2021

The Demilitarization of Kaliningrad

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Abstract

The Russian exclave of Kaliningrad, located between Poland and Lithuania, has become the center of an arms race between Russia and NATO following the 2014 invasion of Crimea. Russia's annexation of Crimea legitimized Western concerns that Russian President Vladimir Putin holds imperial ambitions towards former Soviet territories. The ensuing standoff has damaged diplomatic and economic relations between Russia and the West while substantially increasing the amount of military equipment and personnel in and around Kaliningrad. Tensions remain high in the region, and in today's nuclear age, it is imperative that the situation does not escalate. Lithuania holds a unique position as a former Soviet republic, member of NATO, and neighbor of Kaliningrad. If the country establishes itself as a regional power, Lithuania can provide the necessary push to begin a negotiated de-escalation on both sides. This paper proposes a comprehensive plan to reverse the Baltic arms race, positioned within the mandate of the Lithuanian Ministry of Defense. A number of policy options are evaluated using a set of policy criteria to demonstrate why the proposed policy is the best course of action.

Keywords: Foreign Policy, Russia, NATO, Baltics, Lithuania, Kaliningrad, Arms Race, Demilitarization, Conflict Resolution

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Executive Summary

In order to halt and reverse the arms race in the Baltics, the Lithuanian Ministry of Defense must encourage the use of an existing transit pact between Russia and Lithuania before negotiating a mutual de-escalation.

The demilitarization of Kaliningrad has three dimensions: Russia's invasion of Crimea, Russia's military presence in Kaliningrad, and NATO's response. The Kaliningrad region, a small piece of Russian land in the Baltics, has once again become a key military stronghold aggravating tensions between East and West (Akulov, 2016). The 2014 annexation of Crimea convinced the Baltic states they would be annexed next, pushing them towards the West for protection (Ubriaco, 2017).

NATO responded by strengthening its forces in the region; this decision prompted a contained but escalating arms race (Andersson & Balsyte, 2016). This increased military presence assisted overall economic growth in Lithuania at the expense of trade; although trade has recovered, its percentage of GDP remains below pre-Crimea levels (World Bank, 2019b; World Bank, 2019d; World Bank, 2019e). Demilitarizing Kaliningrad would reopen the region to trade with Lithuania, adjusting this imbalance.

The Ministry of Defense of Lithuania holds the responsibility to address this increasingly dangerous situation, as its primary duty is to preserve the security of Lithuania. Additionally, as a member of NATO, the Ministry of Defense is obligated to provide for the collective security of the region (Ministry of National Defence Republic of Lithuania, 2016).

Under the Proposal for Baltic Stabilization, the Lithuanian Ministry of Defense will work with the government to enforce an existing transit agreement between Lithuania and Russia before assisting in negotiations with NATO and Russia. The Lithuanian government must first

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invoke the transit pact to stop the flow of Russian military goods through its territory, with the Ministry of Defense providing supporting troops. NATO will pause its activities in Lithuania during this time to reduce the risk of an accidental escalation. If needed, the agreement will be invoked a second time to prevent any goods from reaching Kaliningrad through Lithuania.

By establishing itself as a regional power, Lithuania will be able to contact Russia from a position of authority. After conferring with NATO, Lithuania will tell Russia that NATO will remove a certain amount of military equipment from Lithuania if Russia agrees to move the same amount from Kaliningrad. Once this process has begun, Lithuania will request that Kaliningrad be opened again to Western trade. The Proposal for Baltic Stabilization will not only decrease regional tensions but improve general relations through economic cooperation.

Background

<u>The Problem in Context</u>

Kaliningrad, a Russian territory between Poland and Lithuania, has become a militarized zone following the 2014 invasion of Crimea. Spanning just 6,000 square miles, the region is Lithuania's only border with Russia (Morozova, 2016). Home to the Baltic fleet in the Soviet era, Kaliningrad had seen a substantial decline in military equipment and personnel since the fall of the Soviet Union. Since then, the West has increased its influence in the Baltics, isolating the region even further from Russia (Oldberg, 2009).

It is safe to assume that Kaliningrad will play a large role in Russian President Vladimir Putin's imperial ambitions towards former Soviet territories (Hendrix, 2018). The exclave is strategically important for its access to the Baltic Sea. Following Russia's actions in Ukraine, NATO has increased its presence in the Baltics. Since then, the Kremlin has used NATO's actions as justification to begin a parallel militarization of Kaliningrad (Akulov, 2016). These actions have

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resulted in a dangerous arms race on the borders of Kaliningrad (Andersson & Balsyte, 2016). A lack of dialogue between the two sides increases the chance that any skirmish, whether planned or accidental, could escalate quickly (Moniz & Nunn, 2019).

<u>Russian Invasion of Ukraine</u>

The annexation of Crimea horrified the West and led NATO to increase its forces in the Baltics, who believed that they would be annexed next. This annexation was the spark of the Baltic arms race.

At the end of February 2014, the Kremlin sent military forces to legitimate Russian bases in Crimea. It was not until these forces began controlling access to Crimea from the mainland that anyone knew what was happening. By then, the annexation was complete – the "smoothest invasion of modern times" (Simpson, 2014). Moscow justified its actions by citing the number of ethnic Russians in Crimea. Many of these ethnic Russians supported the annexation to gain access to the comparatively higher living standards in Russia (Khudoley, 2016).

Lithuania and the other Baltic states feared Russia would then annex the parts of their territories with large numbers of ethnic Russians (Khudoley, 2016). However, while another annexation remains a possibility, the Baltics' superior economic, political, and social conditions, not to mention their NATO membership, make an invasion unlikely. Ethnic Russians living in the Baltics enjoy greater opportunities than some do even in Russia. Additionally, Ukraine's importance under the Soviet Union created a Soviet "nostalgia" that never existed among Baltic Russians (Khudoley, 2016, p. 7).

Although the distinctions between Ukraine and the Baltics prevented a second annexation, the invasion substantively increased Baltic loyalty to NATO (Ubriaco, 2017). As individual countries and international organizations began severing military ties with Russia, the Baltic states asked for

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NATO's protection against a possible invasion (Khudoley, 2016). NATO responded with a military build-up in the area, which backfired when Russia responded in a similar manner (Akulov, 2016).

<u>Russian Military Presence in Kaliningrad</u>

Moscow has increased its military presence in Kaliningrad as a display of power, which has damaged both diplomatic relations with the West and the Russian economy. In 2016, President Putin announced his intent to remilitarize the region in response to "threats" from Kaliningrad's NATO neighbors (Akulov, 2016). To that end, the following steps have been taken:

- The S-400 and Iskander-M missile systems were deployed to Kaliningrad in 2016 (Akulov, 2016). A statement released in February 2018 revealed that the Iskander systems would remain in the region indefinitely; it is unlikely these systems will be removed (Jones, 2018; Lanoszka, 2019).

- The Su30SM and Su24 fighter jets were also stationed in Kaliningrad in 2016 (Jennings, 2018).

- A motorized rifle division was added to the Baltic Fleet's 11th Army Corps in early 2021 in preparation for joint military exercises with Belarus (Barros, 2021a; Barros, 2021b).

Since 2017, Russia has violated Open Skies Treaty restrictions on flights over the region (Reif, 2018). Russia's noncompliance led the United States to withdraw from the treaty in 2020 (Department of Defense, 2020).

Along with endangering collective security and the balance of power, the Kremlin's actions have shut Kaliningrad off from the outside world, as it was during the Cold War. Kaliningrad was given "special trade status" in its dealings with its Western neighbors following the fall of the Soviet Union (Kelly, 2016). Kaliningrad's economy and culture flourished because of tourism and trade with Poland and Lithuania. President Putin's economic policies, however, have once again

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closed Kaliningrad's borders to people and goods, encouraging instead the use of Russian raw materials. These "protectionist methods" (Kelly, 2016) have severely impacted a wider economy already suffering from Western sanctions (Sherr, 2016).

<u>NATO Military Presence in the Baltics</u>

NATO's increased presence has boosted Lithuania's economy at the expense of regional security. Directly following the annexation of Crimea, the alliance held the 2014 Wales Summit to negotiate its military response (McNamara, 2016). Under Article 5, an attack against one is an attack against all, and NATO feared Russia would invade the Baltic states next (North Atlantic Treaty Organization (NATO), 2018b). They formed the Readiness Action Plan, which created a task force of 5,000 troops. To avoid violating the NATO-Russia Founding Act, these troops would rotate through the Baltics (McNamara, 2016).

The NATO-Russia Founding Act is a legally non-binding agreement asking NATO to refrain from permanently stationing troops in the Baltics and Poland. However, some believe Russia's recent actions justify abandoning the act (Deni, 2017). NATO has responded to Russian violations of Baltic airspace with air policing and joint military exercises between troops from multiple member countries since 2004 (Allied Air Command Public Affairs Office, 2017; NATO, 2018a). These activities have furthered Baltic integration in NATO and improved the Baltics' military capacity.

Lithuania's Military Spending and Economic Growth Over Time							
	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
GDP	46.514	48.575	41.419	43.018	47.759	53.723	54.627
Military Expenditure	0.765	0.88	1.135	1.479	1.716	1.9854	2.027
Trade	155.887	142.722	138.552	134.454	144.873	148.639	149.693
Imports	77.218	70.451	69.775	66.866	71.278	73.394	72.242
Exports	78.669	72.27	68.778	67.587	73.595	75.245	77.451

Fig. 1 compares Lithuania's GDP (billions of US dollars) to military spending (as a percentage of GDP) and trade (also as a percentage of GDP) over time. Data from the World Bank. Table compiled by author.

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Lithuania's GDP Over Time

Military Expenditure as a Percentage of GDP Over Time
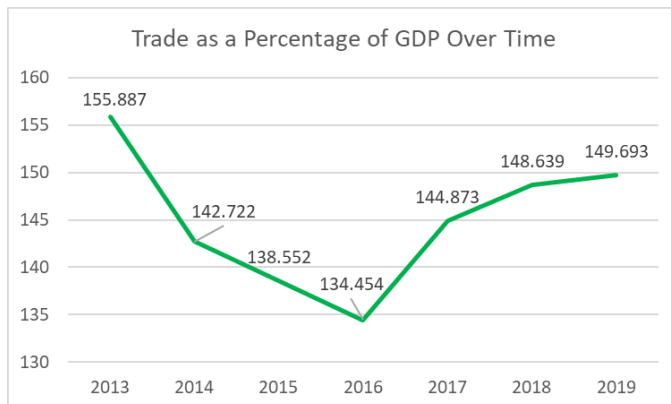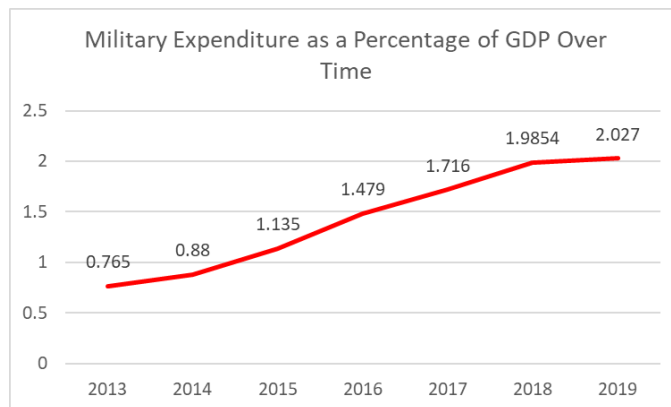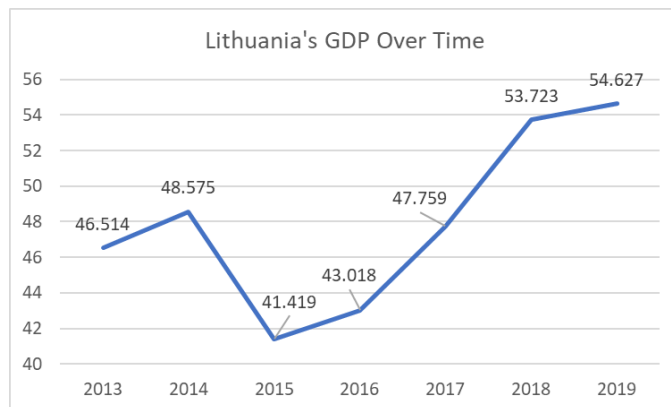

Trade as a Percentage of GDP Over Time

Fig. 2-4 show Lithuania's GDP (billions of US dollars), military spending (as a percentage of GDP), and trade (also as a percentage of GDP) over time. Data from the World Bank. Charts compiled by author.

NATO's actions in the Baltics have shifted Lithuania's economic focus towards its own military. While this shift initially damaged economic growth, it is now helping the economy to grow faster than it had before the invasion of Crimea. As shown in Fig. 1 and 3, Lithuania's military spending increased in 2015, the year after the invasion of Crimea, by double the amount it had the year before, and it has continued to rise (Simpson, 2014; World Bank, 2019d). Military spending started to replace trade as a source of GDP after the Russian annexation of Crimea (Fig. 1-4). Trade accounted for historic amounts of GDP in 2013. These percentages declined substantially in 2014, 2015, and 2016 before a resurgence in 2017. While trade has continued to grow since then, trade as a percentage of GDP remains below pre-Crimea levels (World Bank, 2019a; World Bank, 2019c; World Bank, 2019e).

After a significant drop between 2014 and 2015, GDP has continued to grow (World Bank, 2019b). Military spending has only increased during this period (World Bank, 2019d), indicating that military spending accounts for the difference. While the increase in military spending is good

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for the economy, it is dangerous for the political atmosphere (Akulov, 2016). Before Kaliningrad

was closed off to the West, it traded freely with Lithuania (Kelly, 2016). Therefore, the economic

effects of a diffusion in tensions would be offset by the resumption of trade between Kaliningrad

and Lithuania.

The militarization of Kaliningrad was caused by Russia's annexation of Crimea and the

subsequent military responses from both East and West. While culturally pushing the Baltics to the

West and isolating Kaliningrad, the militarization has had a positive economic impact in Lithuania.

However, the security risks posed by this situation make the demilitarization of Kaliningrad a top

priority for the safety and prosperity of the Baltics.

<u>Political Unrest in Belarus</u>

In early August 2020, Belarusian president Alexander Lukashenko won his sixth term with

80% of the vote in an election that did not meet democratic standards (Taylor, 2020; Freedom

House, 2020). Despite massive protests, Lukashenko has remained in power. The leader of the

opposition, Svetlana Tikhanovskaya, was forced out of Belarus and currently resides in Lithuania

(Taylor, 2020).

Belarus is integral to NATO-Russia tensions because it acts as a buffer between Russia and

NATO. Additionally, Kaliningrad's economy is dependent on exports that travel overland across

Belarus to Russia. Kaliningrad's economy would suffer if Belarus pivoted away from Russia

(Sukhankin, 2021). Therefore, the Kremlin views pro-Western movements in Belarus, including the

pro-democracy platform of Tikhanovskaya, as a threat. Putin has always advocated for close ties

between Russia and Belarus, but his talk of unifying the two states pushed Lukashenko away in the

past. Since the election, Putin has renewed talk of "integration," causing Western speculation that

an absorption may be a future possibility (Taylor, 2020). On top of rejecting the election results,

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the countries of NATO are wary of recent military coordination between Russia and Belarus (Mahshie, 2020).

Client Mandate

<u>The Ministry of Defense of Lithuania</u>

Since the arms race in the Baltics is a military issue, the Ministry of Defense of Lithuania is responsible for its peaceful de-escalation. The department is accountable for the total defense of Lithuania within international law. This duty encompasses both national interests and NATO interests. Its top priority is towards its own citizens, but as a member of NATO, the ministry has the added responsibility of the collective security of the Baltics (Ministry of National Defence Republic of Lithuania, 2016).

The Ministry of Defense's main interest is the security of Lithuania, focused on improving the country's military capabilities through advancing weapons technology and training soldiers for combat (Ministry of National Defence Republic of Lithuania, 2016). As Lithuania and Kaliningrad share a border – Lithuania's only shared border with Russia – the nation is at an increased risk of attack (Oldberg, 2009). Because of this situation, the ministry has even more reason to take initiative to diffuse tensions.

The Ministry of Defense has an additional stake in the demilitarization as a member of NATO. Truly committed to the Alliance, the ministry intends to ensure Lithuania's security through the support of its fellow Allies (Ubriaco, 2017; Ministry of Foreign Affairs of the Republic of Lithuania, 2017). As NATO's mandate states that an attack against one is an attack against all, the department has the additional responsibility for the collective security of the Alliance (NATO, 2018b; Ministry of National Defence Republic of Lithuania, 2016). As the circumstances in

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Kaliningrad put its NATO neighbors Estonia and Latvia in a similar predicament, Lithuania has much

to gain from pushing for de-escalation.

Policy Criteria

The goal of this policy is to decrease East-West tensions surrounding the Baltic arms race.

Any policy enacted by the Ministry of Defense must align with the department's mandate and

capabilities while effectively addressing the problem. There are six criteria the policy must satisfy:

1. Address the problem by reducing the amount of Russian military equipment and personnel

    in and moving towards Kaliningrad.

2. Benefit Russia so the Kremlin will uphold its end of the bargain.

3. Benefit Lithuania, and therefore NATO, by working towards the peace and security of the

    Baltic region.

4. Outline a course of action that can be carried out through the military while working

    towards the peace and security of the Baltic region.

5. Remain within the department's financial capabilities, not exceeding the budget of 1.017

    billion euros (Ministry of National Defence Republic of Lithuania, 2020).

6. Address any economic consequences of decreased defense spending by suggesting

    economic alternatives to military spending (if the policy decreases defense spending).

Policy Options

Status Quo

The status quo allows the situation to continue as is. Under the status quo, NATO and

Russia will continue to add military equipment and personnel to their area of the region. If nothing

is done to ease tensions, an accidental clash is very probable (Felgengauer, 2016). The possibility

of war is made more dangerous by the availability of nuclear weapons. Russia and three NATO

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members (the United States, the United Kingdom, and France) possess nuclear weapons; nuclear weapons are also based in Italy, Germany, Turkey, Belgium, and the Netherlands (Davenport & Reif, 2020).

Allowing the arms race to continue as is increases the risk of war between Russia and the West each day. Currently, Lithuania and its partners in NATO are on the defensive, increasing joint military exercises only after a new shipment of weapons or troops arrives in Kaliningrad (NATO, 2018a; Andersson & Balsyte, 2016). While these exercises take place across the Baltic states, the vast majority take place in Lithuania (NATO, 2018a).

The status quo has substantially increased military spending at the cost of trade, which has stimulated Lithuania's economy. Defense spending jumped from 0.765% of GDP in 2013 to 2.027% in 2019 (see Fig. 1). Meanwhile, overall trade as a percentage of GDP has declined from 155.887% in 2013 to 134.454% in 2016. This percentage increased to 149.693% in 2019, remaining below pre-Crimea levels (see Fig. 1). While increased military spending has helped the economy to grow at a faster rate (see Fig. 2), allowing defense expenditures to eclipse trade is dangerous for the peace and security of the region.

The status quo only fulfills two of the criteria: benefiting Russia and boosting the Lithuanian economy. While benefiting Russia is one of the most important criteria, this policy does not satisfy the *most* important criterion: decreasing the amount of Russian military equipment in the area. Increased defense spending will continue to destabilize the region, conflicting with the Ministry of Defense's mandate while forcing the Ministry's budget to grow.

Policy Option 1: Preemptive Buildup

Through a preemptive buildup, Lithuania would prompt NATO to purposefully escalate the arms race, surrounding Kaliningrad by NATO forces to pressure Russia into negotiations.

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This policy would enable NATO to take the offensive, increasing its own forces not in response to Russia's actions but in anticipation of them. To carry out this policy, the Ministry of Defense would call on NATO to surround Kaliningrad on all sides – land, air, and sea. This quarantine would prevent any additional Russian military supplies from entering the region. A show of force of this caliber could lead the way to negotiations regarding Kaliningrad's demilitarization.

The United States followed a similar policy during the 1962 Cuban Missile Crisis. When evidence surfaced of Soviet missiles in Cuba, President Kennedy summoned the Organization of American States, agreeing upon a naval quarantine of Cuba (Lindsay, 2012). Kennedy informed Soviet Premier Khrushchev of the quarantine, demanding that the missiles be removed. Although the Soviet Union considered this quarantine an "act of aggression" (Office of the Historian), the quarantine's powerful message led to the peaceful termination of the crisis.

A preemptive buildup would only satisfy some of the criteria. Instead of reducing the threat of a military confrontation, the policy purposefully escalates the situation to put NATO on the offensive. However, the preemptive buildup creates the possibility of a Russian attack. The Ministry of Defense, partnered with NATO, has the necessary resources to accomplish the task, but it would be exorbitantly expensive and work against stabilizing the Baltics. Still, the influx in military spending would boost Lithuania's economy.

Policy Option 2: Negotiated De-Escalation

Through a negotiated de-escalation, Lithuania would guide talks between Russia and NATO as they decide upon an amount of military equipment and personnel for each side to remove from the region.

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A negotiation between the powers could result in the diffusion of tensions in the region. Under this policy, Lithuania would spearhead efforts to arrange a mutual demilitarization. The Ministry of Defense would persuade NATO to take the first step by removing a specified amount of military equipment and personnel from the area, with the stipulation that Russia do the same. As this policy would reverse the arms race, this option would also increase cooperation between Russia and the West to improve general relations.

Presidents Reagan and Gorbachev ended the Cold War through a comparable series of negotiations. After Gorbachev's 1985 inauguration, Reagan initiated a working relationship by requesting a meeting, understanding that de-escalation would require collaboration (Talbott, 2004; Wilson Center, 2004). He appreciated the sensitivity of the circumstances and took the time to fully understand what Gorbachev wanted. This understanding allowed Reagan to frame his terms in a way that would mutually benefit both sides (Talbott, 2004). Eventually, their cooperation successfully concluded over 40 years of mistrust.

A negotiated de-escalation again only satisfies some of the criteria. While this option effectively reduces the threat of a military clash through a mutual demilitarization, it would be difficult to find terms that satisfy both Russia and Lithuania. Unlike Gorbachev, Putin seems more interested in aggravating East-West relations than improving them (Hendrix, 2018). However, negotiation fits within the capabilities of the Ministry of Defense and, if successful, would work toward the security of the region. As this policy gradually decreases defense spending, it would remain within the department's budget. On the other hand, this policy would have a negative effect on the Lithuanian economy, which is increasingly dependent on military spending (World Bank, 2019b; World Bank, 2019d; World Bank, 2019e).

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Invoking the transit agreement between Lithuania and Russia would prevent Russia from moving additional military goods and personnel through Lithuania.

Under the transit agreement, the Ministry of Defense would simply assist the government in enforcing an existing policy. In 1993, Lithuania and Russia signed a treaty requiring both nations to receive permission before transporting goods or people through the other's territory (Oldberg, 2009). Russia transported a large amount of military goods and personnel through Lithuania without Lithuania's permission during the militarization of Kaliningrad. Despite this constant violation of the agreement, Lithuania appears to have done nothing other than threaten to invoke the pact (Reuters & RT, 2013). Lithuania could use the agreement to not only halt the movement of military equipment into Kaliningrad, but all other goods, as well, unless Russia agrees to decrease its military presence in the area.

A similar agreement negotiated the removal of NATO military equipment from Afghanistan. Beginning in 2012, Kyrgyzstan signed a transit pact with NATO allowing the alliance to transport military goods through its territory (McDermott, 2012). Although their main transit center at Manas was closed in 2014, the agreement was extended the following year (Lymar, 2015). This process both achieved NATO's objective and established a deeper relationship with Bishkek.

Like the aforementioned policies, the transit agreement fits some but not all of the criteria. Enforcing the existing pact would prevent the threat from escalating. If successful, it would reduce the threat by forcing Russia's military back into mainland Russia. However, depending on the terms, this policy may or may not be beneficial to both Russia and Lithuania. Enforcing the transit agreement fits within the Ministry of Defense's mandate by providing military support for the security of the nation. Finally, the policy would be financially feasible if Lithuania simply redirects

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military funds previously used elsewhere. However, as demilitarization progresses, the Lithuanian

economy would suffer from the decrease in defense spending.

<u>Summary of Policies with Regards to Criteria</u>

	Status Quo	Preemptive Buildup	Negotiated De-Escalation	Transit Agreement
Reduces Threat	-	-	+	+
Satisfies Russia	+	-	+/-	+/-
Satisfies Lithuania	-	-	+	+
Fits MOD Mandate	-	+/-	+	+
Financially Feasible	-	-	+	+
Economic Effect	+	+	-	-

Fig. 5 displays how each policy aligns with the aforementioned criteria. Plus signs (+) mean the policy satisfies that criterion, while minus signs (-) mean the policy does not. Table compiled by author.

<u>Tradeoffs</u>

As Fig. 5 shows, not a single option fits all criteria. The status quo and the preemptive

buildup fulfill the least number of criteria. Neither addresses the problem in a way that will

feasibly reduce the threat whilst satisfying both parties. Both heighten the risk of unfriendly

contact between the powers, particularly the preemptive buildup option. However, both policies

would have a positive impact on the Lithuanian economy.

The final two options are closer to fulfilling the policy goal but will harm Lithuania's

economy. While both the negotiated de-escalation and the transit agreement policies effectively

address and reduce the threat, they raise a larger question: Can either satisfy Russia? While

satisfying Russia is one of the most important criteria, the only option that definitely fulfills it is the

status quo, which, as has been stated numerous times, is not a viable solution. However, both the

negotiated de-escalation and transit agreement options easily fit within the Ministry of Defense's

mandate and budget.

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Policy Recommendation

<u>The Proposal for Baltic Stabilization</u>

The Proposal for Baltic Stabilization is a four-phase policy the Lithuanian Ministry of Defense can enact to diffuse the tensions plaguing the Baltics. This policy combines aspects of the transit agreement and negotiated de-escalation policy options.

<u>Phase One: Stopping the Flow of Military Goods</u>

In the first phase, the Ministry of Defense will support the Lithuanian government in enforcing the existing transit pact with Russia. In 1993, Lithuania and Russia signed a treaty in which Russia promised to gain Lithuania's approval before transporting goods across Lithuania (Oldberg, 2009). Although Russia violated this pact in the militarization of Kaliningrad, Lithuania has yet to invoke the pact to prevent Russia from moving military goods through Lithuania to Kaliningrad (Reuters & RT, 2013).

Under this policy, the Ministry of Defense will urge the Lithuanian government to use the pact to prevent any more Russian military goods from traveling through Lithuania. If Russia ignores Lithuania's demands, the Ministry of Defense will send a small number of military personnel to the area. To reduce the risk of accidentally escalating the conflict, Lithuania will also request that NATO pause its activities in Lithuania. This modest display of force will show Russia that Lithuania is serious about enforcing the policy.

<u>Phase Two: Stopping the Flow of All Goods</u>

If Phase One is unsuccessful, the Ministry of Defense will transition to the second phase, in which more troops are deployed, and Lithuania invokes the pact again. This time, the government will prevent the transport of any goods from Russia to Kaliningrad through Lithuania. Russia did agree to the transit pact when it was signed in 1993. If Russia refuses to heed Lithuania's requests,

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then it risks being seen as a nation that does not respect treaties. Once this phase is put into effect, Kaliningrad will be completely closed off to Russia by land. This stricter approach leads to the third part of the policy, which proposes a negotiated de-escalation.

Phase Three: Negotiating a Mutual Demilitarization

Once Lithuania has asserted itself as a major power in the Baltics, the third phase will open negotiations between the powers. The Lithuanian Ministry of Defense will work with NATO to determine an amount of NATO equipment to be removed from the Baltics. Lithuania will then reach out to Russia to issue the following: NATO will remove this amount of military goods if Russia agrees to return the same amount to mainland Russia. This aspect of the policy is meant to reverse the arms race by removing substantial amounts of Russian and NATO military equipment and personnel from the area. This demilitarization leads to the fourth and final phase of the policy, which provides economic alternatives to military spending.

Phase Four: Encouraging Trade

Encouraging trade between Kaliningrad and the West will offset the negative consequences of demilitarization on the Russian and Lithuanian economies at least in part. More importantly, trade will build trust between Russia and the West. The already-suffering Russian economy hurt itself further by closing off Kaliningrad to Western trade (Kelly, 2016). Lithuania will express a willingness to open trade once more with Kaliningrad as a show of trust. If Russia is interested, Lithuania will request that Poland do the same. Opening Kaliningrad to Western trade will also lessen the potential impact of pro-Western movements in Belarus on Kaliningrad's economy. Kaliningrad will be less dependent on overland trade across Belarus and more amenable to trade with more democratic states, whether or not Belarus is included in this group.

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After the initial invocation of the transit pact, the Ministry of Defense must be prepared to support the Proposal for Baltic Stabilization for a minimum of six years. As Russia will most likely resist heeding the transit agreement, it is projected that Phases One and Two will require two years to take full effect. The completion of the first two phases will significantly reduce the amount of Russian military equipment moving towards Kaliningrad.

Phase Three will then reduce the amount of Russian military equipment and personnel in Kaliningrad. After a negotiation period of three months between Lithuania and NATO regarding what will be removed, Lithuania will initiate a parallel three-month negotiation stage with Russia. It will then take two years for both sides to completely remove the agreed-upon equipment from their respective sides. Finally, an additional two years will be needed to resume normal trading patterns between Kaliningrad and the West.

Fulfilling the Criteria

As stated before, both the transit agreement and negotiated de-escalation options fulfill most of the criteria. However, neither option could guarantee Russian cooperation, and both would have a negative impact on the Lithuanian economy.

The Proposal for Baltic Stabilization resolves both problems. Through Lithuania invoking the transit pact and NATO offering to take the first step in demilitarization, the West pressures Russia to comply. The final phase settles the economic consequences on both sides, offering economic alternatives to military spending through reopening Kaliningrad to Western trade. These economic alternatives will further incentivize Russia to cooperate.

<u>Monitoring</u>

The Ministry of Defense will also be responsible for monitoring the proposal's success, which entails collecting the following data on an annual basis after enforcement of the policy begins:

1. The amount of Russian military equipment and personnel that has entered Kaliningrad.

2. The amount of Russian military equipment and personnel returned to mainland Russia.

3. Changes in the economies (GDP, trade, military spending) of Lithuania and Kaliningrad.

The first two items will be collected through military intelligence, while the economic data will be compiled using the databases of organizations such as the World Bank.

<u>Evaluation</u>

The Proposal for Baltic Stabilization will be evaluated by the following:

1. Has the flow of military equipment moving towards Kaliningrad slowed and/or stopped?

2. How much military equipment has been returned to mainland Russia?

3. How has the policy affected Lithuania's economy?

4. How has the policy affected Kaliningrad's economy?

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