Today the three Baltic States are involved in intense negotiations for membership in the EU. A future membership in the EU is increasingly dominating the political agenda in these countries, with reforms underway to harmonise national jurisdiction with the acquis communautaire that involves the whole state apparatus. One can rightfully ask, however, whether all the Baltic States are ready to join the EU. The Copenhagen Criteria require member countries to meet three demands: they must be market economies, they must uphold the rule of law and they must, finally, be functioning democracies. Further, they must be able to fulfil the duties implied by membership, one of which is to adjust national legislation to that of the EU. The additional demand — as stated by the Madrid Criteria — that member countries must have well functioning public administrative institutions, is equally important, and follows the Copenhagen Criteria closely. How do the three Baltic States relate to these criteria? Estonia, Lithuania and Latvia all satisfy the criteria in the formal sense, but differences remain between the states in their practical realisation of democracy, the rule of law and effective administrations. These differences will be explored in this article, providing an answer to the question of whether the Baltic States are ready for EU membership.

1. Economics, Democracy and Civil Society

Estonia gained status as candidate country together with Poland, the Czech Republic, Hungary and Cyprus in the first round of enlargement, and started actual negotiations in 1998 with a good chance of gaining membership in 2004. Both Lithuania and Latvia were, however, excluded from this group of countries — something that drew much criticism in the two countries — and began negotiations in 1999, together with other post-communist countries such as Bulgaria, Rumania and Slovakia.

In its analyses of the European so-called ‘transition economies’, the European Bank for Reconstruction and Development (EBRD) points out that Estonia has a clear lead over Lithuania and Latvia in several areas, amongst which structural market economic reforms to facilitate large scale privatisation and reforms of the banking sector, are the more important. The Milken Institute, an American think-tank, comes to the same conclusion in its index measuring of the availability of risk capital for new entrepreneurs. Of the ninety-one countries in the world analysed, the institute shows Estonia ranking number eight — ahead of the European average — while Latvia and Lithuania rank numbers thirty-nine and forty-five respectively. Hall and Wijkman are correct in concluding that Estonia has a great advantage over the bigger countries, Lithuania and Latvia, irrespective of whether the Copenhagen Criteria, the four freedoms or the new economy are used as measurement indicators.

There is a tendency in political debate to treat the three Baltic States as one region — one often refers to the Baltics. To group the countries like this is relevant in some respects but highly misrepresentative in others, as differences in economic development show most clearly. While there are plenty of crucial differences, as will be discussed below, let us anyhow start discussing what the countries still have in common. All three countries were previously independent states (1918-1940) that were occupied by the Soviet Union for almost fifty years. While under Soviet control they all ranked among the top states in the Union, as the most modernised, industrialised, urbanised and westernised (Raun, 1997). This was true to a lesser extent for Lithuania which, unlike the other two, retained the character of an agricultural society even after the Second World War. Enjoying relatively privileged positions among the Soviet States, especially with regard to the economy and education, has naturally contributed to creating more conducive con-
ditions for EU membership than is the case in other former Soviet republics.

Since gaining independence in 1991 the three countries also share the experience of having successfully made the transition from totalitarianism to democracy. The countries have also chosen a fairly similar institutional and constitutional framework. The combination of a presidency with a proportional electoral system has led to a multiparty system that, at least initially, showed numerous parties in competition for the relatively few parliamentary seats. The exception is Lithuania, where a more semi-presidential system was put into place (Pettai & Kreutzer, 1999). Furthermore, institutional features have been adopted from the constitutions that were in place during independence, 1918-1940, with adequate precaution being taken against repeating past mistakes. Previously legislative assemblies were considerably more powerful in relation to the governments, a situation that directly assisted in undermining and subsequently defeating democracy – in Lithuania as early as 1926, and in Estonia and Latvia in 1934.

Anders Åslund argues that the many shifts in government during the 1990s should be regarded as a strength in a transitional process since it prevents particular interest lobbies from entrenching themselves in positions of power. However, in the Baltic context it is crucial to differentiate between shifts in government and shifts in the governing parties. In Latvia, the broad alliance of interests in “Latvia’s Way” (Latvijas Cels), has been in government in coalition with, in particular, the Farmers Union and “For fatherland and Freedom” (TB/LNNK) since 1993. In Estonia, on the other hand, governing parties have been changed. Gradual tendencies of an emerging political stabilisation have been noticeable in competition for the relatively few parliamentary seats. The exception is Lithuania, where a more semi-presidential system was put into place (Pettai & Kreutzer, 1999).

The Freedom House, which annually measures the degree of respect for political and civil rights in most of the world’s countries, gives all three countries favourable rankings. Judging the countries’ real performance records in terms of respecting citizens’ freedoms, they get a ‘1’ on political freedoms (on a scale where 1 is total freedom and 10 is total lack thereof), and a ‘2’ on civil freedoms. These figures are most encouraging, placing the Baltic States on a par with the Czech Republic, Slovakia and Hungary. None of the other states that were previously part of the Soviet Union perform as well: the Ukraine, Georgia, Belarus, Azerbaijan, and not least of all Russia, fare much worse in the Freedom House ranking. Thus, after hardly a decade as democracies, the Baltic States clearly fulfil the criteria implied by one of the two fundamental pillars of democracy (cf. Dahl, 1971) – making real political competition possible by guaranteeing extensive freedoms and rights.

The other pillar – that all those affected by decisions also have influence on their formulation, i.e. an inclusive citizenship – is, however, a cause for concern. Both Estonia and Latvia fall short in this regard as many Russians and Russian-speakers were disenfranchised by legislation imposed at independence. While those with status as full citizens enjoy all political freedoms, the deficiency in this regard is that many of the Russian-speakers who are subject to the law cannot influence it through the franchise. Lithuania, on the other hand, does not have a minority problem of that kind, and thus has an inclusive citizenship, extending political rights to the 350,000 Russians and 300,000 Poles inhabiting Lithuanian territory. This democratic problem is one of the central differences between the countries that will be discussed further below – it is a situation which is likely to be affected by a future EU membership.

While the democratic transition has been successful in all three countries, this comes with the rider that large ethnic and linguistic minorities are left without direct political influence through the vote. However, democracy needs more than entrenched and formal political freedoms. If it is to flourish, democracy also needs an active citizenry capable of organising collectively. The fact that, on the whole, all three states lack such a civil society is an important but negative similarity between them. There is a serious dearth of organisations that formulate demands from their grassroots membership and thus realise collective action separate and independent from the state (Pettai & Kreutzer, 1999, 159, cf. Estonian Human Development Report, 1999). Citizens are left with very few channels, apart from elections,
to influence politics either directly or indirectly. A growth in the number of NGOs (Non-Governmental Organisations) has been noted in the last few years, but these are seldom more than ‘paper-tigers’, far from the ideal of an organisation of active members. While this situation is much the same in the three countries, indications point to it being worst in Estonia. According to the 1999 UNDP Report, Estonia is trailing behind the other two countries with regard to citizens’ activity and organisation, a situation that is clearly problematic in the long run: “Estonia has lagged behind several other Central and Eastern European countries in the development of a civil society”. Even if Estonia is more successful economically, Latvia is a more ‘political’ society in that more people take an active interest in politics, although trust in political institutions as well as in fellow citizens is very low.

The culture of alienation and non-participation is one that the Baltic States share with most other post-communist countries, although both Poland and the Ukraine have relatively strong social organisations. A lack of trust among citizens’ and their distrust of political and public institutions is very common in the post-communist countries – a situation that is partly explained by the system of informants and the double standards of Soviet society. This relatively recent historical legacy is compounded by a history common to the Baltic States of a great distance between the rulers and their subjects. Power was always vested in a foreign ruler – of German, Russian or Swedish decent – that left the Baltic peasant societies without any channels of influence. Language differences also prevented any direct communication: Latvians and Estonians remained illiterate, subject to their foreign masters. Lithuania, once more, has a slightly different history as a formerly independent great power and ally of Poland.

The lack of grassroots activity and the inability to form interest groups will become more problematic as a future EU membership becomes all the more realistic. The three societies’ relative lack of experience in organising around certain interests will prevent them from making effective use of the informal lobbying that organisations use in the EU to argue for preferential treatment for various national and regional interests. The consequence of this ineffective representation of their interests may be a rising degree of disappointment among citizens of the Baltic States, a sentiment that is likely to bring public distrust and a lack of legitimacy for the EU in a vicious circle.

The transition from communist dictatorship to democracy has forced fundamental reforms not only in the political sphere, but demands have also been made for effectiveness in administration and strength of institutions unheard of during Soviet rule. Where government is bound by law – i.e. a Rechtsstaat – the public sphere must uphold the rule of law and guarantee a well-functioning and transparent system of governance. Research increasingly points to the decisive importance of effective institutions in generating economic growth and making democracy sustainable. The international and independent organisation, Transparency International, conducts annual surveys (for the Baltic States since 1998) through which it seeks to research the level of corruption by interviewing financial analysts, businessmen and women, as well as the public. This research shows that the Baltic States differ greatly in this regard. While Estonia is seen as one of the least corrupt countries among those in the post-communist block (including East and Central Europe), the other two countries are seen as problematic – Latvia even ranks as poorly as Russia and some of the most corrupt African states. A general and obvious pattern is thus that all ex-Soviet Republics experience a high degree of corruption, a situation that can be equalled to a lack of effective administrative and legal institutions – the exception being Estonia. In 1998 Latvia was ranked as number 71 on a list of 85 countries (the higher the number, the higher the degree of corruption), while Estonia was in 26th place (5.7). This difference remains in the 1999 and 2000 surveys: Estonia is ranked close to Japan, Slovenia and Taiwan, while Latvia is grouped with notoriously corrupt countries such as China and Senegal. Lithuania comes out only slightly better than Latvia. It is thus not surprising that the Estonian Minister of Foreign Affairs, Toomas Hendrik Ilves, has been quick to point out that Estonia is less corrupt than EU countries such as Belgium (5.3), Greece (4.9) and Italy (4.7). The Nordic countries cluster between 9-10 while in the bottom of the list are countries such as Cameroon, Niger and Tanzania.
A clear dividing line thus separate Estonia from Latvia and, albeit to a lesser degree, also Lithuania. While the former has managed relatively well in establishing state institutions of fairly autonomous standing, the latter two approximate the average poor performance of countries in the former communist block. A particularly interesting comparison in this regard is that between Estonia and Latvia – two countries with otherwise similar characteristics – since the latter is so clearly marked by a dysfunctional state apparatus. This issue merits great attention and is addressed in the chapter on “state capture” in this section.

After this brief review of similarities between the three Baltic States we will return to discrepancies. The first is truly political in nature and concerns ethnic relations and the issue of citizenship: Estonia and Latvia are having to grapple with similar problems while Lithuania does not. With regard to the second main difference, which concerns the autonomy of state institutions, Estonia does remarkably well while Latvia and Lithuania face severe problems. In the following section the analysis will mainly explore further the problems of ethnic relations in Estonia and Latvia.

2. Will EU membership lead to ethnic mobilisation?

A large minority of mainly ethnic Russians are today excluded from Estonian and Latvian citizenship. In negotiations the Union has, at least in its official rhetoric, emphasised the need for a faster integration of this Russian minority. Estonia grants non-citizens some political rights in that they can vote in local elections, but Latvia also excludes them from such participation. Both countries thus allow the desire for nation-building to conflict with what is known as the second fundamental principle of liberal democracy – to make the demos include all those affected by collective decisions (cf. Kolstoe, 1995, Linz & Stepan, 1996, Pettai & Kreutzer, 1999).

The factors that created this situation in the two countries are both historical and political in nature. There was, historically, a large emigration of ethnic Russians to Estonia and Latvia during the Soviet era, attracted by the strong industrialisation and relative wealth of the two republics. This influx was so large that the demographic profile of the two countries changed drastically compared to the pre-Soviet era. Prior to the Second World War, there were 89 percent Estonians and 8 percent Russians in Estonia while, in 1991, the numbers had changed to 61.5 and 30 percent respectively. Latvia was more ethnically heterogeneous even before the war, with 75.5 percent Latvians and 10.5 percent Russians (with other minorities forming the remaining 14 percent). Upon independence the Latvians barely comprised the majority with 52 percent, with Russians making up 34 percent of the population. The numbers clearly display how a process of “Russification” had substantially changed demographic profiles, although in retrospect neither of the countries has been truly homogeneous ethnically. The relatively poor agrarian Lithuanian society never attracted such numbers of immigrants from other republics and has therefore not had to deal with the same problem. For this reason, Lithuania was able to choose a so-called “zero-solution” which awarded Lithuanian citizenship to all those working in the country at the time of independence. Estonia and Latvia, on the other hand, chose a “blood-principle”, which meant that only those who had citizenship prior to 1940, and their descendants – thereby also including Estonians and Latvians living in exile – automatically gained citizenship. All those who had immigrated to the country subsequent to this year, including those born in the countries, had their citizenship mainly conditioned on passing a language test. These citizenship laws are still in effect, albeit in somewhat less strict formulations after severe international criticism, especially in the course of negotiations with the EU. In more recent years, both Estonia and Latvia have balanced the laws by creating an educational infrastructure for dealing with issues relating to integration such as separate ministries, national programmes and other constructive actions. These efforts to facilitate integration, mainly through language programmes for ethnic minorities, have received international support from the Nordic countries, the Swedish Institute, UNDP, SOROS Foundation and the EU’s Phare Programme.

Contrary to what is sometimes argued, nothing is obvious in the countries’ choice of non-inclusive policies in the citizenship issue, except that both countries were subjected to an extensive process of “Russification”. There is little evidence, despite immigration, of there
having been ethnic hostilities at the time of independence. On the contrary, there are analyses from the time of independence which suggest that the preconditions for finding amicable solutions to the national-cum-ethnic issue were particularly favourable in the Baltic States since it was "widely believed that no one in the former Soviet Union would be better able to tackle it than the Baltic populations" (Kolstoe, 1995, 105). Only a few years later, however, the analyst Paul Kolstoe concluded that the level of ethnic confrontation had reached “appalling levels”.

It could be argued that, in the main, the formulation and adoption of the citizenship legislation was not a natural consequence of a situation fraught with ethnic hostility, but a political route consciously chosen by Estonian and Latvian politicians at independence – a choice that may, however, give rise to increasing ethnic hostility over time. One reason for these politicians choosing confrontation over coexistence is that some of them had previous careers in the Soviet system. By acting like ethnic hard-liners, they pre-empted any accusations of being pro-Russian, an accusation that would have brought up their suspect past and reduced their legitimacy. Attitudes towards Russia and the Russians are also contradictory among the establishments. Steen states that 81 percent see Russia as a threat, while, at the same time, 73 to 83 percent regard Russia as a very important partner for co-operation (Steen, 1997, 86-87).

Issues relating to the ethnic minority have also remained politicised only at the level of the establishment and not among citizens. At its core, the problem is one of language. Since language is viewed as the “marker” of ethnic identity, any compromises on the issue are seen as compromising that identity. In both Estonia and Latvia politicians therefore hold the issue almost as sacred across the political spectrum. The language issue has therefore, at this establishment level, created its own political logic, inspiring the creation of strongly nationalistic parties such as Isamaaliit and Tīze un brikvibai (For the Fatherland and Freedom). Given the symbolic power of the issue, and the decisions already taken, it is now almost impossible for any politician, assuming the will to do so, to retract and try to defuse the issue to what it was at independence. Thereby Estonia and Latvia are, then, good illustrations of a mobilisation of ethnicity on the basis of instrumentalist reasons.

In contrast to the establishment level, there is little to suggest that ethnicity causes tension among the citizens at large, as noted by the researcher Paul Kolstoe (1995). One indicator of ethnic co-existence is the number of cross-ethnic marriages. Such marriages are not infrequent in either Latvia or Estonia, although the numbers are much higher in Latvia. Although they date back a few years, figures state that as many as 19 percent of Latvians married outside their ethnic group, while the rate in Estonia is reported to be approximately ten percent (Dreifelds, 1996, 161-163). This could be attributed to living patterns. While Russians in Estonia mainly live in two areas, the capital Tallinn and the north-east region of Ida-Virumaa, the Russians in Latvia form majorities in most major cities and are thus in much more direct contact with the other population groups. In a 1998 survey conducted in Latvia, focussing on issues of citizenship, a
vast majority (82%) agreed with the statement that children born in the country should be granted citizenship, irrespective of the origin or legal status of the parents. Not surprisingly, a full 95% of the non-citizens supported the statement. Majorities of both citizens and non-citizens (83 and 74 percent respectively) did not feel there were differences between them in every-day life. However, many non-citizens stated in the same survey that their lack of citizenship had a negative psychological effect on them and led to them being discriminated against professionally. It should be noted that a very recent survey also found that the main incentive for Russians learning Estonian is the desire to strengthen their position in the labour market, not to be integrated politically. Thus, while we find that ordinary lives at mass level are not severely affected by ethnic tensions, history shows us that such tensions can be whipped up very quickly by the actions of political players.

In relation to a future EU membership, the important question to pose is what abiding by the EU’s demand for extending the citizenship, mainly to the Russians, might lead to in terms of ethnic relations. Today the features of the political system are not really caused by explicit ethnic mobilisation. Nevertheless, we are left with a situation that is problematic from a democratic point of view. This is because, for natural reasons, most parties direct their attention to the enfranchised Estonian and Latvian sections of the populations. The parties that address issues of priority for the ethnic minorities, mainly the Russians, are far fewer in number, although such parties are stronger in Latvia than in Estonia. Today there could be, however, signs of an increasing “ethnification” of the political thinking of the populations, in that different groups state their inability to consider voting for a party that, in the main, is supported by another group. The strength in such a sentiment is very hard to assess, but in a situation where the previously excluded group of Russians would gain full citizenship, leading possibly to parties focussing exclusively on them, a general increase in ethnic mobilisation among the public may be the result. This party political development has been identified as a main cause behind the emergence of ethnic conflicts.

Based on the Yugoslavian situation, and many other cases of ethnic conflict, research shows that the cause of ethnic conflict is seldom found in clashes between communities’ or individuals’ primordial ethnic identities, but rather in political processes where the establishments make use of ethnic identities for mass mobilisation. Given their sensitive regional position – with both Estonia and Latvia bordering on Russia – an increase in ethnic tensions could have grave consequences.

The discussion so far can only lead to one paradoxical conclusion. While an extension of full citizenship and increased political integration would undoubtedly be favourable from a democratic perspective, those very reforms may induce ethnic polarisation and regional political instability if unmatched by political elites showing restraint and responsibility for maintaining good ethnic relations. The solution should not be for the EU to demand anything less than liberal democracy should replace the “ethnic democracy” that characterises the region today. The strategy should instead be to encourage and facilitate cross-ethnic co-operation at the establishment level by giving incentives to local political establishments to always engage in communication and co-operation with other parties. Such active and constructive work with politico-cultural integration would undermine any efforts to gear the party system towards increasing mobilisation on the basis of ethnic identities.

3. EU Membership and Political Opinion

Finally, we need to ask how the populations in the Baltic States are receiving the prospect of EU membership. The preference at the establishment level can be easily concluded: it is the top priority in all three Baltic States. The reasons for this are not only matters of security politics or economics, the issue of membership has also taken on great symbolic significance. Membership of the EU would be final confirmation that Estonia, Latvia and Lithuania now belong to Europe and the European cultural sphere, a symbolism that also plays on the strings of national pride. After having been forcefully estranged for 50 years from their European “home”, membership would complete the circle and have these countries return to their original cultural sphere. Thus we see strong expressions from politicians and civil servants of their commitments to accede to the EU’s demands and recommendations.
This manifests itself in a comprehensive institutional infrastructure running numerous programmes and offices that are all geared towards a process of integration with the EU.

Since the support at the establishment level is so dominant, there is little room for debating the possible consequences of a future membership, such as what the ongoing process of strengthening the federal aspects of the EU implies for the Baltic States. The support for the EU is far less evident among the general public who, to a much larger degree, maintain a rather sceptical view. In 1999, when Latvia had begun its negotiations with the EU, surveys showed that a slight majority (51%) supported EU membership, while 29% were against and 20% had not yet formed an opinion. This tendency of opposition to EU membership has become even more pronounced in Estonia during the years since negotiations for joining have commenced. There are figures indicating that in November 1998, only 25% of ethnic Estonians would have voted yes in a referendum on the issue of membership, compared with 35% the year before. As in the case of many member-countries, public opinion in Estonia follows clear social and economic divides. Young and well-educated civil servants are over represented among those favourable to joining, while an older and less educated rural population is among those most sceptical. Referring to data from Latvia, as many as 69% of those with a higher education, while only 34% of those with a lower education, would vote yes in a referendum on EU membership. The change to a market economy in the Baltic States has broadened economic and social divides among citizens. These problematic class divides would be accentuated even further if those less well off remain negative to EU membership.

Against the backdrop of international discussions on the situation of the Russian minorities in Estonia and Latvia, it is interesting to note that younger Russians and Russian-speakers are, on the whole, more favourably disposed to EU membership than their equivalent groups among Estonians and Latvians. Data from 1996/97 show that 78% of Russians living in Estonia, and 66% of Russians living in Latvia, would vote yes in a referendum. The corresponding figures were 59% of Estonians and 52% of Latvians – certainly a considerable difference. Richard Rose argues that the reason why Russians are so supportive of membership is that they greatly aspire to the freedom of movement within the EU. After all, and at least in theory, membership could considerably improve the living conditions of these groups. Their present situation is characterised, more than anything, by unemployment and an inability to compete successfully on the domestic work market.

4. Conclusions

Are the Baltic States ready to join the EU? The discussion above has shown the futility in treating the three states as one entity. It is instead fairly important to point out the differences in political and economic development since that provide us with a clearer picture of eventual problems facing the countries in joining the European Union. It is clear that Estonia is the one of the three which demonstrates the best “performance records”, regardless of whether we look at economy, politics or the rule of law.

The discussion above has centred on the two so-called Copenhagen Criteria. Concerning democracy it is obvious that the transition with regard to political rights has progressed without problems. Right now, however, Estonia and Latvia are not liberal democracies with an inclusive franchise – problems relating to political minorities are still very much alive. While Estonia meets the demand for the rule of law relatively well, the problems in this context are considerable in Lithuania and, even more so, in Latvia. The countries lack strong and autonomous state institutions, as well as – with the possible exception of Latvia – a vital ‘civil society’ of organised collective action. At the same time it is necessary to consider the time frames. In less than ten years, the three Baltic States have had the onerous task of implementing fundamental and complex reforms. The attraction of EU membership contributes by hastening this process, unfortunately by widening the gap between the establishment and the general public.
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