to Ukraine to force Kiev to pay for previous gas shipments and cede to Russia more control over the Black Sea Fleet and over Ukraine’s energy infrastructure. Between 1998 and 2000 Transneft halted oil flows to Lithuania nine times in an attempt to

stop the sale of Lithuania's refinery, port facility, and pipeline to Williams, a US energy company.

This has led the Baltic countries to challenge aspects of European energy policy that create excessive dependence on Russia, and to use their EU membership to hold up significant cooperative endeavors with Russia. In May 2007, for instance, Lithuania used its veto to stop the EU from launching negotiations on a new Partnership and Cooperation Agreement (PCA) with Russia. The current PCA encompasses cooperation on a wide range of policy areas, including trade, investment and finance, science, technology, education, energy, and the environment. Lithuania conditioned PCA negotiations on a resumption of oil supplies to Mazeikiu Nafta. (Poland added its own veto after Moscow slapped a temporary ban on imports of Polish meat and other foods.)

The Lithuanians in particular have been keen to diversify their energy supply. Lithuania was compelled to agree to close its own Chernobyl-style nuclear reactors in Ignalina as part of the price for joining the EU. In January 2007 the Lithuanian parliament approved a new national energy strategy that includes high-voltage power links with Poland and Nordic neighbors, a Lithuanian-Polish gas pipeline link, and construction of a large gas storage capacity, all within the next seven years. There are also plans to upgrade a multi-fuel power plant in the town of Elektrenai that will become the main generator of Lithuania's electricity after Ignalina closes in 2009.

Worries abound in the Baltic region about Russia's aging Chernobyl-style reactors in Sosnovyi Bor, close to St. Petersburg in Russia and 200 kilometers from Helsinki and Tallinn. The oldest of the four reactors there reached in 2003 the 30-year lifetime for which it was designed, but continues to operate. An intermediate nuclear fuel waste storage site, located only tens of meters from the Baltic Sea, has been full for years. The EU has pressed Russia to close the reactors, to no avail.

TIGERS BURNING—BUT HOW BRIGHT?

Worries about energy dependence have not prevented the Baltic states from becoming Europe's growth leaders; each has achieved significant economic progress in recent years. The Latvian economy grew 11.9 percent in 2006 and was slated to

grow 9.6 percent in 2007. Estonia registered 11.4 percent growth in 2006 and was expected to grow 8.7 percent in 2007. Lithuania's GDP increased 7.5 percent in 2006 and a stunning 10 percent in 2007.

Now there are signs of a slowdown, however, and hard landings might even be possible as the Baltic economies confront serious labor shortages, inflation, flagging consumer confidence, and rising current account deficits. A market scare in early 2007 led Baltic economic policy makers to try to cool their economies. But the Baltics, as dynamic small states dependent on larger partners, have limited policy options available to them. Currently, each economy in the region appears to be entering a period of some turbulence.

Uncertain economic prospects have deferred Baltic hopes of adopting the euro any time soon. The Baltic states seek to meet the EU's so-called Maastricht criteria in 2010–11, which would allow them to enter the Eurozone in 2011 or 2012. Introduction of the euro is seen among the Baltic nations as

another symbolic step toward completing their integration into Europe's mainstream.

Meanwhile, another significant aspect of EU membership—the

free movement of labor—has had considerable impact on the Baltic states and older EU member states alike. All EU states are committed to opening their labor markets to each other. Most are doing so gradually. But after the EU's enlargement in 2004, it was the United Kingdom, Ireland, and Sweden that opened their labor markets to the new entrants right away. In the three-plus years since, more than a million central Europeans have moved west in search of work—the largest influx of immigrants in British, Irish, or Swedish history—and tens of thousands of Estonians, Latvians, and Lithuanians have joined the outflow. As a result, about 6 percent of Lithuania's population, 3 percent of Latvia's, and 1 percent of Estonia's have ended up working in the United Kingdom, Ireland, and Sweden.

This vast movement of people has generated "brain drain" worries in emigrant countries as well as concerns in immigrant nations that newcomers will crowd out native workers, drive down wages, and overwhelm government services. Evidence gathered by the Center for European Policy Analysis over the past three years, however, demonstrates that the intra-EU migration wave has been a boon to sending and receiving countries alike.

Energy is perhaps the most significant ingredient in volatile Baltic-Russian relations.

Baltic and Central European workers in the United Kingdom and Ireland have largely proved to be complements to, rather than substitutes for, the native workforce, filling jobs where the supply of labor is relatively scarce (mostly in basic services and the construction industry), keeping wages and prices low, and spurring growth. On the whole, outbound workers from the Baltic states and elsewhere have been able to find better jobs and make more money abroad than they would at home. Unemployment rates in these economies have dropped and workers abroad are sending remittances home, fueling domestic growth. The detrimental effects of “brain drain”—to the extent it occurs—have been outweighed by the dual benefits of reduced unemployment at home and increased remittances from abroad.

In the past year or so the number of laborers emigrating from the Baltics has significantly decreased, as the economic boom in the region makes people less interested in leaving their countries. Nonetheless, the outflow has squeezed indigenous labor resources, opening the door to large legal and illegal inflows of builders, plumbers, electricians, and other workers from Ukraine, Belarus, and Russia. In Lithuania, for instance, the number of permits issued to foreign workers more than doubled in the first nine months of 2007 compared with the same period a year earlier. In the long run, low fertility rates throughout the Baltic states, together with the net migration outflow, threaten to hollow out the skilled labor pool in the Baltic economies.

THE ESTONIAN MIRACLE

Baltic sparkle is clearly visible through the storm clouds, however, as Estonia in particular demonstrates how to prosper in the new global economy. The personification of Baltic ingenuity may very well be Estonian software wizards Ahti Heinla, Priit Kasesalu, and Jaan Tallinn, who in 2001 launched the software Kazaa with funding from Swedish-born Niklas Zennström and the Dane Janus Friis. Kazaa quickly became the largest internet exchange site in the world for photos, songs, and videos. The designers quickly built on their success and created Skype, an internet-based phone system now used by hundreds of millions of people around the world, making it the fastest-growing internet community ever. Only two years after it was founded, Skype was bought by eBay for close to \$3 billion. Skype remains strongly rooted in its technological hometown of Tallinn—labeled

a “tiny slice of Seattle-on-the-Baltic” by *Washington Post* columnist Anne Applebaum.

Kazaa and Skype are perhaps the most visible examples of Estonia’s single-minded effort to build an “innovation economy” by nurturing state-of-the-art technologies in politics, banking, security, and other sectors. In 2005, Estonia became the first country in the world to use internet voting in local elections, and in 2007 became the first to use the internet for national elections. More than 95 percent of Estonia’s banking operations are carried out electronically. Gas stations are equipped with WiFi. Students receive exam results via text messages, and motorists use cell phones to pay parking fees.

Couple this with the innovation culture in the Nordic states (Denmark, Finland, Iceland, Norway, and Sweden), and there are strong indications that the Baltic Sea area can become a world-beating region for innovation. There are still barriers to overcome, of course: different legal and regulatory environments in the various countries; limitations on venture capital and protection of intellectual property; different educational and research systems; and varied levels of understanding and trust. Nonetheless, the region shows tremendous promise.

Following the spring 2007 riots in Tallinn, Estonia was given an unexpected opportunity to showcase its credentials as a modern, technologically advanced country and leader in high-tech security when its infrastructure was subjected to a massive and sustained two-month barrage of spam, viruses, and “botnet” attacks. Evidence indicates that the attacks originated in Russia and were coordinated to a degree, possibly by hacker gangs. The Russian government denied any involvement.

The attacks galvanized solidarity for Estonia in the West. Estonia’s government and banks were briefly paralyzed, but the tiny country dealt with the attacks quickly and confidently. US officials told Estonian Defense Minister Jaak Aaviksoo that Estonia coped better with the cyber warfare than the United States would have under similar circumstances. Even before the attacks occurred, Estonia had taken the lead in urging development of a NATO center to strengthen the alliance’s cyber defense capabilities. Estonia’s online technology and security savvy is impressive enough that NATO agreed to the initiative, and decided to base its new cyber defense center in Estonia.

BALTS IN THE EU AND NATO

Baltic attitudes toward the EU have evolved since the early days of membership, when joy was effu-

sive. Many Balts were unprepared for the wave of regulations, ordinances, and standards that accompany day-to-day life in the EU. In addition, on a number of specific occasions, some have felt that the EU failed to stand up for Baltic interests, particularly vis-à-vis Russia, or that small-state interests were given short shrift when they collided with the interests of larger EU states.

The Balts needed some time to get used to the rough-and-tumble world of inner-EU debates, and learned some hard lessons about EU coalition-building. This has led them to be both more sober and more assertive when it comes to advancing their interests within EU councils. This can be seen in their approach to energy security and their insistence on greater EU support for the political opposition in authoritarian Belarus and more active EU engagement with Ukraine.

One priority for the Balts has been to build strong relationships with the other Baltic littoral states.

Today, eight out of nine Baltic sea states are members of the EU. The Baltic Sea, in the words of Estonian President Toomas Ilves, has for all intents and

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purposes become an “EU lake.” The only non-EU areas are Kaliningrad and the eastern end of the Gulf of Finland, which belong to Russia. Currently, the regional focus is on developing with Sweden a new EU Baltic Sea strategy, to be launched in January 2009 under the Swedish EU presidency. The Baltic Sea strategy embraces cooperation on economic, environmental, transportation, crime, health, and other issues.

The Balts also are enjoying their NATO membership, which they achieved in 2004. Support among Baltic citizens for membership in the alliance remains high, and Latvia hosted the 2004 NATO summit in Riga. Baltic militaries are small: Estonia’s armed forces number about 5,000, Latvia’s 6,000, and Lithuania’s 10,000. Nonetheless, all the Baltic states are keen to demonstrate that they do not just import security through membership in NATO, but can be security exporters as well. Each contributes between 100 and 200 troops to the NATO-led International Security Assistance Force (ISAF) in Afghanistan and 20 to 35 troops to the NATO mission in Kosovo. All have participated in Operation Iraqi Freedom and in NATO’s instructional mission for Iraqi police, which takes place outside Iraq.

In Afghanistan, most of the Estonian contingent of infantry and mine-clearers is stationed in the dangerous region of Helmand province. Lithuania has contributed special forces, staff officers, and medical personnel to ISAF, and it took the lead in establishing a reconstruction team in a western Afghan province. Latvia has contributed soldiers, police, and political advisers to ISAF.

In Kosovo, Estonian field officers have staffed the NATO mission headquarters, an Estonian intelligence unit has joined a Danish battalion in Mitrovica (in northern Kosovo), and military police are based in Pristina. Lithuanian soldiers participate within a joint Polish-Ukrainian battalion in Kosovo, and Latvian soldiers are part of the NATO mission’s Multinational Task Force Center.

As the Baltics were preparing for NATO membership, the United States and other allies encouraged them to pool their defense efforts, given the small size of their respective militaries. The three

states grudgingly went along, forming three joint ventures in 1998: the Baltic Naval Squadron, to facilitate Baltic participation in international

peace support operations; the Baltic Airspace Surveillance Network, to acquire and distribute air surveillance data; and the Baltic Defense College, a joint military education institution.

Overall, however, the Baltic states have been resistant to such pooling of efforts. Each state wishes to avoid being lumped into a Baltic collective and remains proud of its individual sovereignty and identity. Each is adamant about maintaining its own forces and making its own decisions on their use. For instance, the Baltic Battalion, formed in 1994 at US urging to facilitate cooperation with NATO, was ceremoniously ended in 2003, having “successfully completed its mission.” On the other hand, the three states are acutely aware of their limited resources, and so are working to form a unified Baltic motorized infantry battalion. It should be ready to join the NATO Response Force in the first half of 2010.

Baltic attitudes toward security are of course colored by the region’s relations with Moscow. The latest Russian action to unsettle Baltic sensibilities was Putin’s announcement in 2007 that Russia would suspend its obligations under the Conventional Forces in Europe (CFE) Treaty, a landmark

European arms control agreement that has governed the deployment of troops and the monitoring of weapons systems across the continent since 1990. Russia has been angered by NATO's refusal to ratify an updated version of the treaty agreed to in 1999, as well as by the Bush administration's plans to deploy an antimissile shield in Central Europe. NATO, in turn, has argued that Russia is obliged to withdraw its troops from Georgia and Moldova before NATO states ratify the adapted CFE treaty, a linkage that Moscow has rejected as "illegitimate" and "invented."

This dispute has particular significance for the Baltic states because they are not covered under the original CFE treaty, since they were still part of the Soviet Union when the treaty was signed. The immediate consequence of the treaty suspension is that Russia is no longer obliged to limit the number of its conventional weapons, and has stopped allowing NATO inspections of its military sites. The Balts are concerned that this could result in a buildup of Russian forces in northwest Russia or in the enclave of Kaliningrad, close to the Baltic states.

DIPLOMACY IN THE EAST

One of the most dynamic aspects of the Baltic transition has been the transformation of Estonia, Latvia, and Lithuania from recipients of aid and advice into supporters of other countries struggling to establish democracy and market economies in the new Eastern Europe. The Baltic states have energetically attempted to harness their own experiences in democratization and Nordic-Baltic cooperation to support the Belarussian opposition's struggle against the dictator Alexander Lukashenko; to encourage democratic change in Ukraine; to stabilize and support democracy in Moldova, Europe's poorest country; and to offer advice and support for the Rose Revolution in Georgia and democratic reform efforts elsewhere in the Caucasus.

The Baltic states have been determined proponents of continued EU and NATO enlargement, despite the "enlargement fatigue" so evident in older member states. Since the prospects for full EU or NATO membership for countries such as Ukraine, Moldova, and Georgia are slim in the near future, the Balts have drawn on their own experience to encourage the formation of informal coalitions of like-minded democracies throughout the new Eastern Europe.

The Balts also believe that their experience is relevant to Georgians, Moldovans, and Ukraini-

ans when it comes to dealing with Russia. They believe that their experience has shown that with determination and strong support from Europe, Russian pressure can be resisted. The Balts want to bring such lessons to bear on the EU's approach to other struggling democracies. For example, the Baltic states were instrumental in forming the Community of Democratic Choice, a grouping of nine Eastern European states intent on promoting democracy, human rights, and the rule of law in the region between the Baltic and Black seas. A summit in Kiev in 2005 was followed by another in Vilnius in 2006.

In September 2007 Lithuania also hosted a Friends of Georgia meeting in Vilnius, attended by the foreign ministers of Georgia, Lithuania, Latvia, Estonia, Poland, Romania, the Czech Republic, and Sweden. The EU special representative for the South Caucasus attended as well, and agreed to lobby for the creation of a free trade agreement between Georgia and the EU.

Meanwhile, the Balts have been careful to maintain strong relations with the United States. Nordic-Baltic cooperation has been tied to continued cooperation with the United States through the Enhanced Partnership in Northern Europe (EPINE). Originally framed as the "Northern European Initiative" during the Clinton administration, and conceived as a way for the United States and Nordic states to mentor Baltic transitions, EPINE has refocused attention on the challenges of democratic transition in other regions of the new Eastern Europe. Senior US, Baltic, and Nordic officials meet twice a year to advance this agenda. An informal network of US, Baltic, and Nordic think tanks has also emerged in parallel with this process, and has hosted meetings in the Baltic states, Kiev, and Chisinau.

When the Baltic states gained their independence from the Soviet Union, the highest priority of each nation was membership in NATO and the EU. In the years since, Estonia, Latvia, and Lithuania have demonstrated an impressive degree of Baltic unity. Now that the three countries are securely anchored in the West, regional solidarity has lost its overarching importance for many Balts. Yet, as the Baltic states seek to establish their roles on a rapidly changing continent, they are likely to find that their interests more often coincide than collide. They will staunchly advance their interests while contributing energetically to European projects, and Europe will be the better for it. ■