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THE BALTIC REGION IN THE BRITISH SECURITY STRATEGY AFTER THE BEGINNING OF RUSSIA'S SPECIAL MILITARY OPERATION

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The article presents an analysis of contemporary British military-political strategy in the Baltic region. Since 2014, there has been a notable increase in British presence in the area, leading to multiple security risks for Russia, particularly since 2022. This is due to the fact that the UK has increasingly linked its national security threats to Russia's policy towards Ukraine, as well as in the Black Sea and Baltic regions. By focusing on Russia's positions in the Baltic and Black Sea regions, the UK has defined its security priorities, explicitly connecting them to countering "threats from Russia and preventing Russia from gaining strategic advantages as a result of the situation in Ukraine," as clearly stated in the 2023 Security Review. It is no coincidence that British military strategists have started emphasizing the interconnectedness of the Baltic and Black Sea regions, as well as the Baltic and Arctic regions, highlighting the necessity of ensuring security in one part by addressing security challenges in others — primarily by limiting Russia's influence. Through an analysis of key British security documents within the framework of the regional security complex theory, the author demonstrates how the Baltic Sea region has become a crucial link for British military strategists, connecting the Far North and Eastern Europe.

The aim of the article is to determine how the UK's security interests are connected to and pursued through its interactions with the Baltic Sea region countries. To achieve this, the following research objectives have been set: to analyse the conceptual and strategic goals of the UK in the field of security and the implementation of its national interests; to outline the role and significance of the Baltic Sea region within the UK's broader international security strategy; and to identify specific tactical approaches employed by the UK to advance its national interests through cooperation with NATO countries in the region.

Keywords:
Baltic Sea Region, Arctic, United Kingdom, Russia, NATO, security

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Introduction

Research in the field of security over the past five years shows that the Baltic Sea region is becoming important for many NATO members. These countries are participating in joint military exercises, expanding their presence, and emphasizing shared responsibility for the security of the Baltic states. The concepts of the 'Baltic-Scandinavian region' and 'Baltic-Black Sea region' have entered military-political usage [1—6]. This allows us to speak about the geopolitical regionalization of the Baltic region. Kaledin and Elatskov point out that "in the broadest sense, one can consider not just the Baltic region as such, but the Baltic regional geopolitical system. It covers not only the Baltic region itself, understood in one sense or another, but also geopolitical relations with external actors having geopolitical interests in the region and significantly involved in them" [7, p. 149]. However, interactions in the Baltic region are not driven by individual countries but rather by their cooperation within NATO, whose position in the region has been strengthened by the accession of Finland and Sweden [8—11]. Smirnov notes that the governments of Finland and Sweden declared the process of joining NATO irreversible, citing the threats that arose in Europe in the so-called post-Crimean period [12, p. 44]. Ovcharuk points out that the accession of Sweden and Finland significantly strengthened NATO presence in the region: it increased the capabilities of the Alliance, the length of the border with Russia almost doubled, and allowed the use of the existing and the development of new military infrastructure in large areas.[1] However, the increase in opportunities has also led to an increase in risks, and therefore, in reality, has become the cause of escalation in the region. Zverev and Mezhevich note the strengthening of NATO as a whole precisely due to its more "rigid assembly" in the Baltic region [13]. Khudoley draws attention to the diametrically opposed positions of NATO and the Russian Federation on the security situation in the region, which will not allow for the formation of a dialogue.[2] As a result, researchers note a collapse of security for Russia, its specific regions and its allied Belarus without the possibility of resolving the problem using previous diplomatic methods.[3] The problem is that NATO countries have doubled the number of their soldiers in the region

[1] Ovcharuk, A. P. 2022, NATO turns the Baltic Sea into a region of instability, *IMEMO RAS*, URL: https://www.imemo.ru/news/events/text/nato-turns-the-baltic-sea-into-a-region-of-instability (accessed 10.01.2024).

[2] Khudoley, K. K. 2023, The Baltic Sea Region: New Realities and Problems, *Valdai International Discussion Club*, 08.12.2023, URL: https://ru.valdaiclub.com/a/highlights/region-baltiyskogo-morya (accessed 10.02.2024).

[3] Nosovich, A. 2022, Russia risks losing the Kaliningrad region after Sweden and Finland join NATO, *RUBALTIC.RU*, URL: https://www.rubaltic.ru/editorial/20220523-rossiya-riskuet-poteryat-kaliningradskuyu-oblast-posle-vstupleniya-shvetsii-ifinlyandii-v-nato (accessed 10.01.2024).

since 2022 and have increased patrolling of the Baltic airspace [14, p. 71]. Zverev rightly points out that "the Baltic region has become one of the most conflict-prone regions along the perimeter of Russian borders" [15, p. 27].

A special role in the Baltic region belongs to the UK, which has been present there and developing its economic interests since the 18th century [16]. But now we are witnessing its large-scale influence on the region, and the desire to play a more significant role in Northern and Eastern Europe. This is necessary for the global positioning of the UK in key points of the world within the framework of the implementation of the concept of 'Global Britain' and due to the growth, as it seems to the British, of threats from Russia [17—19].

Since security issues represent a tangle of interconnected challenges, and the modern state is involved in numerous partnerships (alliances, regional organizations, international institutions), including within a specific geographic region, the author of the article follows the methodology developed by Buzan and Wæver to identify trends in the development of regional security complexes.

The concept of regional security complexes (RSC) not only allows for a clear definition of a region's characteristics but also explains the growing importance of a region through the interplay of regional and global security levels, driven by the involvement of other states (in this case, the UK) in regional affairs [20; 21]. The region is characterized by a set of features that unite territories (countries) into a *de facto* geographic cluster. This means that the states in the region are compelled to engage in both intensive cooperation and a shared understanding of security issues.

In accordance with the methodology for studying the regional security complex in the context of the UK's international policy, using the Baltic region as a case study, the following steps were taken: 1) In the first stage, the strategic documents of the UK were analyzed to identify the country's overall approach to security. This step was essential for understanding how the UK perceives the hierarchy of regional security complexes (RSCs), as outlined in its defense and security strategies; 2) In the second stage, the study focused on determining the UK's specific approach to the Baltic region's RSC.

The strategic objectives of the UK were correlated with their implementation within the framework of international agreements through the country's participation in various regional, primarily military-political, organizations, especially since the general perception of the Baltic Sea region is also shaped by the participation of its states in NATO. In this case, the following criteria of the RSC are important: their role in shaping risks for a particular state and its national interests; the state's response system to security challenges in the region with an emphasis on military-political cooperation between states. Taken together, this made it possible to identify how the UK's security interests are linked and resolved through interaction with the Baltic region through the identification and securitization of security risks since Buzan and Wæver advocate the idea that the RSC is determined by the presence of common security problems that cannot be solved inde-

pendently of each other. This approach, through securitization, allowed Britain to interact with the states of the region in ensuring common security and, even more, to achieve a similar solution in neighbouring regions (the Arctic, the Black Sea) by solving security problems in a particular Baltic region in order to form a common security architecture with Britain's participation.

UK Security Strategy review: key challenges and partnership with NATO

To establish the importance of the Baltic region in the UK's international security system, it is necessary to analyze common strategic principles in understanding security in general. The Government of the United Kingdom publishes comprehensive reviews of the state of defence and its development approximately every five years, sometimes more often or less frequently, as well as White Papers, which are based on prepared reviews and propose specific security policy strategies for a long period of time. They are the main documents in the field of security and defense. The latest review to date was published in 2023, and it outlines the country's security objectives until 2030. After Brexit, the UK revised its defense and security strategy several times. So, immediately after the country's withdrawal from the EU on February 1, 2020, the government approved the idea of a "Global Britain". After the start of the special military operation (SMO) by Russia, the British began to use practical examples to justify their global presence in regions connected with Russia in one way or another. Among them, the importance of the Baltic region has increased significantly for Britain. In this regard, the question arises: what place does the Baltic region play in the security strategy after the start of the SMO? The answer to this question is necessary for the Russian Foreign Ministry to develop appropriate solutions. To answer this question, we will analyze the strategic British documents from 2023, paying attention to how they represent global interests, including taking into account the Baltic region, and what approaches are proposed to protect them. In 2023, the UK Department of Defense published another Integrated Security Review, which was a response to the events of 2022.[1] It justifies the following risks for the UK: the growth of new conflicts in the world, Russia's military capabilities and potential, the unpredictability of a number of international players like Iran and North Korea, and the escalating rivalry with China. Therefore, it is not surprising that the following urgent tasks were identified: strengthening the ideology of "Global Britain", modernizing the armed forces, and strengthening cooperation with key military and political partners, primarily the United States. All the above mentioned tasks are already being implemented in the Baltic region.

[1] Integrated Review Refresh 2023: Responding to a more contested and volatile world, 2023, *HM Government*, URL: https://assets.publishing.service.gov.uk/media/641d72f45155a2000c6ad5d5/11857435_NS_IR_Refresh_2023_Supply_AllPages_Revision_7_WEB_PDF.pdf (accessed 15.03.2024).

Firstly, the concept of "Global Britain" was supposed, in the opinion of the British, to demonstrate the country's international significance by showing its readiness to engage in solving international problems on the principles of shared leadership with NATO partners.[1] Let us immediately emphasize that it is Europe and the Euro-Atlantic region as a whole that are named as a priority for the UK's security. For example, Africa and the Middle East are only part of the so-called wider neighbourhood in Britain's international policy[2] (For more information on the hierarchy of regions from a security perspective, see [19]).

Secondly, although the 2023 Review sees the most valuable relations for the British with the countries of the Anglo-Saxon bloc, they are not leaving the European region after Brexit. Thus, the 2023 Review clarified the UK's positions in specific regions to implement its national interests, drawing attention to the risks in Europe, primarily in the Black Sea and Baltic regions in connection with the events in Ukraine. It is the Ukrainian crisis that is now seen as the main threat to Britain's security and interests, since the British associate it with the possibility of Russia's growing international influence, and, therefore, the emergence of restrictions on the implementation of the concept of "Global Britain", at least in Europe. This has now forced the British to reconsider and adapt this concept. Therefore, the main focus is on the task of countering Russia, which is called in the Review an unpredictable player capable of delivering high-precision strikes.[3] Moreover, the British position on chemical, biological and nuclear threats, which the British associate with Russia in their official strategy, is particularly noteworthy. Such provisions should be considered as direct risks for our country. In addition, the British admit that they cannot independently mitigate these imaginary threats.[4]

[1] Defence in competitive age, 2021, *Ministry of Defence*, p. 2, URL: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/974661/CP411_-Defence_Command_Plan.pdf (accessed 01.03.2024) ; Global Britain in a competitive age. The Integrated Review of Security, Defence, Development and Foreign Policy, 2023, *HM Government*, p. 2, 66—68, URL: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/975077/Global_Britain_in_a_Competitive_Age-_the_Integrated_Review_of_Security__Defence__Development_and_Foreign_Policy.pdf (accessed 29.02.2024).

[2] Integrated Review Refresh 2023: Responding to a more contested and volatile world, 2023, *GOV.UK*, p. 25, URL: https://www.gov.uk/government/publications/integrated-review-refresh-2023-responding-to-a-more-contested-and-volatile-world/ (accessed 29.02.2024) ; Chapter 2: The UK's Africa strategy. The priority afforded to Africa by UK governments, Select Committee on International Relations and Defence, The UK and Sub-Saharan Africa: prosperity, peace and development co-operation, URL: https://publications.parliament.uk/pa/ld5801/ldselect/ldintrel/88/8805.htm (accessed 29.02.2024).

[3] Integrated Review Refresh 2023: Responding to a more contested and volatile world, 2023, *HM Government*, p. 42, URL: https://www.gov.uk/government/publications/integrated-review-refresh-2023-responding-to-a-more-contested-and-volatile-world (accessed 15.03.2024).

[4] Ibid. P. 33.

Thirdly, military-political cooperation with the United States is perceived as necessary to strengthen Britain's position in Europe, especially in the Baltic region. According to the British, cooperation in Europe should be strengthened through constant exercises, the British presence in Estonia and Poland, and missions to protect air and sea space with the participation of NATO naval groups, i. e. this is specifically and primarily about the Baltic region [22]. In the 2023 Review, the task of the British presence in the North as a whole to unite the Baltic and Arctic flanks is considered important.[1] This, in turn, allows Northern and Eastern Europe to be linked in military-political strategy. It is not surprising that Britain's relations with the Baltic states (primarily Estonia), Poland and Ukraine are listed as priorities.[2] In implementing their tasks in the region, the British rely on cooperation with NATO as a whole, especially in the area of nuclear weapons.[3]

The Baltic region in British defence strategy[4]

The Baltic region is considered by the British as part of the Northern macroregion, in which the Baltic Sea countries cooperate with the Arctic states. The UK traditionally relies on the Northern European states and develops multi-format interactions in the Nordic-Baltic region, since it itself belongs to the Northern European states[5]. These countries also call themselves valuable partners for the British in the context of strengthening stability and countering Russia's influence. Britain's Baltic NATO allies insist on increasing their importance in the Euro-Atlantic security structure, proposing, for example, to rely on the concept of the "Greater North". It means that the security of the Baltic states must be considered in tandem with the security of Britain's northern allies.[6] The British call the North critically important for the security of the Euro-Atlantic region as a whole. But they still consider the Baltic region to be its most vulnerable part, since it is a link

[1] Integrated Review Refresh 2023: Responding to a more contested and volatile world, 2023, *HM Government*, p. 40—41, URL: https://www.gov.uk/government/publications/integrated-review-refresh-2023-responding-to-a-more-contested-and-volatile-world (accessed 15.03.2024).

[2] Ibid. P. 20.

[3] Ibid. P. 33.

[4] NATO included the countries of the Baltic Sea region — Poland in 1999, Estonia, Latvia and Lithuania in 2004, Finland in 2023, Sweden in 2024, despite the fact that Germany became a member of the Alliance in 1955, and Denmark has been a founding member of NATO since 1949.

[5] Countries or areas / geographical regions, *United Nations*, URL: https://unstats.un.org/unsd/methodology/m49/ (accessed 19.09.2024).

[6] Jermalavičius, T., Billion-Galland, A. 2023, British Power in Baltic Weather: The UK's Role in Nordic-Baltic Security and UK-Estonia Defence Cooperation, *The International Centre for Defence and Security*, URL: https://icds.ee/en/british-power-in-baltic-weather-the-uks-role-in-nordic-baltic-security-and-uk-estonia-defence-cooperation/ (accessed 20.01.2024).

in the formation of Euro-Atlantic security, taking into account its proximity to Russia, its connectivity with Eastern Europe, and its access to the Arctic and the Atlantic as a whole.[1]

It is easy to see that since 2023, the UK has been paying closer attention to the logistical link between the Baltic and Arctic regions, which collectively represent the concept of the North of Europe for the UK's security strategy. It was the factor of Russia's international strengthening, the operation in Ukraine and the endless calls for strengthening security from the Baltic countries that led to the UK developing an approach to the so-called broad neighbourhood located on the periphery of the Euro-Atlantic in 2023. This approach connected the Baltic and Arctic regions, as the British refer to the Arctic as a "periphery" in their documents. In addition, in 2023, Britain's new Arctic strategy was published, which stated that the country would defend its Arctic interests by promoting NATO's positions in the region and in Northern Europe as a whole.[2] The participation of British forces in the formation of NATO's total control over the exits to the Arctic through the Baltic allows the British to declare "Britain's global presence from the Arctic to Antarctic".[3] To strengthen its presence in the Baltic region, the British have set up the Joint Expeditionary Force, which includes ten NATO allies. Its aim is to provide security for NATO countries in the High North, the North Atlantic and the Baltic region, mainly through annual exercises.[4] The actions of the British will be presented in more detail in the third part of the article.

The Baltic region is of great importance to the British, not only because of its connection to the Arctic but also because of its proximity to Eastern Europe. Britain calls itself a leader in maintaining security on NATO's Eastern European flank. To this end, interactions with Estonia and Poland are important to the country,[5] especially since the Baltic region countries themselves persistently propose their anti-Russian practices.[6]

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[1] Depledge, D. 2019, Britain, Estonia and the Wider North, *RUSI*, URL: https://rusi.org/explore-our-research/publications/commentary/britain-estonia-and-wider-north (accessed 12.01.2024).

[2] Looking North: the UK and the Arctic. The United Kingdom's Arctic Policy Framework, 2023, *UK Government*, URL: https://assets.publishing.service.gov.uk/media/63e38ed3e90e0762637e30d0/looking-north-the-uk-and-the-arctic-the-uks-arctic-policy-framework.pdf (accessed 29.02.2024).

[3] Annual Report and Accounts 2022—23 For the year ended 31 March 2023. *Ministry of Defence*, p. 3, URL: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1172507/MoD_Annual_Report_and_Accounts_2022-23.pdf (accessed 11.03.2024).

[4] Ibid. P. 31.

[5] Ibid. P. 25.

[6] Jermalavičius, T., Billion-Galland, A. 2023, British Power in Baltic Weather: The UK's Role in Nordic-Baltic Security and UK-Estonia Defence Cooperation, *The International Centre for Defence and Security*, URL: https://icds.ee/en/british-power-in-baltic-weather-the-uks-role-in-nordic-baltic-security-and-uk-estonia-defence-cooperation/ (accessed 20.01.2024).

In addition, the UK is actively promoting the narrative of the Baltic-Black Sea region, which is the most strategically important for Russia. It is not surprising, therefore, that within the framework of the International Fund for the Support of Ukraine, the British cooperate primarily with the Nordic countries (Norway, Sweden, Denmark, Iceland and Lithuania). These countries have jointly accumulated over 520 million pounds for the Fund, which provided the supply of more than 10 thousand units of anti-tank weapons, more than 200 thousand sets of ammunition and more than 300 infantry fighting vehicles.[1]

The importance of the Baltic region is confirmed by regular discussions of security issues in the country's Parliament. Thus, members of the House of Commons draw attention to the fact that it is in the Baltic region that it is possible to confront Russia first and foremost and prepare for this confrontation thanks to NATO.[2] British parliamentarians are discussing the readiness of both NATO as a whole and the United Kingdom individually to repel possible attacks with conventional weapons, and the emphasis in these debates is on the Baltic flank, pointing to the lack of preparedness of their own armed forces (in particular, this idea was expressed by high-ranking NATO military personnel, while Russia's influence on Lithuania is associated with an additional threat from Belarus).[3] Parliamentarians also discuss internal threats to all Baltic countries from the Russian-speaking minority.[4] The British associate cooperation with the United States and NATO as a whole with the main way to counter threats in the region. Thus, when discussing the Sixth Report of the 2022—2023 session, members of the House of Commons noted that Britain's leadership in NATO is considered literally as "a vital component of relations between the United States and the United Kingdom, while the Baltic region allows Britain to lead both to the Far North and the North Atlantic".[5] An additional emphasis in the discussion of the supposed threats to Britain and the Baltic region from Russia is the certain "knowledge" of Russia that the Baltic countries share with British parliamentarians.[6]

It should be noted that the UK strategy for the Baltic region is fully aligned with NATO strategy. Immediately after the launch of the SMO, NATO confirmed

[1] Ibid. P. 6.

[2] Brooke-Holland, L. 2022, UK forces in Estonia, *House of Commons Library*, p. 1—4, URL: https://researchbriefings.files.parliament.uk/documents/CBP-9639/CBP-9639.pdf (accessed 09.07.2024).

[3] The UK and NATO's capacity to respond, 2014, *Towards the next Defence and Security Review: Part Two-NATO — Defence Committee*, URL: https://publications.parliament.uk/pa/cm201415/cmselect/cmdfence/358/35807.htm (accessed 09.07.2024).

[4] Ibid.

[5] Special Relationships? US, UK and NATO, Sixth Report of Session 2022–23, 2023, *UK Parliament*, URL: https://publications.parliament.uk/pa/cm5803/cmselect/cmdfence/184/report.html (accessed 09.07.2024).

[6] War in Ukraine — the threat to the Baltic states, *UK Parliament*, URL: https://www.parliament.uk/business/commons/committee-corridor-podcast/committee-corridor-war-in-ukraine---the-threat-to-the-baltic-states/ (accessed 09.07.2024).

the general approach of 2014, which identified Russia as the main threat to the security and stability of the Euro-Atlantic region. At the same time, NATO pointed to the main areas of confrontation with Moscow, including the Baltic, Black Sea and Mediterranean regions.[1]

Thus, the SMO, which the British call "the Russian invasion of Ukraine," became for them a formal pretext to strengthen their own presence in the Baltic region, to declare themselves as a leader in maintaining security on NATO's eastern flank, placing the main emphasis on interaction with Estonia and Poland.[2]

UK security and defence activities in the Baltic region

The updated Integrated Security and Defense Review of 2023 were welcomed not only in the UK, but also in the Baltic region, as it emphasized Russia's "aggressiveness" as well as Britain's role in ensuring the security of Northern Europe, which includes the Baltic States and the Far North. Therefore, practical cooperation with Estonia, Poland and Finland is considered important for the British in 2023.[3]

The UK's support for its Baltic partner countries is primarily through its military presence. Currently, British units in the region are based in Estonia and Poland and support NATO's air mission in the Baltic. In November 2022, Estonia and the UK signed a Security Roadmap. It outlines the following areas of activity: increasing the effectiveness of existing battle groups, strengthening Estonia and strengthening the defence of the Baltic region. Estonia has committed to providing the British contingent with additional accommodation and other support facilities.[4]

The United Kingdom also invited Estonia, Latvia, Lithuania, Finland, Norway and Denmark to join defense efforts, bringing them under the new Command of the Joint Forces of the North in Norfolk. Another way to strengthen the Baltic region is through cooperation within the framework of the Nordic Countries Forum between Denmark, Estonia, Finland, Germany, Iceland, Latvia, Lithuania, the Netherlands, Norway, Poland, Sweden and the United Kingdom. Its members cooperate at the level of defence ministers to discuss security issues with the aim

[1] NATO 2022 Strategic Concept, 2022, *NATO*, URL: https://www.nato.int/nato_static_fl2014/assets/pdf/2022/6/pdf/290622-strategic-concept.pdf (accessed 09.07.2024).

[2] Annual Report and Accounts 2022–23 For the year ended 31 March 2023. *Ministry of Defence*, p. 25, URL: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1172507/MoD_Annual_Report_and_Accounts_2022-23.pdf (accessed 11.03.2024).

[3] Jermalavičius, T., Billion-Galland, A. 2023, British Power in Baltic Weather: The UK's Role in Nordic-Baltic Security and UK-Estonia Defence Cooperation, *The International Centre for Defence and Security*, URL: https://icds.ee/en/british-power-in-baltic-weather-the-uks-role-in-nordic-baltic-security-and-uk-estonia-defence-cooperation/ (accessed 20.01.2024).

[4] Joint Statement between the UK MOD and the Estonian MOD, 8 November 2022, *GOV.UK*, URL: https://www.gov.uk/government/news/joint-statement-between-the-uk-mod-and-the-estonian-mod (accessed 11.03.2024).

of achieving further integration of the armed forces. The Forum also develops a common stance on the policy towards Russia. In addition, London has contributed to the formation and development of the following defence structures: the Nordic Defense Cooperation (NORDEFCO) between Denmark, Finland, Iceland, Norway and Sweden; the Scandinavian-Baltic Eight (NB8), which includes Denmark, Estonia, Finland, Iceland, Latvia, Lithuania, Norway and Sweden — in particular, through the NB8 + UK format. At the same time, the British support civilian expert structures, such as the Aurora Forum, through which security experts meet with officials. This forum is funded by the Ministry of Foreign Affairs and the Department of Commonwealth Affairs in order to deepen ties between like-minded partners after Brexit.[1]

Over the past decade, the UK has recognized the need for a broader approach to the Baltic region, linking the Arctic and Eastern Europe through it. In particular, the British believe that the regions of the High North and the Baltic are inseparable in strategic terms (especially since defence cooperation between the Nordic and Baltic countries was formalized in 1992). The British believe that a security crisis in the Baltic region will inevitably trigger a reaction from the countries of the Far North, which want to strengthen their own defense capabilities, and vice versa. Meanwhile, in such a crisis, the British expect both regions to count on their support.

Cooperation with Estonia is becoming central to Britain, where exercises are being held that have seen around 1,000 British troops stationed in the country as part of a mission known as Operation Kabrit.[2] The British are clearly implementing NATO's strategy of strengthening the Baltic flank by sending additional troops to Estonia and Poland. The enhanced forward presence is just one aspect of the UK's broader support for NATO.[3]

In addition, NATO members, including Britain, are conducting large-scale exercises in the Baltic Sea ("BALTOPS"). We would like to emphasize that a large British military headquarters has been deployed in the Baltic region to support the Joint Expeditionary Force. The Joint Expeditionary Force (JEF) is "a multinational defense structure created to ensure the security of the Far North, the North Atlantic and the Baltic Sea region in response to global security challenges".[4]

[1] NORDEFCO, URL: https://www.nordefco.org/the-basics-about-nordefco (accessed 25.03.2024) ; https://www.urm.lt/en/news/928/lithuanias-foreign-vice-minister-skusevicius-attends-the-nordic-baltic-uk-foreign-ministers-meeting:33195 (accessed 25.03.2024) ; Aurora Forum, URL: https://auroraforum.co.uk/about/ (accessed 25.03.2024).

[2] Deployment Baltics, URL: https://www.army.mod.uk/deployments/baltics/ (accessed 09.07.2024) ; Depledge, D. 2019, Britain, Estonia and the Wider North, *RUSI*, URL: https://rusi.org/explore-our-research/publications/commentary/britain-estonia-and-wider-north (accessed 12.01.2024).

[3] Ibid.

[4] What is the Joint Expeditionary Force, URL: https://researchbriefings.files.parliament.uk/documents/CBP-10074/CBP-10074.pdf (accessed 09.07.2024).

The permanent headquarters of the Joint Force is based in London, with units in Lithuania and Latvia, and liaison officers from the UK are in Denmark, Estonia, Finland and Sweden. Therefore, in general, it is the British who coordinate the military activities of the Joint Expeditionary Force countries in the Baltic Sea region.[1]

An equally important practical example of cooperation between the countries of the region and the United Kingdom can be considered the joint activities of London and Tallinn at the Cyber Defense Center in Estonia, which even culminated in their joint bid to form the headquarters of the NATO Defense Innovation Catalyst in the North Atlantic in 2022. Estonia and the United Kingdom jointly manage the European regional office of this headquarters [24].[2]

Another important example of practical support is the regular visits of British diplomats to the countries of the region. These visits are primarily related to the Ukrainian crisis and SMO. Thus, the heads of various British governments, as a result of negotiations, consistently strengthened the grouping in Poland and Estonia, sent RAF Typhoon fighters to ensure the security of the airspace of the Baltic and other European regions in the face of increasing threats in Ukraine.[3] The Labour Party representative David Lammy, appointed as the UK Foreign Secretary after the elections on 4 July 2024, confirmed all agreements with partners during his visit to Poland.[4] There are currently around 10,000 British men in Europe, mostly involved in logistics and sending military supplies to Ukraine (via Poland), further underlining the importance of the Baltic region for the UK.[5]

By the beginning of 2024, it can be stated that the British have proven their leadership in ensuring the security of the Baltic region. Thus, on January 11, 2024, the command of the land contingent of the NATO response force was delegated to the Allied Rapid Reaction Corps of Great Britain. As a result, 16,000 British Army

[1] Joint Expeditionary Force deploys to the Baltics. May 2022, *GOV.UK*, URL: https://www.gov.uk/government/news/joint-expeditionary-force-deploys-to-the-baltics (accessed 15.03.2024).

[2] Annual Report and Accounts 2022—23 For the year ended 31 March 2023. *Ministry of Defence*, URL: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1172507/MoD_Annual_Report_and_Accounts_2022—23.pdf (accessed 11.03.2024) ; NATO enhances technological advantage through innovation initiatives, *NATO*, URL: https://www.nato.int/cps/ru/natohq/news_194587.htm?selectedLocale=ru (accessed 11.03.2024).

[3] Annual Report and Accounts 2022—23 For the year ended 31 March 2023. *Ministry of Defence*, p. 33, URL: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1172507/MoD_Annual_Report_and_Accounts_2022-23.pdf (accessed 11.03.2024) ; Allison, G. 2022, Britain deploying more fighters to Cyprus, *UK Defence Journal*, URL: https://ukdefencejournal.org.uk/britain-deploying-more-fighters-to-cyprus-amid-russia-tensions (accessed 10.01.2024).

[4] Zehra Nur Düz, 2024, Britain's new top diplomat travels to Poland for discussions on Ukraine, *Anadolu Agency*, URL: https://www.aa.com.tr/en/europe/britain-s-new-top-diplomat-travels-to-poland-for-discussions-on-ukraine/3268915 (accessed 09.07.2024).

[5] Ibid. P. 3.

personnel with tanks, artillery, and helicopters were deployed throughout Eastern Europe in the Steadfast Defender exercise from February to June 2024. It is noteworthy that a special role within the framework of the Joint NATO Response Force is assigned to the 7th British Light Mechanized Brigade "Desert Rats", which led the Joint NATO High-Readiness Task Force (although, of course, the Baltic region is not a desert at all). In addition, the British have pledged to keep a brigade in the UK on high alert at all times to rapidly strengthen Estonia and the entire Baltic region during the crisis. The British also provided a reconnaissance squadron to the US-led NATO combat group in Poland and a ground-based air defense system (Sky Sabre) to protect Polish airspace.[1]

Thus, one of the most prestigious brigades of the British Army operates in the Baltic region as the main NATO response unit, which, of course, directly testifies not only to Britain's leadership in NATO, but also to the importance of the Baltic flank for NATO as a whole.

Conclusions

The British see bilateral ties with the Baltics, Poland and Ukraine as key to building multilateral alliances and ensuring Euro-Atlantic security as a whole.[2] This shows that the European core remains central to British national defence and security policy. This finding is particularly significant in the context of the Anglo-Saxon debate about Britain's reorientation towards the Indo-Pacific region, as the British are strategically and practically focused primarily on Europe. At the same time, the Baltic region in the British military strategy, as in the NATO strategy, is a link between other regions, and therefore it has a high military-strategic significance. It is here that London seeks to demonstrate leadership and prove its primacy in ensuring the security of Europe as a whole.

Currently, the British are building their zone of control and defense in the Baltic Sea region, starting from direct deployment on the territory and participation in exercises, and ending with work in the framework of cyber defense and innovative developments. Russia may consider the British strategy in the Baltic region as their strengthening in the European North (its Baltic and Arctic flanks). For Russia, this means increased risks not only in the Baltic region itself, but also in the Far North. It is clear that in the long term the UK will take increasingly consistent steps to strengthen the interaction of the Baltic and Arctic flanks in order to unite the countries of Northern Europe, and then to tie them to the countries of Eastern Europe, given that Britain views Ukraine as a necessary element in justi-

[1] Desert Rats leading NATO's first line of defence in 2024, URL: https://armyrecognition.com/news/army-news/army-news-2024/british-desert-rats-leading-nato-s-first-line-of-defence-in-2024 (accessed 10.01.2024).

[2] Integrated Review Refresh 2023: Responding to a more contested and volatile world, 2023, *HM Government*, p. 20, URL: https://www.gov.uk/government/publications/integrated-review-refresh-2023-responding-to-a-more-contested-and-volatile-world (accessed 15.03.2024).

fying its presence in Eastern and Northern Europe.[1] It is therefore not surprising that the British are actively offering Estonia to participate in resolving security issues in the Far North and, conversely, inviting Denmark to cooperate in Estonia, i. e. in the Baltics. The link between Estonia and Finland is significant within the framework of the defense projections promoted by Great Britain, as evidenced by the increase in the number of military contingents in the Baltic region countries. It is worth noting that digital technologies are becoming a valuable tool for strengthening the UK in the region since two important European locations for countering cyber threats are located in London and Tallinn under direct British control.

Moreover, the UK's global positioning, declared as "from the Arctic to Antarctic", is impossible without strengthening the British presence and direct involvement in the affairs of the Baltic region. In this regard, it is important for Russia to view any movements by a potential enemy in the Baltic Sea region as the beginning of changes in the Far North, and vice versa, and the Baltic region as a zone that is being prepared directly for military clashes, for which London is directly responsible. And here the actions of Estonia, Finland, Poland and Great Britain, whose joint manoeuvres are already indicating an escalation of tensions, will be of key importance.

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[1] Ibid. P. 40—41.

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BALTIC STATES ON THE WAY TOWARDS ENERGY ISOLATIONISM: UNITED OR DIVIDED?

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The flip side of the European Union's policy aimed at accelerating the fourth energy transition has been energy isolationism — namely, the pursuit of quantitative indicators characterising a country's energy balance without considering their impact on the energy balance of neighbouring countries. This article examines energy isolationism using the example of Lithuania's 2022 initiative, which called on the three Baltic States to disconnect from the BRELL synchronous power grid — linking them to Russia and Belarus — before 2025. According to a plan developed in 2018, they were originally scheduled to disconnect in 2025. However, Latvia and Estonia did not support Lithuania's initiative and, after negotiations lasting until mid-2023, agreed to adhere to the original timeline. The article analyses these negotiations as minilateral — multilateral discussions involving a small number of participants — which differ in nature from both bilateral negotiations and large-scale multilateral negotiations with numerous participants. Using game theory, the article presents a model of these negotiations. In practical terms, the 'three-player, three-option' model explains why the failure of negotiations followed by Lithuania's unilateral desynchronisation from BRELL was the least probable scenario from the outset. More broadly, the model demonstrates that no two Baltic States with similar negotiating positions could accept any outcome other than their most preferred one, even if accepting a different outcome would allow the third state — with a divergent negotiating stance — to avoid its least preferred option. The article concludes that the inability of the majority to compromise with the minority prevents minilateral cooperation among the three Baltic States from evolving to a higher level — comparable to the more advanced minilateral cooperation seen among the Nordic countries.

Keywords:
Estonia, Latvia, Lithuania, minilateralism, negotiations, game theory, energy, BRELL

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In 2018, Estonia, Latvia and Lithuania agreed to disconnect from the BRELL energy ring that simultaneously linked the three Baltic States to Russia and Belarus in 2025. When it occurs, it will become an important factor in the further development of the energy systems of the Baltic countries themselves and will threaten the energy security of the Kaliningrad region of Russia, as indicated by multiple scholars [1—3]. According to previously approved plans, the Baltic countries were supposed to be technically ready to disconnect from BRELL by 2025. However, in the fall of 2022, Lithuanian Prime Minister Šimonytė put forward an initiative to move the disconnection of these countries from BRELL to an earlier date, namely spring 2024. Lithuania conducted negotiations with Estonia and Latvia on this issue until the summer of 2023. The negotiations essentially ended in nothing: the parties agreed to disconnect from BRELL simultaneously in 2025, specifying only the month of the expected disconnection, namely February.[1] The purpose of this study is to construct, using these negotiations as an example, a matrix model of minilateral negotiations allowing us to assess the probability of implementing each possible outcome of such negotiations.

Academic literature has not yet developed sufficiently the issue of minilateral negotiations, i. e. multilateral negotiations with a small number of participants. That is despite the fact that Kahler and Ruggie, the authors of the term *minilateral*, warned about the increasing role of such negotiations in the medium term back in the early 1990s in connection with the collapse of the bipolar system of international relations [4; 5]. They pointed out that the literature on international negotiations uses the term *multilateral* to refer to any negotiations involving more than two participants: both negotiations with three participants, such as the case of the negotiations of three Baltic countries discussed in this article, and negotiations with dozens of participants, such as annual UN climate change conferences. This, in their opinion, leads to terminological confusion, since different models describe negotiations with several dozen and with several participants. To designate negotiations of the latter type, they proposed to use the term *minilateral*.

Most models developed to describe multilateral negotiations assume that parties whose proposal is rejected during negotiations withdraw from them and choose one or another option for unilateral action [cf. 6]. However, in multilateral negotiations involving dozens of participants, this is often not the case. In this context, Lebedeva and Zinovieva cite the UN Climate Change Conference held in Glasgow in 2021 — which was attended by representatives from nearly two hundred states — as an example [7, p. 151]. Many of the participants brought their proposals to Glasgow, but those national delegations whose proposals were

[1] Litva, Latviya i Estoniya dogovorilis' o date otklyucheniya ot energokol'tsa BRELL [Lithuania, Latvia and Estonia agreed on the date of disconnection from the BRELL energy ring], *Delovoy Petersburg*, 3 August 2023, URL: https://www.dp.ru/a/2023/08/03/litva--latvija-i-jestonija-dogovorilis (in Russ.) (accessed 01.11.2024).

not included in the final document of the conference did not leave it because of this. Researchers Ju and Vidal-Puga propose a "decentralized" model of multilateral negotiations, which does not assume that participants whose proposal is rejected during the negotiations leave them [8]. This model is indeed suitable for describing multilateral negotiations with dozens of participants, but its capabilities for describing negotiations with three participants are limited.

Lithuania initiated negotiations with Latvia and Estonia to postpone the Baltic countries' disconnection from BRELL but failed to persuade its partners to agree. As a result, it faced two possible courses of action, as we outline below. First, Lithuania could demonstrate "solidarity with the majority" [9] by adhering to the original timeline and exiting BRELL simultaneously with Latvia and Estonia. As we will show, this was ultimately the outcome of the negotiations — Lithuania did not achieve its initial objective but ensured a successful agreement. Alternatively, given Latvia and Estonia's reluctance to accept its proposal, Lithuania could have abandoned the negotiations and unilaterally exited BRELL ahead of schedule. This scenario would have introduced uncertainty into the energy security of the Baltic region, including Russia's Kaliningrad exclave, and resulted in negotiation failure.

Faure and Zartman point out that failed negotiations attract less scholarly attention compared to those that ended with the conclusion of some kind of agreement among the parties [10, p. 3]. A key distinction between minilateral and multilateral negotiations involving numerous participants — while also a notable similarity between minilateral and bilateral negotiations — is the impact of a party's withdrawal on the negotiation outcome. In large-scale multilateral negotiations, the process can still succeed even if one or more participants exit before a final agreement is reached. In contrast, bilateral and minilateral negotiations are generally deemed unsuccessful the moment a representative from any party leaves the negotiating table.

Lithuanian Prime Minister Ingrida Šimonytė was counting on success when she initiated the negotiations with Latvia and Estonia on rescheduling their disconnection from BRELL. Latvia and Estonia stopped importing electricity from Russia and Belarus in early 2022, and Ingrida Šimonytė expected that the two countries would agree to take the next step and accelerate the disconnection from BRELL in order to make it more difficult to return to importing electricity from Russia and Belarus in the future. However, the outcome of the negotiations remained uncertain, as Latvia and Lithuania continued to consume more electricity than their domestic power plants could generate. In the early 21st century, some scholars anticipated that the Baltic states would enhance their electricity production from alternative sources, improve energy efficiency in both businesses and households and diversify their economic partnerships, thereby facilitating a transition from energy dependence on Russia to a state of interdependence [11]. These expectations were based on Denmark's experience, as the country managed to transform from a net importer of electricity and energy resources into an ex-

porter during the last quarter of the 20th century [12]. These expectations did not materialize, although by the early 2010s, the Baltic states had begun developing plans for a power generation system aimed at significantly reducing electricity imports within the next 10 to 20 years [13]. Some of these plans have since been implemented. Estonia, for example, completed the construction of the Auvere thermal power plant, which can generate electricity using natural gas, oil shale, peat, and biofuels—most commonly wood and its processed products. As a result, while Estonia consumed more electricity than it produced between 2019 and 2021, electricity generation once again exceeded consumption in 2022—2023 (Table 1). The other two Baltic states also constructed large combined heat and power plants utilizing biofuels in several cities, including Klaipėda and Šiauliai in Lithuania and Jelgava in Latvia.

Table 1

Electricity production and consumption, and energy balance of Latvia, Lithuania and Estonia in 2014—2023, gWt/h

Year	Latvia			Lithuania			Estonia		
	Production	Consumption	Balance	Production	Consumption	Balance	Production	Consumption	Balance
2014	5140	6582	–1442	4397	10009	–5612	12447	7417	5030
2015	5534	6461	–927	4933	10165	–5232	10149	7440	2709
2016	6425	6482	–57	4266	10626	–6360	12170	7673	4497
2017	7532	6484	–1048	4188	10957	–6769	13161	7735	5426
2018	6725	6662	63	3512	11283	–7771	12365	8291	4074
2019	6439	6636	–197	3972	11409	–7437	7616	8257	–641
2020	5725	6688	–963	5518	11155	–4403	6079	8585	–2506
2021	5847	6930	–1083	5079	11953	–6874	7205	8099	–894
2022	4998	6717	–1719	4783	11452	–6669	8937	7306	1631
2023	6083	6560	–477	5386	11111	–5752	10009	7095	2914

Compiled based on data from the Eurostat.[1]

The Baltic countries have simultaneously developed wind and solar power plants; however, their combined capacity remains insufficient to generate a substantial share of electricity. In these countries, thermal power plants continue to be the primary source of electricity generation. The exception is Latvia, which benefits from several large hydroelectric power plants, the most significant being the Pļaviņas plant on the Daugava River.

[1] Gross and net production of electricity and derived heat by type of plant and operator, 2024, *Eurostat*, https://doi.org/10.2908/nrg_ind_peh ; Supply, transformation and consumption of electricity, 2024, *Eurostat*, https://doi.org/10.2908/nrg_cb_e (accessed 01.11.2024).

In 2023, both Latvia and Lithuania increased electricity production while reducing consumption compared to 2022. However, as was the case a decade ago, Latvia continues to consume more electricity than it produces, while Lithuania consumes significantly more. The electricity surplus generated in Estonia, where production exceeds consumption, is sufficient to offset Latvia's energy deficit but not Lithuania's, which consumes twice as much electricity as it generates. Table 1 presents data on electricity production, consumption, and the energy balance in the Baltic States over the past decade.

Widespread fear of Russia among the elites of the Baltic countries influencing the plans for the development of the Baltic countries' electricity generation systems in general and the negotiations initiated by Lithuania aimed at accelerating their disconnection from BRELL in particular is an additional incentive for the politicization of energy issues in these countries. At the same time, one should consider the fear of Russia as only an additional factor in the politicization of energy issues in the Baltic countries. Politicization of energy issues takes place in most Western countries, even in those where the notorious "Russian factor" does not play such a significant role as it does in the Baltic states. Some researchers have noted the growing popularity of the combination of the words "energy democracy", which is frequently found in the demands of climate activists and in strategic documents adopted at the state level in many Western countries [cf. 14]. Energy democracy refers to both a political value shared by many climate activists and an objective process by which climate activists are increasingly playing a role in shaping states' energy strategies – a process expected to accelerate thanks to the fourth energy transition.

Since the 2010s, the policy of promoting the fourth energy transition has become the second most significant factor in the energy policies of the Baltic states, second only to the fear of Russia. The first energy transition in the 19th century saw coal replace biofuels as the dominant energy source. The second and third transitions in the 20th century brought successive shifts from coal to oil and then from oil to natural gas. At the beginning of the 21st century, expectations emerged that alternative energy sources would soon surpass natural gas as the primary energy source. This anticipated shift, known as the fourth energy transition, has played a key role in the energy policies of most countries [15], including EU member states and the Baltic nations.

Scholarly literature identifies three approaches to assessing the interplay between concerns about Russia and the fourth energy transition in shaping the energy policies of EU member states that lag behind economic leaders, such as the Baltic countries. According to the first approach, the interests of reducing the dependence of these countries on imports of electricity and energy resources from countries outside the European Union, including Russia, as well as the goals of the fourth energy transition, are best served by a strategy that does not involve forcing either the first or second process for political reasons. The core of this strategy is the expectation that the Baltic countries will narrow the economic

development gap with the EU leaders through electricity and energy resource imports, including from Russia. In this framework, Russia is seen as a guarantor of European and even global energy security, defined as the stable supply of electricity and energy resources in agreed volumes and at agreed prices [16]. Once the Baltic countries reach economic parity with leading EU nations — such as when Estonia, Latvia, and Lithuania catch up with Denmark in terms of per capita GDP — the necessary conditions will emerge for reducing energy imports, increasing the share of alternative energy sources in electricity generation, and enhancing energy efficiency in businesses and households. Denmark experienced a similar shift in the late 20th century.

According to the second approach, the strategic goals of reducing the energy dependence of the Baltic states on Russia and accelerating the fourth energy transition contradict each other. Some scholars warn that a complete ban on energy imports from Russia, which is currently being discussed in the European Union, will have a negative impact not only on the pace of economic growth in European countries but also on the implementation of the fourth energy transition [cf. 17]. By importing electricity and energy resources from Russia, Estonia establishes the economic foundation necessary to invest in renewable energy generation infrastructure. Banning such imports, contrarily, forces Estonia to burn more oil shale to produce electricity. The growing popularity of this approach in the Baltic countries could potentially provoke a conflict with the supranational institutions of the European Union. When choosing between independence from imports from Russia and the fourth energy transition, the governments of the Baltic countries would prefer the former, while the EU institutions would prefer the latter.

The third approach, according to which the acceleration of the fourth energy transition will facilitate an accelerated reduction in imports of electricity and energy resources from Russia, allows removing this contradiction. It will lead to the dismantling of the existing and to the formation of new international energy transfer systems, due to the configuration of which, but not due to energy supplies as such, energy dependence arises, according to Högselius [18, p. 68—102]. The formation of such new systems will change the entire geography of supplies of goods sensitive from the viewpoint of electricity generation [19]. Simply put, today the Baltic countries depend on energy supplies from oil and natural gas exporting countries, including Russia. As an outcome of the fourth energy transition, however, the entire European Union, according to, for example, Ingrida Šimonytė, may find itself dependent on supplies of critical software for the energy industry, batteries for electric vehicles and wind turbines manufactured in China.[1]

[1] Premier Litvy predupredila ES o riskah v energetike iz-za Kitaya [Lithuanian PM warns EU of energy risks from China], *Sputnik. Lithuania*, 28 March 2024, URL: https://lt.sputniknews.ru/amp/20240328/premer-litvy-predupredila-es-o-riskakh-v-energetike-iz-za-kitaya-32480482.html (in Russ.) (accessed 01.11.2024).

European Union Energy Policy and administrative reforms in the Baltic countries

When implementing European Union policies aimed at accelerating the fourth energy transition, actors often seek to achieve particular quantitative indicators characterizing the energy balance in individual countries, individual sectors of the economy and even individual enterprises. They often do so without regard to how it affects the energy balance in other EU member states, in related industries and similar enterprises. Stephens suggests the term *climate isolationism* to indicate this feature of the practice of implementing energy policy, which plays a contradictory role in achieving its goals [20]. Below we will demonstrate that some politicians in the Baltic countries sometimes seek to solve certain problems that should contribute to the acceleration of the fourth energy transition, in their opinion. They do so without regard to its impact on neighbouring countries, as well as on individual sectors of the economy and individual enterprises in these countries themselves. By analogy with the concept proposed by Stevens, we suggest referencing to such action as *energy isolationism*.

The approach assuming that accelerated fourth energy transition and accelerated reduction in imports of electricity and energy resources from Russia will mutually support each other, has been the basis for the energy policy of the European Union. That policy began taking shape in the mid-2000s, and the gas conflict between Russia and Ukraine in 2006 contributed to the increasing importance of the Russian factor in its formation [21]. In 2009, the EU adopted the so-called "20—20—20" targets, which assumed that by 2020 the share of renewable energy sources in the EU would increase to 20 %, greenhouse gas emissions would decrease by 20 % compared to 1990 levels, and energy efficiency would increase by 20 %. Back in the late 2000s, some scholars warned that the costs of the implementation of those targets to the EU welfare would be higher than the European Commission had previously estimated [cf. 22]. While these targets were achieved by 2020 in the EU in general (although not all member states have fully met their particular targets), a precise assessment of the impact on European welfare has not yet been made.

In 2015, the European Union set the aim to build a European Energy Union. Most specific tasks, the implementation of which, according to the authors of the Energy Union project, will make it possible, remained the same as those that the EU had planned to implement earlier in the context of accelerating the fourth energy transition. The EU also set new tasks, primarily in the area of foreign energy policy, aimed at reducing Russia's role as a supplier of electricity and energy resources to the Union [23]. In 2020, the European Union concluded its so-called Green Deal, which envisages, among other things, the achievement of carbon neutrality by the EU as a whole by 2050. Scholars expect its implementation to affect the interests of Russia and other EU neighbours that supply energy to the Union, such as Algeria, as well as the interests of global players in the energy market, such as the United States, China and Saudi Arabia [24].

In the late 2010s, the Baltic States, Poland and the European Commission agreed upon a BRELL exit plan, which thus became an element of the implementation of the EU Energy Union project. The plan envisaged not only disconnecting the Baltic States from BRELL, but also building additional high-voltage power lines that would connect Estonia with Latvia, and Latvia with Lithuania, bypassing Russia and Belarus. The European Commission supported the plan not only politically but also financially. In turn, the Baltic countries decided not only to leave BRELL, but also to synchronize their energy systems with the regional synchronous network of continental Europe, not with one of the Nordic countries [25]. In 2016, when the Baltic countries started planning their BRELL exit, only one recently launched high-voltage direct current (HVDC) line between Lithuania and Poland connected them to continental Europe. At the same time, three submarine HVDC lines connected the Baltic countries to Northern Europe: two HVDC lines between Estonia and Finland, and another between Lithuania and Sweden.

The single power line connecting the Baltic countries to continental Europe's regional grid became the cause of the first conflict between Lithuania on the one hand, and Latvia and Estonia on the other on issues directly affecting their plan to leave BRELL. In 2017, the Lithuanian government argued that one power line was sufficient and that the three Baltic countries could exit BRELL within one to two years. In turn, the Estonian and Latvian governments insisted that synchronization with the continental European regional grid would require at least the second power line to be completed.[1] The project in question was the Harmony underwater power line, which would connect Lithuania and Poland along the seabed, bypassing the Kaliningrad region of Russia. That power line has not been ready to this day. In late 2017, Estonia held the rotating presidency of the European Union, which allowed it to postpone the Baltic countries' exit from BRELL and to secure financial support from the European Commission for the exit plan, including the construction of the Harmony power transmission line.

In late 2017, the European Commission adopted the third European Union's list of projects of common interest, one of those projects being the Priority Corridor Baltic Energy Market Interconnection Plan.[2] In 2018, on the eve of the publication of the list of projects of common interest, the presidents of the European Commission and Lithuania, as well as the prime ministers of Estonia, Latvia and Poland declared that the Baltic States would exit from BRELL in

[1] Estonia, Lithuania Fail to Agree on How to Synchronize Power Grids with Western Europe, *Lithuania Tribune*, 21.07.2017, URL: https://lithuaniatribune.com/estonia-lithuanian-fail-to-agree-on-how-to-synchronize-power-grids-with-western-europe/ (accessed 01.11.2024).

[2] Commission Delegated Regulation (EU) 2018/540 of 23 November 2017 amending Regulation (EU) № 347/2013 of the European Parliament and of the Council as regards the Union list of projects of common interest, *Official Journal of the European Union*, L90/38-58, 6.04.2018, URL: https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32018R0540 (accessed 01.11.2024).

2025. Thus, one can distinguish two stages in the negotiations among the Baltic countries on the timing of their disconnection from BRELL. In the classification of Posazhennikova and Lebedeva [26, p. 47], one can characterize the first stage of the negotiations, which took place in 2017—2018, as bargaining. Lithuania at that stage of the negotiations advocated the earliest possible disconnection of all three Baltic countries from BRELL, while Latvia and Estonia advocated a later disconnection date.

This article focuses on the second stage of the negotiations. According to the same classification, we characterize the negotiations at that stage as an attempt at persuasion undertaken by Lithuania. In late 2019, when the first stage of the negotiations had already been over, and when one could hardly foresee the start of the second phase, a representative of Estonia, Kadri Simson, became the European Commissioner for Energy, remaining in this position until late 2024. Thanks to her assistance, in 2019, the European Union's Innovation and Networks Executive Agency (which replaced the Trans-European Transport Networks Executive Agency in 2013), the Baltic countries and Poland signed a €720 million grant agreement for the Baltic Synchronization project by 2025.[1]

The European Commission's drive to accelerate the fourth energy transition has required not only funding but also administrative changes in member states. The European Commission had to accept that at least two models of political governance of the energy transition have emerged in different member states. In countries like France, where the goals of economic development and energy transition do not contradict each other, a "technocratic" model of political management of energy transition has emerged, characterized by the vesting of relevant powers in the Ministry of Economy [27]. An example from the Baltic Sea Region is Germany, where the objectives of reducing emissions that contribute to climate change have been taken into account in formulating economic and energy policy goals since the 1970s [28]. In 2021, the position of Minister of Economic Affairs and Energy in Germany was renamed Minister of Economic Affairs and Climate, along with the renaming of the corresponding federal ministry.

In those countries where the energy transition is potentially a constraint on economic development, energy issues previously under the purview of the Ministry of Economy moved to another ministry, most often the Ministry of Environment. Estonia is an example in this respect. In 2019, the Ratas Cabinet tried to resist (alongside Poland, Hungary and the Czech Republic) the adoption of the European Green Deal, albeit briefly [29]. However, the three consecutive Kallas Cabinets that had been in power in 2021—2024 actively supported both the European Green Deal and the administrative reform associated with its implementation. In 2023, when the third Kallas Cabinet gathered, the Ministry of the

[1] Baltic States and Poland Sign €720 Million Grant Agreement for the Baltic Synchronisation Project, *European Commission,* 14.12. 2019, URL: https://commission.europa.eu/news/baltic-states-and-poland-sign-eu720-million-grant-agreement-baltic-synchronisation-project-2020-12-14_en (accessed 01.11.2024).

Environment took control of energy issues, the ministry itself was renamed the Ministry of Climate, and the position of Minister of Climate emerged, occupied by Kristen Michal. In 2024, however, the newly formed Michal Cabinet included two corresponding ministerial positions. Vladimir Svet, the newly appointed Minister of Infrastructure took control of energy issues, while Yoko Alender, the newly appointed Minister of Climate, took control of environmental issues, including greenhouse gas emissions. Estonia's Climate Ministry was now subordinate to these two ministers at the same time.

This model is typical of rapidly growing economies in Asia, such as China and India, and Latin America, such as Brazil and Mexico. Among the large EU countries, Poland has adopted this model, which, back in mid-2019, together with Estonia, tried to prevent the approval of the European Green Deal. Just as in Estonia, where burning oil shale contributes to most electricity production, so in Poland, coal accounts for the largest share of the country's energy balance [30]. In late 2019, however, the second Morawiecki Cabinet in Poland held an administrative reform, which resulted in the formation of the positions of the Minister of Environment, occupied by Michał Wos, and of the Minister of Climate, occupied by Michał Kurtyka. The latter became Minister of Climate and Environment after the transition period, during which three ministries operated in parallel: the Ministry of Economy, the Ministry of Energy and Climate, and the Ministry of Environment. The last two ministries merged in late 2020.

In Latvia, a similar transition period began in 2022. Early that year, future Minister of Defense in Siliņa Cabinet Andris Sprūds co-authored an article calling for a change of the "strategic narrative" on climate policy in Latvia [31]. Later the same year, the position of the Minister of Climate and Energy emerged in the second Kariņš Cabinet. The newly created Ministry of Climate and Energy took control of energy issues, previously under the jurisdiction of the Ministry of Economy, as well as of climate policy, previously under control of the Ministry of Environmental Protection and Regional Development. In 2023—2025, the transition period continued: Siliņa Cabinet included simultaneously the positions of the Minister of the Economy, the Minister of Climate and Energy, and the Minister of Environmental Protection and Regional Development. Similarly, in Lithuania in the early 2020s, the Ministry of Economy and Innovation, the Ministry of Environment and the Ministry of Energy, which was also responsible for implementing climate policy, operated in parallel.

Positions of Lithuania, Latvia and Estonia at negotiations on speeding disconnection from BRELL

Game theory helps to construct the model presented below of negotiations on the potential acceleration of the Baltic countries' exit from BRELL, which Estonia, Latvia, and Lithuania conducted from late 2022 to mid-2023. Developed during the period of the bipolar system of international relations [cf. 32], it remains relevant today [33]. Original game models allowed for analyzing bilateral

negotiations with two possible outcomes. The models developed later not only enabled the description of negotiations involving a larger number of parties and multiple potential outcomes but also facilitated the assessment of the probability of each option being implemented in practice [34]. The construction of such a model requires determining, firstly, the possible outcome options for the negotiations, and secondly, the preferences of each of the parties involved in the negotiations regarding these options. This, in turn, requires reference to the texts of public speeches by political leaders of the Baltic countries.

In early 2022, Lithuanian politicians made only cautious statements regarding both the administrative reform and the prospect of disconnection from BRELL by 2025. For example, in the summer of 2022, Lithuanian President Gitanas Nauseda stated that his country was ready for immediate disconnection from BRELL. However, he declared the readiness of his country to disconnect from BRELL only if this happened on the initiative of Russia. He alleged that Russia could disconnect the Baltic countries from BRELL in response to the restrictions on the transit of goods to the Kaliningrad exclave of Russia through the territory of Lithuania, introduced by this country in the spring of the same year.[1] There was no talk of any early disconnection from BRELL at the initiative of the Baltic States themselves until November 2022. Then Lithuanian Prime Minister Ingrida Šimonytė, speaking at a meeting of the Vilnius Green Technologies Forum, announced that her country would decide the following year, 2023, when exactly it would disconnect from BRELL, implying that this could happen before 2025.[2] Three weeks later, Ingrida Šimonytė officially joined the Homeland Union political party and set her goal of participating in the 2024 Lithuanian presidential elections as the party's main candidate. However, she lost the 2024 presidential elections, yielding to the incumbent president Gitanas Nauseda, who won a second term.

Ingrida Šimonytė made the accelerated disconnection of the Baltic countries from BRELL a central issue of her presidential campaign. At her instigation, in April 2023, the Lithuanian national electricity grid operator Litgrid conducted an exercise aimed at assessing potential threats associated with the operation of Lithuanian electricity grids in an isolated mode, independently of BRELL, of the continental European regional synchronous grid, of the Nordic synchronous grid, and even of Estonia's and Latvia's national electricity grids. Initially, the Lithuanian operator invited the grid companies of Latvia and Estonia to conduct joint exercises that, if successful, would demonstrate the readiness of all three Baltic

[1] Nauseda: Litva gotova k otklyucheniyu ot BRELL [Nauseda: Lithuania is Ready to Disconnect from BRELL], *Lietuvos nacionalinis radijas ir televizija rusiškai*, *LRT*, 23.06. 2022, URL: https://www.lrt.lt/ru/novosti/17/1725836/nauseda-litva-gotova-k-otkliucheniiu-ot-brell (in Russ.) (accessed 01.11.2024).

[2] Next Year Lithuania Will Announce When Electric Power System Will be Synchronized with the West, *Delfi*, 24.11.2022, URL: https://www.delfi.lt/en/business/next-year-lithuania-will-announce-when-electric-power-system-will-be-synchronised-with-west-91838599 (accessed 01.11.2024).

countries to disconnect from BRELL earlier than in 2025.[1] Latvian operator AST and Estonian operator Elering refused to participate in the exercises, citing infrastructural difficulties. As a result, the Lithuanian company held the exercises alone, but their success allowed Ingrida Šimonytė to declare that Lithuania was capable of disconnecting unilaterally from BRELL before 2025, even if Estonia and Latvia refuse to follow.[2]

In June 2023, the Lithuanian parliament voted unanimously to accelerate the country's disconnection from BRELL.[3] Thus, Lithuania, in the classification of Khrustalev [35, p. 68], resorted to an ultimatum negotiation strategy, attempting to reduce the negotiations to a discussion of only two options. One option was that all three Baltic countries disconnect from BRELL simultaneously in early 2024. The other option was that Lithuania disconnects from BRELL in early 2024 alone, the consequences of which to the energy security of Latvia and Estonia (and of the Kaliningrad region of Russia) were difficult to predict. Latvia and Estonia, in turn, called on Lithuania to opt for a partnership strategy in the negotiations, in the same classification, which assumed the choice of a solution to the problem, the importance of which all three Baltic countries recognized, from a number of options greater than two. Namely, they called on Lithuania to consider also the most preferable option from their viewpoint, which involved disconnecting all three Baltic countries from BRELL simultaneously and in accordance with the previously agreed schedule, i. e. in early 2025.

In October 2023, the Lithuanian Homeland Union officially named Ingrida Šimonytė as its candidate for the upcoming presidential elections.[4] The issue of early disconnection of the Baltic countries from BRELL remained key to her campaign. As late as in October 2023, two months after Lithuania, Latvia and Estonia finally agreed that their simultaneous disconnection from BRELL would take place in February 2025 the Lithuanian Prime Minister continued to claim that she was doing her best to ensure that the disconnection took place earlier.[5] However,

[1] Gaidamavičius, G. 2023, Lithuania Pressing Baltic Neighbours for Early Disconnect from BRELL, *Lietuvos nacionalinis radijas ir televizija angliškai*, 18.04.2023, URL: https://www.lrt.lt/en/news-in-english/19/1964974/lithuania-pressing-baltic-neighbours-for-early-disconnect-from-brell (accessed 01.11.2024).

[2] Lithuania Completes Electricity Grid Test, 'Giant Step towards Energy Independence', *Lietuvos nacionalinis radijas ir televizija angliškai*, 24.04.2023, URL: https://www.lrt.lt/en/news-in-english/19/1969404/lithuania-completes-electricity-grid-test-giant-step-towards-energy-independence (accessed 01.11.2024).

[3] The Seimas Advances Synchronisation with the Continental European Network, *Lietuvos Respublikos Seimas*, 15.06.2023, URL: https://www.lrs.lt/sip/portal.show?p_r=35435&p_k=2&p_t=285335 (accessed 01.11.2024).

[4] Lithuanian PM to Run for President on TS-LKD Ticket after All Party Contenders Withdraw, *Lietuvos nacionalinis radijas ir televizija angliškai*, 05.10.2023, URL: https://www.lrt.lt/en/news-in-english/19/2092730/lithuanian-pm-to-run-for-president-on-ts-lkd-ticket-after-all-party-contenders-withdraw (accessed 01.11.2024).

[5] Vaišvilaitė, J. 2023, Prime Minister: Lithuania Does Everything It Can to Disconnect from BRELL Ring Sooner, *Delfi*, 18.10.2023, URL: https://www.delfi.lt/en/politics/prime-minister-lithuania-does-everything-it-can-to-disconnect-from-brell-ring-sooner-94836213 (accessed 01.11.2024).

this issue remained an element of her personal presidential campaign, not becoming, for example, a significant issue for the Homeland Union's campaign in the Lithuanian parliamentary elections in October 2024. In these elections, the main rival of Homeland Union was the increasingly popular Social Democrats, who, aiming to concentrate on the parliamentary campaign, chose not to nominate their own candidate for the presidential election but instead supported the incumbent Gitanas Nausėda.[1]

The strategy chosen by the Lithuanian Social Democrats was only partially successful. In the European Parliament elections held in Lithuania simultaneously with the second round of the presidential elections, the Homeland Union overtook the Social Democratic Party in terms of the number of votes it received: the former party received three of the eleven seats reserved for Lithuania in the new European Parliament, while the latter party received only two.[2] However, in the parliamentary elections held in October 2024, the Social Democrats received 39 more seats than in 2020, becoming the largest parliamentary party in the country. The Homeland Union received 22 fewer mandates than four years ago, taking only second place in terms of the size of the faction in the Seimas. In total, the Social Democrats received 52 seats in the two rounds of elections and formed the Paluckas Cabinet in coalition with the populist right-wing party Dawn on the Nemunas and the Democratic Union For Lithuania, while the Homeland Union received only 28 seats, thus becoming the largest opposition party.[3]

As in Lithuania, in Latvia those politicians, who expected to improve their results in the parliamentary elections scheduled for the autumn of 2022 by doing so, called for the early disconnection of the Baltic countries from BRELL. More than other Latvian politicians, the representative of the National Union party Ilze Indriksone, who then held the post of parliamentary secretary of the Ministry of Economy, insisted that the Baltic countries should leave BRELL as soon as possible.[4] Harsh anti-Russian rhetoric combined with specific proposals to reduce imports of electricity and energy resources from Russia, including disconnection from BRELL, allowed her to occupy the post of Minister of Economy. That became possible after the populist party "For a Humane Latvia", formerly known

[1] Lithuania's Social Democrats Endorse Incumbent Nausėda in Presidential Election, *Lietuvos nacionalinis radijas ir televizija angliškai*, 05.02.2024, URL: https://www.lrt.lt/en/news-in-english/19/2187488/lithuania-s-social-democrats-endorse-incumbent-nauseda-in-presidential-election (accessed 01.11.2024).

[2] 2024 m. birželio 9 d. rinkimai į Europos Parlamentą, *Lietuvos Respublikos Vyriausioji Rinkimų Komisija*, 16.06.2024, URL: https://www.vrk.lt/2024-europos-parlamento/rezultatai?srcUrl=/rinkimai/1546/1/2146/rezultatai/lt/rezultataiEpIsrinktiNariai.html (accessed 01.11.2024).

[3] 2024 m. spalio 13 d. Lietuvos Respublikos Seimo rinkimai (I Turas), *Lietuvos Respublikos Vyriausioji Rinkimų Komisija*, 11.03.2024, URL: https://www.vrk.lt/2024-seimo/rezultatai?srcUrl=/rinkimai/1544/1/2150/rezultatai/lt/rezultataiIsrinktiNariai.html (accessed 01.11.2024).

[4] Baltic States Have Agreed to Disconnect from Russian Power Grid Already Before 2025, *The Baltic Times*, 08.03.2022, URL: https://www.baltictimes.com/baltic_states_have_agreed_to_disconnect_from_russian_power_grid_already_before_2025/ (accessed 01.11.2024).

as "Who Owns the State?", has left the governing coalition. Economic Minister Janis Vitenbergs had to hand his post over to Ilze Indriksone. It did not even help that in 2021, Janis Vitenbergs left the "For a Humane Latvia" party and joined the National Union.[1]

As Economic Minister, Ilze Indriksone continued to advocate for accelerating Latvia's exit from BRELL. However, after the parliamentary elections in late 2022, although she retained her post as Economic Minister, she had fewer opportunities to implement this idea in practice, because the above-mentioned administrative reform transferred energy issues from the Ministry of Economy to the new Ministry of Climate and Energy. Raimonds Čudars, a representative of Prime Minister Kariņš's New Unity party, occupied the post of the Minister of Climate and Energy. In March 2023, Raimonds Čudars declared that the Baltic countries' disconnection from BRELL is scheduled for 2025, that they are "in the middle" of preparing infrastructure for the disconnection, and that Latvia would prefer to remain committed to the initial schedule approved in 2018[2]. The Siliņa Cabinet appointed in September 2023, in which Kaspars Melnis, a representative of the Union of Greens and Farmers, was the Minister of Climate and Energy, continued to adhere to the plan according to which the disconnection from BRELL should take place in 2025.

In Estonia, parliamentary elections took place in March 2023, but no political party attempted to make accelerated disconnection from BRELL an element of its election campaign. Back in December 2022, Prime Minister and leader of the most popular at that time Reform Party Kaja Kallas stated that a number of technical issues, the solution of which would make the future disconnection from BRELL as safe as possible for Estonian consumers, remain unresolved.[3] The Reform Party's platform for the 2023 parliamentary campaign included a promise to "develop plans faster than usual in the context of the energy war that has engulfed Europe".[4] However, this promise mainly concerned administrative changes in Estonia itself, which would allow officials to speed up the approval of projects that are significant for the energy sector, rather than international energy issues.

[1] Kincis, J. 2022, Premjers paraksta rīkojumu par ekonomikas ministra Vitenberga demisiju, *Latvijas Sabiedriskais medijs*, 18.05.2022, URL: https://www.lsm.lv/raksts/zinas/latvija/premjers-paraksta-rikojumu-par-ekonomikas-ministra-vitenberga-demisiju.a457342/ (accessed 01.11.2024).

[2] Patricolo, C. 2023, Latvia Aspires to Become Energy Independent and Unlock Reviewables Potential: Interview with Raimonds Cudars, Minister of Climate and Energy, *Central Europe Energy News*, 02.03.2023, URL: https://ceenergynews.com/interviews/latvia-aspires-to-become-energy-independent-and-unlock-renewables-potential-interview-with-raimonds-cudars-minister-of-climate-and-energy/ (accessed 01.11.2024).

[3] Synchronization Still Lacks Technical Elements — Estonian PM, *The Baltic Times*, 09.12.2022, URL: https://www.baltictimes.com/synchronization_still_lacks_technical_elements___estonian_pm/ (accessed 01.11.2024).

[4] Reformierankond. 2023, Energeetika, in *Kindlates kätes Eesti!*, Reformierakonna programm: Riigikogu valimised, URL: https://reform.ee/riigikogu-valimised-2023/valimisprogramm/energeetika/ (accessed 01.11.2024).

The debate on Ingrida Šimonytė's proposal to accelerate the Baltic countries' disconnection from BRELL began in Estonia after the parliamentary campaign was over resulting in the third Kallas Cabinet coming to power.

In April 2023, Taavi Veskimägi, former Minister of Finance of Estonia in 2003—2005 and former husband of the then future Prime Minister Kaja Kallas, announced his resignation as the head of the Estonian national electricity grid operator Elering later that year.[1] While on top of Elering, Veskimägi made the disconnection of Estonia from BRELL one of his priorities. At the same time, he actively opposed accelerating this process, preferring to adhere to the previously approved plan, according to which the disconnection should take place in 2025. In June 2023, while still on top of Elering, when commenting on the decision of the Lithuanian Seimas to accelerate the country's withdrawal from BRELL, Taavi Veskimägi stated that if Lithuania really did carry out a unilateral disconnection, it would be a violation of its obligations to Latvia and Estonia.[2] In July 2023, Kalle Kilk replaced Taavi Veskimägi on top of Elering, but the position of the company as well as of the Ministry of Climate of Estonia and of the entire Estonia's Cabinet remained the same: disconnection from BRELL before 2025 was undesirable for Estonia.

Thus, the model of negotiations among Estonia, Latvia and Lithuania on the possible acceleration of the disconnection of the Baltic countries from BRELL should include three possible options for the outcome of these negotiations. First, the three countries could agree to keep in place the plan approved in 2018, according to which their disconnection from BRELL was to occur in 2025. This is exactly what the outcome of these negotiations turned out to be in practice. Second, the Prime Ministers of Latvia and Estonia, Krišjānis Kariņš and Kaja Kallas, could decide to support their colleague Ingrida Šimonytė and agree to disconnect from BRELL as early as in 2024, despite the costs associated with the insufficient technical readiness of the energy systems of these two (and possibly all three) Baltic countries for early disconnection. Third, the negotiations could fail, leaving Latvia and Estonia facing Lithuania's unilateral exit from BRELL in spring 2024. The positions of Estonia and Latvia in these negotiations were similar, while Lithuania's position was significantly different.

For Estonia and Latvia, the most preferable outcome of the negotiations would be the first option. The least preferable outcome for Estonia and Latvia would be the third option, although the trial attempt to disconnect from BRELL unilaterally, undertaken by Lithuania in April 2023, demonstrated resilience of

[1] The CEO of Elering Taavi Veskimägi Is Resigning, *Elering*, 25.04.2023, URL: https://www.elering.ee/en/ceo-elering-taavi-veskimagi-resigning (accessed 01.11.2024).

[2] Ots, M. 2023, Veskimäe hinnangul tähendaks Leedu kiirsünkroniseerimine lepingu rikkumist, *Eesti rahvusringhääling*, 16.06.2023, URL: https://www.err.ee/1609009838/veskimae-hinnangul-tahendaks-leedu-kiirsunkroniseerimine-lepingu-rikkumist (accessed 01.11.2024).

the energy networks of Estonia and Latvia.[1] For Lithuania, in turn, or at least for the country's Prime Minister Ingrida Šimonytė, the most preferable outcome of the negotiations would be the second option, and the least preferable would be the first option. At the same time, Lithuania had to agree with this outcome of the negotiations. In July 2023, the State Defense Council of Lithuania, chaired by the incumbent President Gitanas Nausėda — Ingrida Šimonytė's main competitor in the 2024 presidential elections — recommended that the government accept Estonia and Latvia's proposal to disconnect from BRELL in February 2025.[2] The analysis of the positions of Estonia, Latvia and Lithuania at these negotiations allows building the model of the negotiations presented in Table 2.

Table 2

Model of negotiations among the governments of Estonia, Latvia and Lithuania in 2022—2023 on the issue of accelerating the disconnection of the Baltic countries from BRELL

Country	Option 1	Option 2	Option 3
Estonia	3	2	1
Latvia	3	2	1
Lithuania	1	3	2
Equilibrium	7	7	4

Reasons for the unwillingness of two Baltic countries to take into account the interests of the third Baltic country

The model presented in Table 2 allows predicting that, given the above-described positions of the three countries, the third outcome option for these negotiations, associated with their failure and Lithuania's unilateral disconnection from BRELL in the spring of 2024, is the least probable. The energy security of Russia's Kaliningrad region, which primarily depends on Lithuania's actions, was influenced by Lithuania's decision to align with Latvia and Estonia. This choice provided Russia with an additional year to enhance the energy security of its exclave. Since 2014, when Lithuania first admitted the possibility of banning the transit of electricity to the Kaliningrad region through its territory, Russia has made significant progress in this field [36]. However, the extra year that Russia was able to take advantage of because the forecast based on the model presented in this article turned out to be correct made those efforts even more effective.

The first and second options for the outcome of the negotiations are paradoxically equally probable. Moreover, the first option, which materialized in practice,

[1] Estonia Unaffected by Lithuania's Electricity System Disconnection Test, *Eesti rahvusringhääling*, 23.04.2023, URL: https://news.err.ee/1608956381/estonia-unaffected-by-lithuania-s-electricity-system-disconnection-test (accessed 01.11.2024).

[2] State Defence Council Asks Government to Agree with Baltics on Synchronisation in 2025, *Lietuvos nacionalinis radijas ir televizija angliškai*, 24.07.2023, URL: https://www.lrt.lt/en/news-in-english/19/2042098/state-defence-council-asks-government-to-agree-with-baltics-on-synchronisation-in-2025 (accessed 01.11.2024).

assumes that the majority of countries (Estonia and Latvia) with similar positions forced the minority of countries (Lithuania) to agree with the outcome of the negotiations that was most preferable for the majority, even though for the minority this option was the least preferable. The second option, if the negotiations ended with its acceptance by all parties, would mean that the majority of parties agreed to the option that was only second most preferable for them in order that no party participating in the negotiations would have to agree to the least preferable option. Both the first and second options assume that all three Baltic countries act in a unified manner, which indicates the emergence of solidarity among them in energy issues. At the same time, we argue that it is important to distinguish between solidarity with the majority (the first option) and solidarity with the minority (the second option) [9].

The Baltic countries are more likely to choose solidarity with the majority in their trilateral relations. It is still problematic for two of them to choose the option from those on the table that is second most preferable from the point of view of the two, even if choosing this option will allow the third country to avoid having to agree with the least preferable option for itself. For example, in the late 2010s, Lithuania found it problematic to convince Estonia and Latvia to ban the future imports of electricity produced at the Belarusian nuclear power plant, the construction of which was supposed to be completed (and was actually completed) in 2020. Back in 2016, when the installation of the first power unit of the future Belarusian nuclear power plant had just begun, Lithuanian Prime Minister Algirdas Butkevičius, a Social Democrat, announced Lithuania's refusal to ever import electricity produced at the plant in the future[1]. He also called on the governments of Latvia and Estonia to refuse to import electricity from this station in solidarity with Lithuania.

Following the defeat of the Lithuanian Social Democrats in the 2016 parliamentary elections, the Skvernelis Cabinet that came to power continued to persuade the governments of Latvia and Estonia to refuse to import electricity from the Belarusian nuclear power plant. The negotiations lasted for four years and involved the European Commission, which supported Lithuania's position and promised additional financial support for the energy sectors of Latvia and Estonia if these countries agreed to the less preferable option promoted by the Lithuanian government.[2] However, it was only in 2020 that Latvia and Estonia agreed with that option. In 2020, all three Baltic countries refused to recognize the outcomes of the presidential elections in Belarus (which did not involve material costs), as

[1] PM: Lithuania Won't Buy Electricity from Belarus' New NPP, *The Baltic Course*, 15.03.2016, URL: https://www.baltic-course.com/eng/energy/?doc=118131 (accessed 01.11.2024).

[2] Istrate, D. 2020, Baltic States Will Not Buy Energy from Belarus NPP, *Emerging Europe*, 13.02.2020, URL: https://emerging-europe.com/news/baltic-states-will-not-buy-energy-from-belarus-npp/ (accessed 01.11.2024).

well as banned imports of electricity from that country.[1] That could cause Latvia and Estonia material damage that the promised support from the European Commission would compensate only partially. In 2022—2023, Ingrida Šimonytė failed to convince the leaders of Estonia and Latvia to agree to the option that was second most preferable for them in such a short period.

Domestic politics in each of the Baltic countries also prevent them from compromising with each other. Domestic politics helped the Nordic countries, neighbouring the Baltics, to learn to compromise with each other. In turn, the ability to compromise allowed them to achieve an unprecedentedly high level of cooperation within the Nordic Council. Social Democrats of the Nordic countries, who began promoting the idea of Nordic solidarity even before WWII [37], either remained in power (in Denmark, Sweden and Norway) or played an important role in policymaking (in Finland and Iceland) for a long period after the war. On the contrary, domestic politics in Lithuania has been characterized by a continuous struggle between the conservative Homeland Union and the Social Democrats [38]. In Latvia and Estonia, thanks to their demography, domestic politics is characterized by the desire to prevent popular parties considered "pro-Russian" from coming to power (although the Latvian "Harmony" party and the Estonian Centre party can be considered "pro-Russian" only in the context of these countries). That requires finding complex compromises among other parties, thus leaving little space for compromising with political parties in neighbouring countries.

Social Democrats remained in power in the Nordic countries of the post-war period for a lengthy period thanks to rapid economic growth, which significantly decreased the pressure on governing parties in comparison to early 21st century. According to van Reybrouck, while in the 1970s government parties lost an average of 2 % of votes in the following elections, in the 1990s, they lost an average of 6 %, and in the early 21st century, it was already 8 % [39, p. 9]. In the Baltic countries, this trend is best visible in Lithuania, where the Homeland Union conservatives won the 2008, 2016 and 2020 parliamentary elections while in opposition [40], but it lost the 2004, 2012 and 2024 elections to the Lithuanian Labor Party or to Social Democrats while being a governing party.

Ethno-political factor largely determines domestic politics in post-Soviet Latvia [41]. For more than twenty years now, the ruling coalition here has been headed by essentially the same political party, which, in line with the tendency noted by van Reybrouck, loses votes, as it happened in the parliamentary elections of 2006, 2011, 2014 and 2018, but which does not lose power as a consequence of it. Instead, it changes the party leaders and the very name of the party: from "New Time" to "Unity", and then to "New Unity", again winning the elections after the

[1] Prime Minister: Latvia Will Not Buy Belarusian Nuke Plant Electricity, *Latvian Public Broadcasting*, 26.08.2020, URL: https://eng.lsm.lv/article/economy/economy/prime-minister-latvia-will-not-buy-belarusian-nuke-plant-electricity.a371831/ (accessed 01.11.2024).

rebranding, as in 2002, 2010 and 2022. In Estonia, since the 2007 elections and until recently, the most popular political party had been the Reform Party. Its popularity remained high despite the fact that this party had been on top of the governing coalition since 2005, with the exception of the period 2016—2021, when it was in opposition and the Centre Party was on top of the governing coalition [42]. For the latter, however, the trend noted by van Reybrouck manifested itself in full: the popularity of the Centre Party, which was the highest before 2007 and in second place in 2007—2019, collapsed after four years in power.

The desire of the ruling parties of Latvia and Estonia to keep control over the government in the long run also explains the similarity of their positions in the Lithuania-initiated negotiations on energy issues, such as potential purchases of electricity produced by the Belarusian nuclear power plant or disconnection from BRELL. In both cases, the position of Latvia and Estonia was that changes in energy policy should be minimal, despite the changing geopolitical situation, even though the European Commission supported Lithuania's position in both cases. The ruling parties of Latvia and Estonia rightly feared that drastic changes in energy policy would hurt the consumers, which would ultimately lead to defeat in the upcoming parliamentary elections. In contrast, in Lithuania, where the ruling party has lost the following parliamentary elections in most cases, it has become typical for that party to initiate drastic changes in energy policy, the negative consequences of which for consumers usually would occur when this party would already be gone into opposition.

While being unable to agree on tactical issues of energy policy, the Baltic countries nevertheless maintain unity at the strategic level. The majority of the elites in all three countries, regardless of party affiliation, agree that dependence on electricity and energy supplies from Russia and Belarus is dangerous from the viewpoint of energy security. Back in 2018, in an effort to convince colleagues in Latvia and Estonia to oppose the plans to build the Belarusian nuclear power plant more actively, the head of the Lithuanian grid operator LITGRID Daivis Virbickas referred to the future plant as a source of insecurity. According to him, when the first reactor of the Belarusian nuclear power plant starts operating, not only the Lithuanian energy system but also the energy systems of Latvia and Estonia would be forced to operate "in emergency conditions" if, by that time, they are still synchronized with the Russian and Belarusian systems within the BRELL ring. The main threat, he noted, is the possibility of rolling blackouts due to the unstable operation of the Belarusian nuclear power plant.[1]

After disconnecting from the BRELL and grounding the high-voltage power lines connecting the Baltic countries with Belarus and Russia, including the Kaliningrad region, they will indeed be safe from rolling blackouts caused by insta-

[1] Threats for Lithuanian Energy: Blackout for 3 billion and VSD Warning, *Lietuvos nacionalinis radijas ir televizija angliškai*, 23.07.2020, URL: https://lithuaniatribune.com/threats-to-lithuanian-energy-blackout-for-3-billion-and-vsd-warnings/ (accessed 01.11.2024).

bility in the energy systems of Russia and Belarus. Currently, rolling blackouts in the Baltic countries can only occur due to instability in the synchronous grid of continental Europe, with the last such blackouts occurring in 2006. Back then, the consequences of miscalculations of German energy companies affected more than 15 million end consumers in dozens of countries from Poland to Morocco and from Denmark to Greece. Since then, the European Union has significantly improved the level of cooperation between electricity grid operators from different countries. That included efforts in the framework of the construction of the European Energy Union. As a result, such large-scale rolling blackouts have not occurred in continental Europe ever since. At the same time, in 1992—2021, Europe saw 478 continental-scale power grid emergencies, of which 242 were rolling blackouts [43].

So far, the Baltic countries have not seen rolling blackouts affecting consumers in several countries, only national emergencies. As in the rest of Europe, the most common cause of rolling blackouts here is the breakdown of power lines, including old ones, due to strong winds, as it happened in Latvia in the summer of 2018.[1] The European Executive Agency for Innovation and Networks directed a significant portion of its above-mentioned grant allocated in 2019 towards the construction of new power lines in addition to those built in the Soviet Union. However, in late 2023, when rolling blackouts occurred in Estonia once again, a quarter of all high-voltage lines in the country were over forty years old.[2] This provides another explanation for the position of Latvia and Estonia in the Lithuania-initiated negotiations on early disconnection from BRELL. Namely, Estonia and Latvia did not want to disconnect from BRELL early because it would have jeopardized the continuation of funding from the Innovation and Networks Executive Agency, which the countries used to upgrade their electricity grids.

Conclusions

In 2024, Lithuania, neither alone nor together with Estonia and Latvia, did not implement Prime Minister Ingrida Šimonytė's threat to disconnect from BRELL earlier than previously approved plans envisaged. Thus, the Baltic countries gave Russia at least one extra year to add to the energy security of its Kaliningrad region, which will be at risk when these countries finally disconnect from the energy ring with Russia and Belarus. In turn, Estonia and Latvia got time to develop their own energy systems in order to make their disconnection from BRELL as safe as possible for consumers. The negotiations among the three Baltic countries

[1] Storms Cause Power Outages in Western Latvia, *Latvian Public Broadcasting*, 13.08.2018, URL: https://eng.lsm.lv/article/society/society/storms-cause-power-outages-in-western-latvia.a288548/ (accessed 01.11.2024).

[2] Mõttus, M. 2023, Estonia's Streamline State Agencies Unable to Respond to Crises Quickly Enough, *Eesti rahvusringhääling*, 18.12.2023, URL: https://news.err.ee/1609197757/estonia-s-streamlined-state-agencies-unable-to-respond-to-crises-quickly-enough (accessed 01.11.2024).

on early disconnection from BRELL, initiated by Lithuanian Prime Minister Ingrida Šimonytė, took place in the context of the politicization of energy issues, which is currently characteristic of most Western countries, and not just Lithuania, Latvia and Estonia.

Due to the politicization of these issues, both politicians and energy experts of the three Baltic countries publicly discussed the progress in the negotiations. That allowed determining the possible options for the outcome of the negotiations, the positions of each country on each of the options, as well as building a matrix model that allows assessing the probabilities of implementation of these options. Altogether, we identified three options. Firstly, all three Baltic countries disconnect from BRELL simultaneously and within the timeframe set by previously approved plans. Second, Lithuania, Latvia and Estonia disconnect from the energy ring simultaneously, but earlier. Third, one of the Baltic countries disconnects from BRELL earlier than two other countries. The analysis of the parties' positions in the negotiations, the results of which are presented in this article, leads to the conclusion that the first option was the most preferable for Estonia and Latvia, while the third option was the least preferable. For Lithuania, the second option was the most preferable, and the first option was the least preferable.

The matrix model presented in this article suggests that the third option for the outcome of the negotiations was the least probable. The first and the second options were more probable compared to the third option, and the former two options were equally probable. In practice, the negotiations resulted in all three Baltic countries agreeing to the first option, which can be classified as a case of solidarity with the majority in minilateral negotiations. Lithuania had to submit to the pressure of the majority, namely Latvia and Estonia. For Lithuania and personally for its Prime Minister Ingrida Šimonytė, who made the early disconnection of her country from BRELL an important element of her 2024 presidential campaign, such an outcome of the negotiations seemed to be the least in line with, if not national, then personal interests. The fact that the outcome of the negotiations, determined by this model as more probable, materialized in practice confirms the predictive effectiveness of this model in relation to negotiations among the Baltic countries on energy issues.

The case in the focus of this article is similar to the situation in the late 2010s, when it took Lithuania more than four years to convince Estonia and Latvia to abandon possible purchases of electricity produced at the Belarusian nuclear power plant. The plant was still under construction then, but Lithuania already perceived it as a threat. The model presented in this article demonstrates its predictive effectiveness in this case as well. However, it will only be possible to confirm or refute the assumption about its predictive effectiveness for those minilateral negotiations, in which the Baltic countries do not participate, after conducting additional research. It will also require further research to test this model in cases of minilateral negotiations among European countries discussing other issues than

energy policy. However, one can already conclude that the analysis of minilateral negotiations requires the development of models different from those used to analyze multilateral negotiations with a large number of participants, and the model presented in this article is an example in this respect.

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POLITICAL REPRESENTATION OF THE SÁMI IN THE COUNTRIES OF NORTHERN EUROPE

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The modern understanding of representative democracy includes not only the rule of the majority, but also the protection of the rights of minorities. One such minority is indigenous peoples, including the Sámi population that lives in four European countries, namely in the northern territories of Norway, Sweden, Finland, and Russia. In these countries, the Sámi, as a minority, find it difficult to achieve an adequate level of representation in traditional political structures that are responsible for articulating interests (parties, parliaments), therefore special mechanisms were found that allowed this indigenous people to participate in political decision-making processes more actively. The purpose of the article is to study the evolution and features of the political representation of the Sámi in Norway, Sweden, and Finland. The choice of countries is dictated by the cross-border nature of the Sámi settlement and the practice of diffusion of institutions of political representation. The methodology is based on neo-institutionalism and constructivism theories. It is concluded that after World War II, global transformations of the institutional environment took place in developed countries, and they were expressed in the rejection of the racial paradigm, the establishment of the supremacy of democracy and human rights. In the countries of Northern Europe at the end of the XX — beginning of the XXI centuries, the concept of "Arctic identity" was formed instead of identity through the construct of the "Nordic race", which was characteristic of the first half of the XX century. At the center of it is the concept of indigeneity. From the beginning of the XX century, the Sámi that were subjected to forced assimilation in all three countries (discriminatory policies of "swedification", "norwegianization" and "finnization") and that were forced to fight for their rights with minimal chances of winning over the dominant discourse of racial inferiority, became beneficiaries of the changes, received special status, collective rights, and opportunities for political representation in modern conditions. However, several problems and discriminatory practices against the Sámi remain relevant and require solutions at the level of public policy.

Keywords:
Sami, identity, political representation, parliaments, Norway, Sweden, Finland

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Introduction

The theoretical foundation for research on policies regarding minority ethnic groups, including indigenous peoples, is based on the works of Kymlicka (multiculturalism) [1], Lijphart (consociational democracy) [2], Brubaker [3], Tishkov [4], Drobizheva [5] (nationalism and citizenship), and Oskolkov [6] (ethnopolitics).

The policies of Sweden, Norway, and Finland regarding the Sámi people, as well as the evolution of state-indigenous relations in these countries, are examined in the works of Minde [7], Oksanen [9], and Nyyssönen [11]. The studies of Valkonen [8] and Lantto [10] focus on the policy of forced assimilation of the Sámi, while the processes of recognizing and implementing the Sámi people's right to self-determination have been explored by Henriksen [12]. Trosterud [13] conducted a comparative analysis of linguistic assimilation policies in Norway and Russia.

The political representation of the Sámi is a central focus of political scientists. De Villiers [14] and Nimni [15] argue that for indigenous peoples who do not form a regional majority in their ancestral territories and whose primary challenges stem from cultural and linguistic vulnerability, non-territorial autonomy is more suitable than territorial autonomy. However, other researchers, notably Kymlicka [1] and Nieguth [16], point out the shortcomings of this model of self-governance, emphasizing its inability to protect indigenous peoples' ancestral lands and natural resources, which have historically been the foundation of their existence over an extended period.

Theoretical concepts of multiculturalism, consociational democracy, and nationalism serve as the foundation for analysing the mechanisms of political representation of the Sámi in Norway, Sweden, and Finland. This study seeks to evaluate and validate the applicability of these theories in safeguarding indigenous peoples' rights to self-determination and political representation.

The research aims to analyse the evolution of interactions among key actors and the development of mechanisms for the political representation of the indigenous Sámi people in Sweden, Norway, and Finland, while also identifying overarching trends and country-specific characteristics. The methodology is based on a synthesis of constructivist and neo-institutionalist approaches. Constructivism (Wendt [17], Onuf [18]) focuses on the concept of identity as a continuously evolving and reproduced process of mutual representations between actors and structures. Neo-institutionalism (March, Olsen [19], and North [20]) focuses on the formation of norms, rules, and procedures governing the interactions of social groups and institutions (in this case, the state) as a result of political changes driven by the transformation of the institutional environment.

Before proceeding with the analysis of Sámi political representation in the three Nordic countries, it is necessary to provide a general overview of the Sámi people and consider the historical and political context that has shaped the contemporary features of their political representation.

The Sámi people — population, languages, and traditional livelihoods

Currently, there is no statistical data providing the exact figure for the Sámi population. This is because, since the end of World War II, Norway, Sweden, and Finland have not conducted censuses that document indigenous identity. Additionally, policies of assimilation and discrimination in these countries have led many indigenous individuals to abandon their Sámi identity. According to the Sámi Council, an international organisation uniting Sámi organisations from Norway, Sweden, Finland, and Russia, the Sámi population is estimated to exceed 100,000 people.[1] However, this figure likely includes individuals who do not explicitly self-identify as Sámi. For example, before Sweden adopted the Sami Parliament Act in 1992,[2] the state defined Sámi identity solely based on reindeer ownership and herding. As a result, large groups of Sámi were not officially recognized by the state. Since the adoption of the Sami Parliament Act, language has become the primary marker of Sámi identity.

To determine the number of adult Sámi[3] who officially recognize their ethnic identity, it is necessary to refer to special voter registers created to enable Sámi participation in elections for their representative bodies. To register in these lists, individuals must confirm their indigenous affiliation and meet specific criteria based on both genealogical and linguistic factors [21, p. 1119]. According to voter registry data from the three countries for the period 2021—2023, a total of 35,829 people declared their Sámi identity: 20,543 in Norway,[4] 9,226 in Sweden,[5] and 6,060 in Finland.[6]

[1] Saami Council, 2024, *Arctic Council*, URL: https://arctic-council.org/ru/about/permanent-participants/saami-council/ (accessed 15.12.2023).

[2] Sametingslag (1992:1433), 2022, *Sveriges riksdag*, URL: https://www.riksdagen.se/sv/dokument-och-lagar/dokument/svensk-forfattningssamling/sametingslag-19921433_sfs-1992-1433/ (accessed 15.12.2023).

[3] Eligibility to vote in Sámi parliamentary elections requires a minimum age of 18.

[4] Valgresultat. Sametingsvalg, 2021, *Valgdirektoratet*, URL: https://valgresultat.no/valg/2021/sa (accessed 09.12.2023).

[5] Valresultat. Sametingsval 2021, 2023, *Valmyndigheten*, URL: https://www.val.se/valresultat/sametinget/2021.html (accessed 09.12.2023).

[6] Saamelaiskäräjävaalien tulos, 2023, *Samediggi*, URL: https://www.samediggi.fi/wp-content/uploads/2023/10/Saamelaiskarajavaalin-tulokset-2023-1.pdf (accessed 09.12.2023).

Modern Sámi speak nine Sámi languages, though not all members of the indigenous group are fluent speakers. The majority of Sámi either do not speak any of the Sámi languages or use Sámi as a second language [22]. Many Sámi chose to abandon their identity due to past assimilation policies, which led to a decline in the number of Sámi language speakers. Although recent revitalization efforts have achieved some success, there is still a significant risk of language loss [23, p. 404]. According to UNESCO criteria, all Sámi languages are currently classified as endangered.[1]

The main traditional livelihoods of the indigenous Sámi people are reindeer herding, fishing, and hunting. However, most Sámi have now abandoned their traditional way of life and shifted to other, more in-demand sectors of employment [24, p. 11].

Evolution of the political and legal status of the Sámi

From the mid-19th to the mid-20th century, the Sámi in Norway, Sweden, and Finland were subjected to forced assimilation policies [25, p. 12]. Before this period, the northern territories traditionally inhabited by the Sámi did not attract significant interest from the dominant populations, primarily due to their harsh climate. However, with the discovery of natural resources during the Industrial Revolution, the economic exploitation and development of these territories accelerated. The expansion and industrial use of the northern regions resulted in the indigenous people losing their unique rights to their land. In addition to land dispossession, other Sámi rights were also restricted. The indigenous population became increasingly subjected to policies of forced assimilation and oppression.

One of the main reasons behind these policies was the goal of establishing centralized unitary states and achieving societal homogeneity. This objective was pursued, in part, by suppressing ethnic diversity. This was particularly significant for Norway, which gained independence from Sweden in 1905, and for Finland, which declared independence from Russia in 1917. In Sweden, nation-building efforts also intensified, especially during the rise of so-called "scientific" racism and the cult of the "Nordic race," which was deliberately constructed by the State Institute for Racial Biology (*Swed.* Statens institut för rasbiologi), founded in Uppsala in 1922 with the support of Sweden's major political parties [26, p. 153]. The Sámi were classified as inferior people who

[1] Atlas of the World's Languages in Danger, 2010, *UNESCO*, URL: https://web.archive.org/web/20220608054501/http://www.unesco.org/tools/fileretrieve/43fdd320.pdf (accessed 09.12.2023).

could not be granted the same rights as the dominant population. Accordingly, Sámi culture was also considered less developed in comparison to that of the majority population.

The forced assimilation policy toward the Sámi was characterized by a ban on the use of Sámi languages, the denial of their culture, and the restriction of their right to autonomy. Additionally, in Sweden, reindeer-herding Sámi were subjected to forced relocation from their ancestral lands in the north of the country to more southern regions [27, p. 3].

During that period, the Sámi had no opportunity to participate in the political life of their countries. Although Norway, Sweden, and Finland introduced universal suffrage in the early 20th century, the level of political participation among the indigenous population remained extremely low. For example, in Sweden, certain restrictions prevented the Sámi from voting. To be eligible for suffrage, individuals were required to either pay taxes to the state, serve in the military, or receive social assistance due to poverty [28, p. 293]. Sámi engaged in reindeer herding and leading a nomadic lifestyle did not meet any of these criteria and, as a result, were excluded from the electoral process.

However, after the end of World War II, the political and legal status of the Sámi began to improve significantly. The Nuremberg Trials acted as a trigger for radical changes in the institutional environment, leading to the establishment of an egalitarian interpretation of human rights in international law. A key milestone was the adoption of the Universal Declaration of Human Rights by the United Nations in 1948,[1] followed by the International Labour Organisation (ILO) Convention № 107 on Indigenous and Tribal Populations in 1957.[2] The adoption of these international documents marked a qualitative shift in the institutional framework of both international and national law and became a decisive stimulus for the advancement of minority rights.

Against the backdrop of decolonization and democratization, the Sámi movement gained momentum, although its origins date back to the first quarter of the 20th century. The first-ever Sámi assembly took place on February 6, 1917, in Trondheim (Norway), where Norwegian and Swedish Sámi gathered to coordinate their efforts across national borders. This historic date was later recognized as Sámi National Day in 1992 [29, p. 17]. Notably, the chair of the organizing committee for the assembly was a woman — Elsa Laula Renberg (1877—1931), a civil rights activist and writer advocating for Sámi rights. She trained as a midwife in Stockholm, married a reindeer herder, and had six children. She was also

[1] Universal Declaration of Human Rights, 1948, *United Nations*, URL: https://www.un.org/en/about-us/universal-declaration-of-human-rights (accessed 19.12.2023).

[2] Indigenous and Tribal Populations Convention (№ 107), 1957, *International Labour Organization*, URL: https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100_ILO_CODE:C107 (accessed 19.12.2023).

the author of the political pamphlet "Infor lif eller död? Sanningsord i de Lappska förhållandena" (*Eng*. Are We Facing Life or Death? Words of Truth About the Situation in Lapland). In her pamphlet, published in 1904, Elsa Laula Renberg addressed key issues faced by the Sámi, including education (boarding schools with racial segregation), voting rights, and land ownership. The pamphlet is believed to have contributed to awakening the Sámi national spirit and marked the beginning of their decolonization process [30, p. 234]. After the events of 1917—1918, the Sámi movement faded and remained largely inactive until the 1950s, when it reawakened in response to the construction of hydroelectric power stations in Norwegian Lapland. This period also saw the establishment of the National Union of the Swedish Sámi People (*Swed*. Svenska Samers Riksförbund) [9, p. 1146].

A new impetus for the revitalization of the Sámi movement was the first International Sámi Conference held in 1953, followed by the establishment of the Sámi Council in 1956.[1] This international organisation was created to coordinate efforts in addressing common challenges faced by the Sámi people. As its primary political goal, the Sámi Council defined the achievement of self-determination and self-governance, which they understood as the ability to control their own destiny and actively participate in decision-making processes concerning their development.

Moreover, in Norway, Sweden, and Finland, there was a growing recognition that the classical model of representative democracy, based on the principle of "one person, one vote", creates a situation in multicultural states where minorities are subjected to majority rule and lack the opportunity to be heard [31, p. 6]. As a result, perceptions of majority-minority relations in these countries began to shift.

Finland was the first country to take a significant step toward increasing Sámi participation in political decision-making processes. In 1973, Finland enacted a law that established an organisation to represent the interests of the indigenous population in their traditional territories — the Sámi Delegation.[2] In 1996, the Sámi Delegation in Finland was officially replaced by the Sámi Parliament.[3]

The establishment of the Sámi Delegation had an even greater impact on the Sámi movement in neighbouring Norway and Sweden, increasing pressure on

[1] About the Saami Council, 2024, *Saami Council*, URL: https://www.saamicouncil.net/en/the-saami-council (accessed 20.12.2023).

[2] Asetus saamelaisvaltuuskunnasta (№ 824), 1973, *Finlex*, URL: https://finlex.fi/fi/laki/alkup/1990/19900988 (accessed 20.12.2023).

[3] Act on the Sámi Parliament (№ 974), 1995, *Ministry of Justice, Finland*, URL: https://www.finlex.fi/fi/laki/kaannokset/1995/en19950974_20031026.pdf&ved=2ahUKEwjY7cjxpvSDAxVRPBAIHVZwC4EQFnoECA0QBQ&usg=AOvVaw17xYp_96KPXraNIATbKzZu (accessed 20.12.2023).

their central governments. A key factor that led to a radical shift in Sámi policies in these two countries was the emergence of conflicts between the indigenous population and the state. In Norway, from the late 1970s to the early 1980s, a series of Sámi protests took place in Finnmark County against the construction of a hydroelectric power plant on the Alta River. The project would have led to the flooding of a Sámi village, forcing the indigenous population to relocate and disrupting their traditional livelihoods. In Sweden, in the early 1980s, Sámi communities in Jämtland Province also came into conflict with the state over land ownership rights. The Sámi and their ancestors had cultivated these lands and used them for reindeer grazing for generations [32, s. 25]. However, the Swedish Sámi were ultimately unable to secure their land rights, and their protests were unsuccessful. The Sámi protests in Norway were also suppressed, and they failed to prevent the construction of the hydroelectric plant. Nevertheless, these conflicts heightened the importance of Sámi rights and placed their issues at the forefront of political discussions. Following the Alta protests, the Norwegian government decided to initiate dialogues with Sámi organisations in 1980—1981. As a result, a special committee was formed to review the legal status of the Sámi [33, s. 234]. This committee eventually proposed the establishment of a Sámi representative body and the adoption of the Finnmark Act, which transferred approximately 96 % of land and freshwater resources in Finnmark County to the local population[1]. Since then, this territory has been managed by the Finnmark Estate Agency.

The examples above demonstrate that conflicts between the Sámi and the state played a significant role in triggering a radical shift in Sámi policy. In Norway, the Sámi were constitutionally recognized as an indigenous people in 1988. In contrast, although the Sámi in Sweden trace their first official recognition by the Riksdag back to 1977, their constitutional recognition did not occur until 2011. Additionally, Norway ratified ILO Convention № 169 on Indigenous and Tribal Peoples in 1990, whereas Sweden has yet to do so [34, p. 1206].

In Norway, the Sámi Act was adopted in 1987[2] and came into force in 1989, leading to the eventual establishment of the Sámi Parliament. Sweden was the last of the three countries to establish a similar parliament in 1993.[3] The laws creating the Sámi parliaments also officially recognized Sámi languages and culture.

[1] Act relating to legal relations and management of land and natural resources in Finnmark, 2005, *Lovdata*, URL: https://lovdata.no/dokument/NLE/lov/2005-06-17-85?q=Finnmark%20Act (accessed 21.12.2023).

[2] The Sámi Act (№ 56), 1987, *Regjeringen*, URL: https://www.regjeringen.no/en/dokumenter/the-sami-act-/id449701/ (accessed 21.12.2023).

[3] The Sámi Act (№ 1433), 1992, *Sametinget*, URL: https://www.sametinget.se/9865 (accessed 21.12.2023).

Thus, the political representation of the Sámi was significantly expanded as a result of compromises reached between the central government and the indigenous population.

The establishment of similar indigenous self-governance bodies in all three countries was not coincidental. Norway and later Sweden borrowed the original Finnish model of Sámi self-governance. The phenomenon of states adopting political models from others is explained within neo-institutionalism by the theory of diffusion, which suggests that states — especially friendly ones — may develop similar institutions [35, p. 10]. Another relevant concept is institutional isomorphism, which refers to the resemblance of institutions within a given social space, whether due to independent development or borrowing, particularly in the context of modern globalization [36, p. 2]. The differences between the Sámi parliaments, however, can be explained using the concept of path dependence [37, p. 86]. According to this theory, institutions that are initially created with similar goals and frameworks may evolve in different directions, sometimes in ways that were not originally anticipated. The specific differences between the Sámi parliaments are explored in greater detail in another section of this article.

Today, the Sámi people have the same political rights as the majority population, including the right to vote and stand as candidates in elections. They are also entitled to establish their own civic organisations and even political parties. However, formal equality does not necessarily lead to actual equality. In societies divided into a majority and a minority, rights and responsibilities are often distributed disproportionately. Despite significant improvements in their political and legal status, the Sámi remain a minority, which presents both challenges and unique characteristics in their political representation. Moreover, the Sámi still experience a certain degree of discrimination. Sámi ethnic identity and the use of Sámi languages correlate with a higher likelihood of reporting discriminatory experiences. There is also a trend indicating that Sámi individuals who maintain their cultural traditions, speak Sámi languages, and engage in reindeer herding tend to have lower health and socio-economic indicators [34, p. 1208; 23, p. 406]. Thus, it can be concluded that the Nordic countries have not yet fully eliminated discriminatory practices against the Sámi population.

Political representation of the Sámi in national, regional, and local parliaments

Today, through political representation, the Sámi in Norway, Sweden, and Finland influence political decision-making at the local, regional, and national levels. Their participation occurs through local, regional, and national par-

liaments, Sámi parliaments as cultural self-governing bodies, and cooperation agreements with regional and municipal authorities. However, the degree of influence varies across these channels, and not all provide equal opportunities for the Sámi to participate in political decision-making. Additionally, it is important to consider that not all Sámi prioritize their ethnic identity over their civic identity, which may affect their political behaviour and participation in legislative bodies.

The Sámi have never had significant representation in national parliaments. Although the first Sámi representative was elected to the Norwegian Parliament in 1906, the indigenous population has been unable to increase its political representation in this legislative body. By comparison, in Finland, the first Sámi representative was elected to the national parliament only in 2007, while in Sweden, no Sámi representative has ever been elected to the national parliament [31, p. 12].

It is also important to note that national parliaments do not have reserved seats or quotas for indigenous peoples. In Sweden, during the 1920s and 1930s, two proposals were introduced regarding Sámi representation in the Riksdag through quotas [38, s. 74]. However, these proposals did not gain significant support, and since then, the issue has not been revisited in parliamentary discussions. Similarly, in Norway, there have been occasional proposals to ensure Sámi representation in the Storting. For example, in 1974, the Liberal Party raised the issue of granting the Sámi the right to elect two representatives to the national parliament [31, p. 14]. However, much like in Sweden, this proposal remained only an idea and was never implemented.

Sámi political representation at the regional and local levels remains limited, with a few exceptions. In Norway, candidates of Sámi origin are occasionally elected to the regional legislative bodies in Trøndelag, Nordland, Troms, and Finnmark. However, they secure only a small number of seats and typically represent national political parties, such as the Labour Party (*Norw.* Arbeiderpartiet) and the Red Party (*Norw.* Rødt), rather than Sámi-specific parties, which struggle to compete in regional elections. Only in the most recent elections in Finnmark in 2023 did Sámi candidates run under two Sámi political parties, with the Sámi People's Party (*Norw.* Samefolketsparti) failing to secure enough votes and not winning any seats, while the People of the Northern Calotte (*Norw.* Nordkalottfolket), for the first time in a regional election, won 19 % of the vote, finishing in second place and securing 7 out of 35 seats.[1] In the previous regional elections in 2019, when Troms and Finnmark were still

[1] Valgresultat. Finnmark, 2023, *Valgdirektoratet*, URL: https://valgresultat.no/valg/2023/fy/finnmark%20finnm%C3%A1rku#partyDistribution (accessed 22.12.2023).

a unified county, Nordkalottfolket won only one seat. Additionally, two seats were won by Sámi candidates from the Samelista — a special electoral list commonly used in Norwegian elections to unite candidates who do not belong to any political party.[1]

Moreover, under the Finnmark Act, the land and freshwater resources of Finnmark County have been managed since 2005 by a board of directors consisting of six members, with half appointed by the Sámi Parliament and the other half by the regional council. This system of representation has finally granted the Sámi of Norway the ability to defend their rights to use the lands and waters that their ancestors had relied on for generations.

A similar governance system was proposed for Troms and Nordland counties, with the creation of an organisation called Hålogalandsallmenningen to oversee 50 % of the land and freshwater resources in these regions.[2] However, this proposal did not receive significant support and has not yet been implemented.

At the local level, the Sámi are best represented in the municipalities of Karasjok and Kautokeino, which serve as cultural centres of the Sámi and where the majority of the population speaks a Sámi language.[3] Their municipal councils include both independent Sámi representatives and Sámi affiliated with Norwegian national and Sámi political parties. Among the Norwegian national parties represented are the Labour Party (*Norw.* Arbeiderpartiet), the Conservative Party (*Norw.* Høyre), the Liberal Party (*Norw.* Venstre), the Progress Party (*Norw.* Fremskrittspartiet), and the Centre Party (*Norw.* Senterpartiet). The Sámi political parties include Árja (*Eng.* Effort) and the Sámi People's Party (*Norw.* Samefolkets Parti).

In Sweden and Finland, Sámi representation at the regional and local levels is even lower than in Norway, as most Sámi tend to avoid participation in national political parties. At the first pan-Sámi assembly in 1917, the Sámi of Sweden explicitly rejected party politics [38, s. 71]. One possible reason for this decision was that Sámi interests related to reindeer herding would inevitably clash with the interests of political parties advocating for the development of forestry and agriculture. Another reason may have been the Sámi's reluctance to be depend-

[1] Valgresultat. Finnmark, 2019, *Valgdirektoratet*, URL: https://valgresultat.no/valg/2019/fy/troms%20og%20finnmark#partyDistribution (accessed 22.12.2023).

[2] Hålogalandsallmenningen. Om forvaltning av fast eiendom i Troms og Nordland, 2008, *DUO Research Archive*, URL: https://www.duo.uio.no/bitstream/handle/10852/21880/87315.pdf (accessed 22.12.2023).

[3] Valgresultat. Karasjok, 2021, *VG*, URL: https://www.vg.no/valgnatt/2023/ko/fylker/finnmark-finnmarku/kommuner/karasjohka-karasjok (accessed 22.12.2023) ; Valgresultat. Kautokeino, 2021, *VG*, URL: https://www.vg.no/valgnatt/2023/ko/fylker/finnmark-finnmarku/kommuner/guovdageaidnu-kautokeino (accessed 22.12.2023).

ent on decisions made by non-Sámi representatives. Even today, most Sámi in Sweden continue to stay away from national political parties, leading to only sporadic Sámi candidacies in local elections. Sámi political representation is more significant only in their cultural and political centres, Jokkmokk and Kiruna. In the municipality of Jokkmokk, the Sámi Well-being (*Swed.* Samernas Väl) Party has recently begun winning seats in the local legislative assembly,[1] while in Kiruna, Sámi representatives secure mandates through the independent electoral list (*Swed.* Sámelistu).[2]

Thus, despite the initial rejection of party politics by the Swedish Sámi, the establishment of the Sámi Parliament, followed by the formation of Sámi organisations and parties, has led to greater electoral participation among the indigenous population, particularly in the municipalities of Jokkmokk and Kiruna. Although this increase in political representation remains modest, it still marks progress. Another achievement has been that, with the creation of the Sámi Parliament, several Swedish political parties, including the Social Democratic Workers' Party (*Swed.* Sveriges socialdemokratiska arbetareparti), the Left Party (*Swed.* Vänsterpartiet), and the Green Party (*Swed.* Miljöpartiet de gröna), have developed Sámi-focused policies, which improves the chances of greater political representation for Sámi interests.

As for the Sámi in Finland, it is worth noting that, like the Sámi in Sweden, they are not particularly active in national political parties. Since they do not have their own parties, those who do participate in elections typically represent Finnish political parties, primarily the Centre Party (*Fin.* Keskustapuolue),[3] which has often supported Sámi rights and was the party through which the first Sámi representative was elected to Finland's national parliament. Additionally, given that the Sámi population in Finland is significantly smaller than in neighbouring Norway and Sweden, their election to regional and local legislative bodies is even less common. However, Sámi political representation is somewhat higher in their cultural centres, particularly in the municipalities of Inari, Utsjoki, Enontekiö, and Sodankylä.[4]

Overall, it can be stated that Sámi political representation exists in both institutionalized forms, such as parliaments and political parties, and non-institutionalized forms (Table 1).

[1] Kommunval. Jokkmokk, 2022, *Valmyndigheten*, URL: https://valresultat.svt.se/2022/kommunval-2510-jokkmokk.html (accessed 22.12.2023).
[2] Kommunval. Kiruna, 2022, *Valmyndigheten*, URL: https://valresultat.svt.se/2022/kommunval-2584-kiruna.html (accessed 22.12.2023).
[3] Kuntalista, 2022, *Vaalitulokset*, URL: http://vaalitulokset.kp24.fi (accessed 23.12.2023).
[4] Saamelaiset Suomessa, 2023, *Samediggi*, URL: https://www.samediggi.fi/saamelaiset-info/ (accessed 23.12.2023).

Table 1

Institutionalization of Sámi political representation

Form of Political Representation (as of 2024)	Norway	Sweden	Finland
Sámi representation in the National Parliament	+/–[1]	–	–
Sámi parliaments	+	+	+
Sámi political parties	+	+	–
Sámi organisations and movements	+	+	+

The Sámi people focus their political representation efforts primarily on participation in Sámi parliaments, as well as in Sámi political parties, organisations, and movements, since achieving adequate representation at the national, regional, and local levels of government remains challenging. Furthermore, Sámi identity does not always determine the political preferences and decisions of indigenous representatives, especially given that they live in countries with well-developed civic identities. To fully assess Sámi political engagement, it is essential to consider not only their presence in legislative bodies but also their active participation in political and cultural institutions dedicated to protecting their rights.

Sámi participation in elections is often sporadic, with the exception of greater representation in their cultural and political centres and within the framework of the Finnmark Act. Nevertheless, the Sámi have the opportunity to advocate for their interests through cooperation agreements between Sámi parliaments and both regional and municipal authorities within their traditional settlement areas. These cooperation agreements cover key areas such as Sámi language revitalization, cultural development, education in Sámi languages, the promotion of traditional livelihoods, and combating racism. Since the establishment of Sámi parliaments, Sámi-related issues have gained greater recognition, prompting national political parties to develop Sámi-focused policies, which has improved the chances of greater representation of Sámi interests. This is particularly evident in Norway, where the Sámi are the most politically active within national political parties.

Sámi parliaments as representative bodies

Due to the inability of the Sámi to achieve adequate political representation at the national, regional, and, in most cases, local levels, Sámi parliaments emerged as a solution to increase Sámi participation in political processes.

[1] There are currently no Sámi representatives serving as full members of the Norwegian national parliament (*Norw.* Storting). However, in 2021, H. G. Danielsen, who has Sámi heritage and advocates for Sámi interests, was elected as a deputy representative for Sør-Trøndelag from the Socialist Left Party.

Since the Sámi do not constitute a majority in their traditional settlement areas, all three countries adopted a non-territorial model of self-governance. The Sámi were granted cultural autonomy, with Sámi parliaments serving as its institutional embodiment. These parliaments provide Sámi communities with the opportunity to preserve and develop their culture, language, and traditional livelihoods. At the same time, their functions extend beyond cultural self-governance and include elements of political representation, distinguishing them from other forms of national-cultural autonomy, which generally lack political authority.

Thus, Sámi parliaments represent a unique combination of cultural self-governance and political representation, highlighting the importance of their institutional analysis in the context of indigenous political representation.

There are many similarities among the Sámi parliaments of Norway, Sweden, and Finland. The primary goal of these institutions is to achieve equal political, economic, social, and cultural rights for the Sámi people while preserving and protecting their indigenous languages, culture, and traditional livelihoods.

The parliaments share similar powers. First, they serve as official representatives of the Sámi population, making the protection of Sámi interests their core function. Second, they have the authority to allocate budgets in accordance with their objectives and needs, with funding provided by national governments [39, s. 391]. Third, they can make decisions regarding Sámi language and culture, as well as education in Sámi languages. Fourth, they work to raise awareness about the issues facing the indigenous population, which is essential for safeguarding their rights. Fifth, they submit policy proposals to government authorities on social policies affecting the Sámi, such as economic well-being, living and working conditions, education levels, language revitalization, and cultural preservation. Finally, Sámi parliamentary representatives participate in parliamentary hearings, although they do not have veto power over decisions made by state authorities. Additionally, the Sámi Parliament in Norway has the unique ability to monitor the use of certain traditional lands, as its representatives take part in the management of land and freshwater resources in Finnmark County.

All three Sámi parliaments function as consultative bodies with the authority to make decisions within a limited scope directly affecting the Sámi population. They operate under specific government ministries: in Finland, the Ministry of Justice; in Sweden, the Ministry for Rural Affairs; and in Norway, the Ministry of Labour and Social Inclusion — though other ministries are also involved in Sámi policy matters.

The role of Sámi parliaments is twofold: on the one hand, they represent the interests of the indigenous population, and on the other, they serve as intermediaries in implementing state policies concerning the Sámi [40, p. 109]. It cannot

be said that Sámi parliaments are completely independent from state authority. The government determines their powers and provides financial support for their operations. According to M. Berg-Nordlie, a certain degree of state oversight over indigenous self-governing bodies is necessary to prevent decision-making processes from being monopolized by groups that do not represent the majority [39, s. 392]. Berg-Nordlie further emphasizes that Sámi do not constitute a majority in any of their traditional settlement regions, except for a few municipalities, meaning that Sámi-related policies inevitably affect the broader population as well.

An important aspect of Sámi political representation is access to participation in the formation of Sámi parliaments. As mentioned earlier, special voter registers enable Sámi individuals to take part in Sámi parliamentary elections, both as voters and candidates. In recent years, an increasing number of Sámi have registered and participated in elections. However, not all Sámi individuals are able to register in the voter rolls. Some face difficulties in proving their Sámi identity, particularly those whose families lost their language due to past assimilation policies.

For a more comprehensive understanding of the functioning of Sámi parliaments, it is useful to analyse their size, electoral structure, and political-ideological composition. These parameters provide a clear basis for comparing the workings of Sámi parliaments in Norway, Sweden, and Finland, contributing to a deeper assessment of their role within the political system of each country (Table 2).

Table 2

Comparative analysis of Sámi parliaments in Norway, Sweden, and Finland: size, electoral structure, and political-ideological composition

Parameter	Sámi Parliament of Norway	Sámi Parliament of Sweden	Sámi Parliament of Finland
Size	39	31	21
Electoral structure	Proportional electoral system with seven districts, ensuring geographical and cultural representation. Elections are held every four years	Plurality system in a single nationwide electoral district. Elections are held every four years	Elections take place in a single electoral district covering Sámi ancestral territories, with consideration of cultural subgroups. Elections are held every four years
Political-ideological composition	Norwegian Sámi Association dominates; national Norwegian parties such as the Labour Party and the Centre Party also participate	The dominant party is “Hunting and Fishing Sámi Party”; other Sámi parties and organisations are also represented in the parliament	No Sámi political parties; all candidates run as independents

Elections for Sámi parliaments are held every four years. The most recent elections took place in Norway and Sweden in 2021, while in Finland, they were held in 2023. Voter turnout is highest in Norway, where it has remained consistently between 67 % and 70 %.[1] In Sweden, turnout for the Sámi Parliament elections increased by 10 % over the past eight years, reaching 64.8 % in 2021.[2] The lowest voter turnout is observed in Finland, where in the 2023 elections, it was 51.6 %,[3] compared to 48.58 % in 2019.[4] A drop in turnout below 50 % could indicate the Finnish Sámi Parliament's difficulty in engaging Sámi voters in political participation as the electoral register expands. In Finland, as in Norway and Sweden — but to a greater extent — there is a trend where some Sámi individuals register in the voter roll not to participate in Sámi democracy but simply to have their Sámi identity officially recognized.

The high voter turnout in the Norwegian Sámi Parliament elections can be attributed to its unique electoral district system. Norway uses a proportional electoral system with seven districts, covering all regions of the country, which is particularly important given the geographical dispersion of the Sámi population [41, p. 267]. Moreover, these electoral districts are designed to ensure that different cultural subgroups within the indigenous population have the opportunity to participate in elections. The Norwegian Sámi Parliament consists of 39 seats,[5] with the number of representatives elected from each district depending on the number of registered voters in that district.

In Sweden, elections for the Sámi Parliament are also held nationwide, but within a single electoral district. The parliament consists of 31 representatives, elected through a plurality system[6]. Voters have the option to cast their vote either for a political party or for an individual candidate from that party.

[1] Valgresultat. Sametingsvalg, 2021, *Valgdirektoratet*, URL: https://valgresultat.no/valg/2021/sa (accessed 23.12.2023).

[2] Valresultat. Sametinget, 2021, *Valmyndigheten*, URL: https://www.val.se/valresultat/sametinget/2021.html (accessed 23.12.2023).

[3] Saamelaiskäräjävaalien tulos, 2019, *Samediggi* (2019), URL: https://www.samediggi.fi/wp-content/uploads/2023/10/Saamelaiskarajavaalin-tulokset-2023-1.pdf (accessed 23.12.2023).

[4] Vaalit, 2019, *Samediggi*, URL: https://dokumentit.solinum.fi/samediggi/?f=dokumenttipankki/vaalit/suomeksi (accessed 23.12.2023).

[5] Sametinget i Norge, 2024, *Sametinget*, URL: https://sametinget.no/_f/p1/i50a5462d-5adf-4638-8376-ef2405c9792a/sametinget-brosjyre-a4-norsk-230623.pdf (accessed 23.12.2023).

[6] Sametingsvalet, 2022, *Sametinget*, URL: https://www.sametinget.se/val (accessed 23.12.2023).

In Finland, the Sámi Parliament consists of 21 representatives.[1] As in Sweden, elections take place within a single electoral district, but this district exclusively covers the territories traditionally inhabited by the indigenous Sámi population. The electoral district is divided into four sub-districts, designed to ensure representation of different Sámi cultural subgroups. Each sub-district elects at least three representatives, in addition to at-large representatives from the entire electoral district. Despite considering the votes of different Sámi cultural subgroups, this system does not account for Sámi individuals living outside these designated regions, excluding them from representation in the Sámi Parliament.

In the Sámi Parliament elections in Norway and Sweden, candidates include Sámi political parties and organisations, reindeer herding communities, and independent candidates. In Norway, the Norwegian Sámi Association (*Norw.* Norske Samers Riksforbund, NSR) has consistently won the largest number of seats since the first Sámi Parliament elections.[2] In Sweden, since 2005, the Hunting and Fishing Sámi Party (*Swed.* Jakt- och fiskesamerna) has consistently held first place in the Sámi Parliament elections.[3] As of today, the Sámi representative bodies in both Norway and Sweden are composed of seven parties and organisations. It is also important to note that in Norway, Sámi candidates also run under national Norwegian political parties, including the Labour Party, the Centre Party, and the Progress Party.

In Finland, the Sámi do not have their own political parties. The Central Association of the Sámi in Finland is the only major indigenous organisation in the country, but it does not participate in the formation of the Sámi Parliament. Candidates for Sámi parliamentary elections in Finland are exclusively independent candidates. As previously mentioned, the fact that Sámi in Finland and Sweden do not run for Sámi parliaments under national political parties is due to the general reluctance of the Sámi population to engage in party politics.

Conclusion

This article has examined various aspects of Sámi political representation in Norway, Sweden, and Finland. Using a neo-institutionalist approach, it has been concluded that the current characteristics of Sámi political representation are shaped by a specific historical and political context, which includes significant

[1] Saamelaiskäräjien vaalien tuloksen määräytyminen, 2023, *Samediggi*, URL: https://www.samediggi.fi/vaalit-2023/saamelaiskarajien-vaalien-tuloksen-maaraytyminen/ (accessed 24.12.2023).

[2] Valgresultat. Sametingsvalg, 2021, *Valgdirektoratet*, URL: https://valgresultat.no/valg/2021/sa (accessed 24.12.2023).

[3] Valresultat. Sametinget, 2021, *Valmyndigheten*, URL: https://www.val.se/valresultat/sametinget/2021.html (accessed 24.12.2023).

changes in the legal and political status of the Sámi and the compromises reached between the state and the indigenous population, often as a result of conflicts. Applying a constructivist methodology allowed for an analysis of identity formation as the foundation of the Sámi movement, which initially focused on economic, cultural, and social demands before expanding to include political representation.

A common challenge for Sámi across these countries is their inability to achieve adequate political representation at all levels of government, except in their cultural centres. Sámi participation in elections is often sporadic, and the low level of engagement among Swedish and Finnish Sámi in national political parties further distances them from politics at all levels. In contrast, the Sámi in Norway are more politically active within party structures. The greater political involvement of Norwegian Sámi can be explained by historical factors that have provided them with more opportunities for political engagement and integration into national party structures. Norway also has a more developed system for protecting indigenous rights, including the ratification of ILO Convention № 169, which enables Sámi participation in national politics without conflicting with economic interests or dependence on the non-Sámi population. Meanwhile, the Sámi in Finland and Sweden, facing less favourable conditions, tend to avoid party politics in order to preserve their autonomy and maintain control over the protection of their interests.

The establishment of Sámi parliaments has significantly increased Sámi political engagement and given them the ability to determine their own path of development. In all three countries, Sámi parliaments function primarily as consultative bodies operating under government ministries, with their powers and budgets determined by the central authorities. Among them, the Norwegian Sámi Parliament is the most effective in integrating Sámi into political processes, due to both its more inclusive voter registration criteria and its authority to oversee certain traditional Sámi lands. Norway has also implemented the most effective electoral district system, ensuring both geographical and cultural representation of the Sámi, which is particularly important given their dispersion across a vast territory and migration from traditional settlement areas. In Finland, however, the electoral district for Sámi Parliament elections only includes traditional Sámi territories, excluding those who have migrated to other regions of the country from participating in Sámi democracy.

Sámi representation in Sámi parliaments is also associated with several challenges. Some Sámi individuals register in the electoral roll not with the intent of participating in Sámi democracy but simply to affirm their identity. Additionally, “statusless Sámi” face significant difficulties in proving their indigenous identity, as their families lost the Sámi language due to past assimilation policies. Currently, some Sámi continue to lose their connection to their indigenous language,

adopting the culture and lifestyle of the majority population. Finally, despite the official abandonment of assimilation and discriminatory policies toward the Sámi, there is still skepticism about fully integrating the indigenous population into political decision-making processes.

In conclusion, this study has confirmed the relevance of multiculturalism, consociational democracy, and nationalism theories for analysing Sámi political representation. These theories help explain how cultural differences are accommodated, minority integration is facilitated, and ethnic identity plays a role in the political process in Norway, Sweden, and Finland.

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DESCENDANTS FROM AFRICAN COUNTRIES IN DENMARK: TERRITORIAL AND ORGANIZATIONAL ASPECTS OF SETTLEMENT IN THE 2010s TO EARLY 2020s

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Denmark is one of the most attractive European countries for immigrants due to its high level of socio-economic and political development. However, an increase in the migration burden has led to a tightening of the country's migration legislation, aimed primarily at limiting the flow of migrants from non-Western countries, preventing segregation, and ensuring the successful integration of migrants into the host society. This study aims to analyse the distribution of immigrants and their descendants in Denmark, focusing on migrants from African countries (Somalia, Morocco, Egypt, Ghana, the Democratic Republic of the Congo, and Eritrea) between 2010 and 2023. The authors examine legislative changes in Danish migration policy and analyse data from the Danish Statistical Office regarding migration trends and the geographic distribution of both the native population and individuals of foreign origin across second-level administrative units (communes). The research methodology employs the Herfindahl–Hirschman index to assess the degree of territorial concentration of people of African descent, alongside the Ryabtsev index to measure the similarity between the settlement patterns of migrants and their descendants from Africa and those of Denmark's indigenous population. The results indicate a decrease in the territorial concentration of the African population in Denmark, as well as a convergence between the settlement patterns of African migrants and Danish-origin residents. However, the intensity of these processes varies significantly based on immigrants' status, duration of residence in Denmark, and the size of specific African diasporas. Despite the observed deconcentration and increased settlement integration, the African population, particularly individuals of Somali and Moroccan descent, continues

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to exhibit high levels of territorial exclusion and segregation. Their settlement patterns are often concentrated in 'vulnerable residential areas', which still reflect significant socio-spatial disparities.

Keywords:

Denmark, immigrants and their descendants, Africans, refugees, settlement, vulnerable residential areas

Introduction

In recent years, Europe has experienced a significant surge in immigration. However, this influx is not evenly spread across the continent. Immigrants tend to cluster in the largest urban centres, and in these areas of high migrant concentration, the rise of segregated neighbourhoods has become an increasing concern [1—6]. These neighbourhoods often grapple with low socio-economic status, elevated crime rates, and challenges in providing effective public services.

Following the European migration crisis, the trend of emerging migrant enclaves in the suburbs of major European cities intensified, driven by a rise in the number of asylum seekers and undocumented migrants from developing countries. Lately, there has been a particularly notable increase in migration to the EU from Africa — a region characterized by rapid population growth, severe economic challenges, and political instability. As a result, European governments now face the challenge of ensuring the equitable distribution and effective integration of individuals whose social norms and cultural backgrounds differ from those of the host societies [7—9].

Denmark is one of the most attractive EU countries for immigrants due to its high levels of socioeconomic and political development. Between 2010 and 2023, the number of migrants in Denmark increased from 428.9 thousand to 724.7 thousand,[1] accounting for 12.1 % of the country's population. However, despite this growth, Denmark was significantly less affected by the European migration crisis compared to its neighbours, as reflected in the number of asylum applications received. At the height of the migration crisis (2015 and 2016), when EU countries collectively received 1.228 million and 1.221 million asylum applications, respectively, Danish authorities processed only 20.9 thousand and

[1] FOLK1C: Folketal den 1. i kvartalet efter område, køn, alder (5-års intervaller), herkomst og oprindelsesland, *Danmarks Statistik*, URL: https://www.statbank.dk/FOLK1C (accessed 25.03.2024).

6.2 thousand applications (1.6 % and 0.5 % of the EU total).[1] Denmark's relatively low intake of refugees, compared to the European average, can be attributed to its strict immigration and integration policies, which have been among the toughest in Europe for asylum seekers in recent decades.

Many aspects of Denmark's migration policy, particularly in relation to asylum procedures and border control, have been integrated into the EU Pact on Migration and Asylum, which took effect in June 2024.[2] These policies have also been adopted by other European countries [10—12]. This context defines this study's focus: measures taken by the Danish authorities to prevent the segregation of migrants from non-Western countries[3] and their descendants,[4] as well as to support their integration into Danish society. These efforts include programs for resettling refugees and eliminating migrant ghettos in urban areas [13—15].

The study seeks to explore how African immigrants and their descendants were distributed across Denmark between 2010 and 2023. It specifically examines changes in Danish migration policy aimed at reducing migration pressure and promoting a more balanced geographic distribution of foreign-born residents. It also identifies settlement trends among African immigrants and their descendants, including their spatial distribution in relation to the Danish population.

Materials and methodology

This study draws on a broad range of scholarly and analytical works examining the characteristics of Danish migration policy. The first group of studies deal with the development and evolution of Denmark's migration legislation, which aims to both restrict migrant inflows and stimulate migrants' integration

[1] Asylum applicants by type, citizenship, age and sex — annual aggregated data, *Eurostat,* URL: https://ec.europa.eu/eurostat/databrowser/bookmark/633be081-5709-475f-80f4-3210837e981c?lang=en (accessed 25.03.2024).

[2] What is the New Pact on Migration and Asylum of the EU? *European Commission*. URL: https://home-affairs.ec.europa.eu/policies/migration-and-asylum/new-pact-migration-and-asylum_en (accessed 25.03.2024).

[3] Denmark's Statistical Office categorizes countries into two groups: Western and non-Western. Western countries include all EU countries, as well as Andorra, the Vatican, the United Kingdom, Iceland, Liechtenstein, Monaco, Norway, San Marino, Switzerland, Canada, the United States, Australia, and New Zealand. Non-Western countries encompass all others (Indhold, *Danmarks Statistik*. URL: https://www.dst.dk/da/Statistik/dokumentation/statistikdokumentation/befolkningen/indhold (accessed 10.04.2024)).

[4] According to the definition by Denmark's Statistical Office, the category of "immigrants and their descendants" refers to the foreign-born population. An immigrant is defined as an individual born abroad, whose parents were both born outside of Denmark and do not hold Danish citizenship. A descendant is defined as an individual born in Denmark to parents who are neither Danish citizens nor born in the country (Ibid.).

[16—18]. The second group of studies discuss the spatial distribution of refugees within the country [19—21] and the challenges associated with Denmark's refugee resettlement policy. These challenges include the low retention of refugees in rural areas [22; 23] and the spread of socio-spatial and ethnic segregation to small and medium-sized towns [24; 25]. Finally, studies in the third group examine Denmark's approach to managing the migration crisis, with a particular focus on how these strategies have been applied or referenced by other Scandinavian countries [26—30].

The study uses official data from Statistics Denmark on migration patterns and directions to the country, and the distribution of native and foreign-born residents across administrative divisions.[1]

To analyze changes in the settlement patterns of immigrants from African countries[2] and their descendants in Denmark at the second-level administrative divisions (municipalities), the study employs the Herfindahl-Hirschman Index (HHI). This index measures the degree of concentration of foreign-born residents and tracks its changes over the period 2010—2023. The index ranges from 10,000/N to 10,000, with lower values indicating a decrease in territorial concentration and higher values, an increase:

$$HHI = \sum_{i=1}^{N} S_i^2,$$

where S_i is the share of the i^{th} municipality in the total number of immigrants and their descendants in the country, %;

N is the number of municipalities where the share of immigrants and their descendants exceeds 0.

To analyze the changes in the settlement patterns of migrants from African countries between 2010 and 2023, driven by the European migration crisis and Danish policies, the Ryabtsev Index of structural shifts (I_r) is used:

$$I_r = \sqrt{\frac{\sum_{i=1}^{n}(k_a - k_d)^2}{\sum_{i=1}^{n}(k_a + k_d)^2}},$$

where n is the number of municipalities;

[1] Borgere, *Danmarks Statistik*. URL: https://www.statbank.dk/20021 (accessed 20.03.2024).

[2] The research uses the six largest African-origin groups by population — migrants from Somalia, Morocco, Egypt, Ghana, the Democratic Republic of the Congo (DRC), and Eritrea — as a case study.

k_a is the share of each of the n municipalities in the immigrants from African countries and their descendants;

k_d is the share of each of the n municipalities in the population of Danish origin.

The Ryabtsev Index ranges from 0 to 1 and uses a value scale [31] that allows for a qualitative interpretation of the interconnected changes in settlement patterns at the municipal level in Denmark, comparing the settlement patterns of immigrants from Africa and their descendants with those of native Danes.

The evolution of Denmark's migration policy

In the decades following World War II, Denmark's migration policy was notably welcoming to both labour migrants and refugees. Denmark was the first country to ratify the 1951 Refugee Convention. In 1956, the Danish Refugee Council was established, partly in response to the increasing number of refugees from Hungary following the Hungarian Uprising. In 1983, Denmark adopted the Aliens Act, one of the most liberal in Europe [32; 33]. As a result, migrants arriving in the country could not only expect asylum but also acquire legal rights to family reunification, financial and housing support from the state, language training, and employment [17; 34]. Asylum seekers were allowed to choose their place of settlement, which led to their concentration in large cities with better employment opportunities.

The adoption of the Aliens Act, during the Iran-Iraq War and later the Somali Civil War, resulted in a sharp increase in the number of asylum seekers. For instance, before its adoption in 1982, fewer than 300 asylum applications were submitted, but by 1986, the number had risen to 9,300.[1] The Danish Refugee Council was unable to provide housing for all applicants in the capital region or other major cities. To reduce the risk of marginalization in urban ethnic ghettos, a decision was made in 1986 to distribute refugees across administrative-territorial units, taking into account population size, available housing, job openings, and other factors [20; 21]. However, this initiative did not include sanctions for refugees who chose secondary migration within the country.

The Integration Act of 1998[2] marked the beginning of a stricter phase in migration policy, followed by the creation of the Ministry for Refugee, Immigra-

[1] Asylum Applications in Industrialized Countries: 1980-1999 (Nov 2001), *UNHCR*, URL: https://www.unhcr.org/media/asylum-applications-industrialized-countries-1980-1999-nov-2001 (accessed 02.04.2024).

[2] Lov om integration af udlændinge i Danmark (integrationslov), 1998, *Retsinformation*, URL: https://www.retsinformation.dk/eli/lta/1998/474 (accessed 02.04.2024).

tion, and Integration Affairs in 2001. The Integration Act[1] introduced financial sanctions for migrants who refused to participate in integration programs, shifted the responsibility for integration to the country's municipalities, and restricted the possibility of refugee relocation during the program [35].

Subsequent restrictive trends intensified: in 2002, the Start-Help program was introduced, replacing social assistance for refugees with a new benefits scheme aimed at facilitating their entry into the labour market. This program reduced social assistance payments for newly arrived refugees by 40 %, extended the time required to obtain residence permits from 3 to 7 years, and introduced a requirement to pass a basic Danish language exam[2] [36].

The European migration crisis led to a rise in asylum seekers, prompting Denmark to tighten its migration policy. Amendments to the Aliens Act gave the police the power to confiscate valuables and money from asylum seekers to cover their accommodation costs. Additionally, the amendments expanded the practice of granting temporary protection status,[3] increased the period during which refugees cannot apply for family reunification from 1 to 3 years, and proposed extending the period required for obtaining permanent residence from 3 to 6 years. The bill also included a 10 % reduction in financial benefits.[4] Denmark, as stated by Prime Minister M. Frederiksen,[5] aims to adopt a "zero asylum seekers" policy.[6] So in 2022, the country announced a reduction in the UN refugee intake quota from 500 to 200 people. In 2019, amendments were made to the Aliens Act, the Integration Act, and the Repatriation Act, shifting the focus from integration to repatriation.[7]

[1] This law does not apply to citizens of countries that are members of the Nordic Council (Iceland, Norway, Sweden, Finland) and the European Union.

[2] LBK nr 608 af 17/07/2002, *Retsinformation*, URL: https://www.retsinformation.dk/eli/lta/2002/608 (accessed 02.04.2024).

[3] Temporary protection status is granted for 1 year with the possibility of extension for a two-year period if the asylum seeker still requires protection.

[4] LOV nr 102 af 03/02/2016, *Retsinformation*, URL: https://www.retsinformation.dk/eli/lta/2016/102 (accessed 02.04.2024).

[5] Danish prime minister wants country to accept 'zero' asylum seekers, *The local*, URL: https://www.thelocal.dk/20210122/danish-prime-minister-wants-country-to-accept-zero-asylum-seekers (accessed 01.04.2024).

[6] However, the Danish government's efforts to limit the acceptance of asylum seekers do not apply to those displaced from Ukraine: Gill, J. 2023, Denmark's 'zero asylum' policy reversed for Ukraine, *Context*, URL: https://www.context.news/socioeconomic-inclusion/denmarks-zero-asylum-policy-reversed-for-ukraine (accessed 01.04.2024).

[7] LOV nr 174 af 27/02/2019, *Retsinformation*, URL: https://www.retsinformation.dk/eli/lta/2019/174 (accessed 02.04.2024).

The Danish government continues to implement a policy of distributing migrants across the country through a municipal quota system: each year, authorities determine the number of refugees to be distributed among municipalities, based on population size and the municipalities' ability to facilitate migrant integration[1]. These measures aim to prevent the enclave formation of migrant populations and the creation of ethnic ghettos [15], which, since 2021, have officially been referred to as *udsat boligområde* — "vulnerable residential areas"[2].

The Danish authorities are addressing this issue through the "One Denmark without Parallel Societies — No Ghettos in 2030" program,[3] which bans the placement of migrants and their descendants from non-Western countries in "vulnerable residential areas". The range of measures includes restrictions on social benefits and family reunification programs. In some cases, more drastic measures are being implemented to address social exclusion in urban residential areas. These include reducing the proportion of social housing, where many migrants reside, to 40 % of the total housing stock. The plan involves restructuring this housing into spaces for young people and nursing homes, as well as demolishing buildings and improving the surrounding area. Residents affected by these changes will need to find new housing either within the municipality or elsewhere.[4]

Changes in the settlement of African and local populations in Denmark in 2010—2023

Migration from Africa to Denmark before the 1990s was relatively low in intensity, with the number of immigrants from the region and their descendants totalling just under 11,000 people. The migration flow mainly consisted of labour migrants and their families, as well as students from North and East Africa.

African migration to Denmark intensified in the early 1990s, mainly due to migrants and their families fleeing war-torn Somalia. By 2000, the number of immigrants from Africa and their descendants had grown to 35,900, with more

[1] Visiteringskvoter, *Udlændingestyrelsen*, URL: https://us.dk/tal-og-statistik/visiteringskvoter (accessed 03.04.2024).

[2] 2021/1 LSV 23, *Retsinformation*, URL: https://www.retsinformation.dk/eli/ft/202113L00023 (accessed 02.04.2024).

[3] Ét Danmark uden parallelsamfund, *Regeringen*, URL: https://www.regeringen.dk/aktuelt/tidligere-publikationer/%c3%a9t-danmark-uden-parallelsamfund/ (accessed 02.04.2024).

[4] Hvad betyder det at være et omdannelsesområde? *Danmarks Almene Boliger*, URL: https://bl.dk/politik-og-analyser/temaer/parallelsamfund/hvad-betyder-det-at-vaere-et-omdannelsesomraade/ (accessed 02.04.2024).

than 40 % of them being Somali (Table 1). Later, after the introduction of the Start-Help program in 2002, the flow of refugees from Somalia — and to a lesser extent from Morocco, the Democratic Republic of the Congo, and Ghana — almost entirely stopped. Before the European migration crisis, the growth of the African population in Denmark was linked to increased labour and educational migration, family reunification, and high birth rates among migrants.

Table 1

Number of African migrants and their descendants in Denmark, 1980—2023

Country of origin	1980	1990	2000	2010	2020	2023
Somalia	133	531	14,856	16,831	21,072	21,416
Morocco	2,104	4,267	7813	9831	11,659	12,243
Eritrea	0	0	122	343	7,025	8,222
Ghana	158	394	1,031	1,908	2,936	3,521
Democratic Republic of the Congo	15	43	172	729	2,580	3,267
Egypt	852	1,154	1,641	2,014	2,595	2,841
Total	5,617	10,835	35,895	49,743	70,212	77,155

Source: Compiled by the authors based on: FOLK2: Folketal 1. januar efter køn, alder, herkomst, oprindelsesland og statsborgerskab, *Danmarks Statistik*, URL: https://www.statbank.dk/FOLK2 (accessed 10.04.2024).

By 2010, the distribution of migrants from African countries and their descendants in Denmark was highly uneven. The high spatial concentration of migrants can be attributed to the significant proportion of labour migrants and students, as well as the arrival of many refugees before 1998, when Denmark's migration policy became stricter (Table 2). In 2010, 53.8 % of African migrants lived in the four largest municipalities—Copenhagen, Aarhus, Odense, and Aalborg — while only 20.7 % of the native population resided in these areas. There were also notable differences in the degree of territorial concentration depending on the time of migration, the size of the diaspora, and the reasons for migration.

Table 2

Indicators of territorial concentration of African migrants, their descendants, and native Danes across municipalities, 2010—2023

HHI by population group	2010	2013	2016	2019	2022	2023
Morocco	2693.9	2530.8	2365.7	2221.8	2082.4	2011.5
Somalia	1429.9	1401.9	1253.4	1347.3	1377.5	1392.7

The end of Table 2

HHI by population group	2010	2013	2016	2019	2022	2023
Egypt	1557.9	1595.7	1553.5	1512.9	1429.2	1298.1
Chana	1151.6	1208.2	1099.0	948.9	823.8	780.6
Democratic Republic of the Congo	356.0	300.4	266.0	314.0	313.1	303.6
Eritrea	1533.3	1039.5	208.2	207.7	203.9	199.3
All Africans	1306.8	1242.6	1007.7	946.4	895.5	862.8
Danes	207.5	215.9	222.5	229.1	232.4	233.4

Source: Compiled by the authors based on: FOLK1C: Folketal den 1. i kvartalet efter område. køn. alder (5-års intervaller). herkomst og oprindelsesland. *Danmarks Statistik*. URL: https://www.statbank.dk/FOLK1C (accessed 10.04.2024).

In general, Moroccans, Somalis, and Egyptians, who were the largest and longest-established African groups in the country, had the highest territorial concentration rates. The migration flows from Morocco and Egypt, primarily driven by labour and educational migration, led to a high concentration of migrants from these countries in the most economically developed and densely populated areas of Denmark. For instance, about 82 % of all Moroccans in Denmark lived in the Capital Region (Hovedstaden), with 50.6 % concentrated in the municipality of Copenhagen. Aarhus, Odense, and Aalborg accounted for another 7.2 % of Moroccans. For Egyptians, these figures were slightly lower: 71 % of the community resided in the Capital Region, and 37.5 % lived in Copenhagen. Somali migrants, largely refugees and their families, were more evenly spread out, with 65.8 % living in the four largest municipalities. However, unlike the Moroccan and Egyptian communities, the Somali population was not predominantly concentrated in the capital. Only 26.7 % lived in Copenhagen, while Aarhus hosted 22.9 %, Odense 10.5 %, and Aalborg 5.7 %.

As a result of Denmark's policies toward migrants and their descendants, the African-origin population has become less concentrated geographically, despite overall growth. The Herfindahl-Hirschman Index for the African population decreased from 1,306.8 to 862.8 between 2010 and 2023 (Table 2). This shift was mainly driven by a decline in concentration in the largest municipalities: Copenhagen's share of African settlements dropped from 32.5 % to 25.3 %, Aarhus from 12.7 % to 11.3 %, and Odense from 5.5 % to 5.1 %. In contrast, Aalborg's share increased from 3.2 % to 3.9 %.

The most significant decrease in concentration was observed among Eritreans, whose index dropped from 1,533.3 to 199.3. As of 2023, Eritreans in Denmark exhibited a lower level of residential concentration than the country's native population. At the same time, the Eritrean population grew at the highest rate, mainly due to an influx of refugees[1], whose distribution across the country was a managed process. The process of deconcentration was largely facilitated by a reduction in the share of Eritreans in Copenhagen and its two neighbouring municipalities, Herlev and Gladsaxe, where their combined share dropped from 51.1 % to just 4.4 %!

The number of people from the Democratic Republic of the Congo in Denmark increased nearly 4.5 times in the given period due to a rise in forced migration. However, their settlement patterns saw a smaller decline in territorial concentration, as many initially lived in temporary centres in small municipalities. Their further deconcentration was driven by redistribution from these smaller areas rather than a decline in the largest municipalities. For instance, the proportion of Congolese residents dropped significantly in Vesthimmerland (from 9.2 % to 2.1 %), Tønder (from 5.2 % to 0.6 %), and Skive (from 3.8 % to 1.6 %).

Despite efforts to resettle Moroccans, Egyptians, and Somalis—both through government programs and their own relocations—their concentration in certain areas remains extremely high. The gradual deconcentration of Moroccans and Somalis has been associated with a declining share of the Capital Region municipalities (primarily Copenhagen) and the municipalities of Frederiksberg, Albertslund, and Ishøj (all in Hovedstaden), as well as Ringsted (Zealand). Among Egyptians, the most significant declines occurred in Frederiksberg and Gentofte (both in Hovedstaden), as well as Roskilde and Holbæk (both in Zealand).

The distribution of Africans across Denmark shows not only a decrease in spatial concentration but also a convergence between the residential patterns of newcomers and native populations (Table 3). Between 2010 and 2023, the difference level for the entire African population decreased from very significant to significant [31]. However, structural differences remain more pronounced for African immigrants and their descendants compared to Denmark's foreign-born population overall. In 2023, the Ryabtsev Index for the latter was 0.295, indicating a substantial difference.

[1] A larger number of applications was submitted only by citizens of Syria.

Table 3

Differences in settlement patterns of native Danes and African immigrants across Danish municipalities, 2010—2023

Year	The Ryabtsev Index by migrants and their descendants from Africa and Danes settled in the communes of the country						
	Ghana	Democratic Republic of the Congo	Egypt	Morocco	Somalia	Eritrea	All Africans
2010	0.549	0.488	0.597	0.699	0.543	0.605	0.535
2011	0.542	0.499	0.597	0.693	0.543	0.573	0.531
2012	0.554	0.496	0.592	0.684	0.539	0.544	0.522
2013	0.543	0.444	0.587	0.678	0.528	0.509	0.510
2014	0.549	0.414	0.575	0.672	0.512	0.422	0.499
2015	0.541	0.394	0.580	0.664	0.501	0.299	0.469
2016	0.521	0.385	0.575	0.659	0.495	0.325	0.453
2017	0.499	0.365	0.572	0.653	0.496	0.340	0.440
2018	0.498	0.344	0.568	0.646	0.499	0.336	0.435
2019	0.488	0.345	0.559	0.640	0.502	0.342	0.427
2020	0.480	0.324	0.552	0.634	0.502	0.343	0.422
2021	0.477	0.320	0.551	0.630	0.503	0.332	0.418
2022	0.467	0.317	0.545	0.627	0.503	0.329	0.411
2023	0.459	0.302	0.525	0.621	0.504	0.318	0.402

Source: Compiled by the authors based on: FOLK1C: Folketal den 1. i kvartalet efter område. køn. alder (5-års intervaller). herkomst og oprindelsesland. *Danmarks Statistik*. URL: https://www.statbank.dk/FOLK1C (accessed 10.04.2024).

The settlement patterns of African migrants and native Danes have become more similar due to both government efforts to distribute refugees and migrants' self-relocation. However, the pace of this process varied. Eritrean and Congolese migrants, whose numbers grew the most due to forced migration, showed the greatest convergence with Danes. For Eritreans and Somalis, similarities peaked during the 2015—2016 migration crisis but later declined as migrants gained more choice in where to live. In contrast, for Moroccans, Egyptians, and Ghanaians, the shift toward a more even distribution was slower and more consistent.

Despite the decreasing territorial concentration and the increasing similarity between African migrants' settlement patterns and those of native Danes, these differences remain significant, indicating a high level of segregation, particularly among Moroccans and Somalis. Their concentration in "vulnerable

residential areas" hinders successful integration into Danish society and has negative consequences for these communities. These groups have high levels of criminalization [37], and this issue is especially pronounced among the second generation of these diasporas. According to the crime index used by Statistics Denmark,[1] Somali migrants ranked second and Moroccan migrants eighth in 2022. Among Danish-born Somalis and Moroccans, crime index values were even higher, placing them third and fourth among the most criminalized population groups. Additionally, migrants from these two countries exhibit some of the lowest employment rates among the working-age population, including Danish-born men aged 20—40.[2] The poor socioeconomic conditions in areas with high concentrations of Somali and Moroccan migrants and their descendants have led Danish authorities to classify most of these neighbourhoods as "vulnerable residential areas".

Conclusion

The decades-long increase in the number of migrants from non-Western countries has led to significant changes in Denmark's migration policy. One of the main reasons why Denmark moved away from its once highly liberal migration model in the 1980s was the sharp increase in the number of asylum seekers from war-torn Somalia in the early 1990s. Tightening restrictions in Denmark's migration legislation involved reducing social benefits, increasing control over integration and readmission programs, and complicating residence permit procedures. A major step toward a more even distribution of refugees across the country was the introduction of quotas for their allocation among municipalities, along with economic sanctions for migrants who moved independently. As a result, Denmark's migration policy has shifted from being one of the most liberal in Europe to one of the most restrictive, aiming to deter asylum seekers.

The settlement patterns of Denmark's largest refugee groups from Africa and their descendants reveal several key trends. Between 2010 and 2023, territorial concentration declined across Danish municipalities for both African migrants as a whole and each specific ethnic group. Differences in settlement patterns among African-origin populations stem from factors such as their legal status, length of stay in Denmark, overall diaspora size, and other variables. Eritrean and Congolese migrants are the most evenly distributed across the country, largely due to state-managed resettlement policies, as their numbers grew alongside the tight-

[1] Indvandrere i Danmark 2023, *Danmarks Statistik*, P. 119, URL: https://www.dst.dk/pubfile/47883/Indv%202023 (accessed 10.04.2024).
[2] Ibid. P. 47.

ening of migration laws. In contrast, Moroccans, Somalis, and Egyptians — who arrived earlier and in greater numbers — continue to show extremely high levels of concentration despite some decline.

Between 2010 and 2023, the settlement patterns of African migrants and their descendants became more similar to those of native Danes at the municipal level. Eritreans and Congolese have settlement structures most aligned with the Danish population, while Somalis, Moroccans, and Egyptians show the greatest divergence.

Overall, through its adjustments to migration policies, the Danish government has managed to reduce the spatial concentration of the African population while continuing to address segregation in vulnerable residential areas, which remains a focus of the government's *One Denmark without Parallel Societies — No Ghettos in 2030* initiative.

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ETHNIC AND RELIGIOUS ASPECTS OF IMMIGRATION PROCESSES IN FINLAND

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The article analyzes the role of religion in the context of the contemporary Finnish migration system. The European migration crises have become a national challenge for Finnish society. The integration of (im)migrants, whose ethnic and/or religious affiliation is often opposed to the value-based and ideological foundations of Finnish civic identity, is accompanied by a number of problems. The most significant of them is the escalation of racism and discrimina-tion against migrants by Finns and social structures. The Finnish Immigration Service (MIGRI) has been confronted with an unprecedented number of religious conversions from Islam to Christianity by Muslim migrants who use religious conversion as a way to gain asylum or avoid deportation to their home countries on the grounds of a risk of religious persecution. The Ecumenical Council of Finland has criticized the ambiguity of the methods for assessing the credibility of religious beliefs of newly converted Christians. At the same time, the in-creasing number of decisions to deport aliens to unsafe areas has divided the Finnish public into those who support accepting asylum seekers from Muslim countries and those who support anti-immigration movements. An analysis of statistical data and empirical material in the works of Finnish researchers shows that religious conversion is a popular migration strategy despite its low efficiency, the manifestation of Islamophobia in Finnish society to-wards migrants with Muslim background and the possible negative consequences of religious conversion from Islam to Christianity. The authors conclude that religion is an important as-pect of social consolidation and integration of foreign cultural migrants, but the formation of religious identity in school education largely contributes to the opposition of 'us' and ethno-religious 'others' in Finnish society.

Keywords:
Finland, migrant crisis, asylum seekers, deportation, religious conversion, ethnic and religious identity, migrants with Muslim background, discrimination

Introduction

Among Western European countries, Finland has a low number of immigrants — 461.2 thousand people, but it corresponds to 8.5 % of the population. Due to the population ageing and declining birth rate (2016 was the first year

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when the number of deaths exceeded births in Finland) immigration has become a nationally significant issue [1, p. 75]. The sharp increase in the number of asylum seekers of non-Finnish ethnicity and/or non-Christians as a result of the recent European migration crises has challenged Finnish society. "Christian nationalism" [2, s. 117], both in the value-political ideology of the state and in the civic identity of the majority, is one of the reasons for the tightening of Finland's immigration policy and the revision of approaches to the integration of (im)migrants into Finnish society. It exacerbates racism and discrimination against migrants, refugees and asylum seekers by Finns, government agencies and politicians. This is illustrated by the socio-political resonance in July 2023, caused by the racist and anti-immigrant statements published on the Internet by Riikka Purra[1] — the Deputy Prime Minister of Finland, Finance Minister and the leader of the Finns Party (Perussuomalaiset). Her refusal to resign was supported by 40 % of respondents in a poll of the Finnish population.[2]

The increase in the number of decisions by the Finnish Immigration Service (Migri) to deport aliens has divided Finns into those who support migrants and those who oppose asylum. It was also one of the reasons for the unprecedentedly high number of conversions to Christianity among Muslim migrants. The frequent use of religion as a basis for granting asylum has led to the problem of methods for assessing the authenticity of religious beliefs. In addition, the armed conflict in Ukraine has demonstrated the importance of religious identification and obvious differences between different categories of migrants in Finland.

Since March 2022, the Office of the United Nations High Commissioner for Refugees has registered more than 6 million Ukrainian refugees in Europe,[3] of whom 66,749 have requested asylum in Finland.[4] In contrast to the migration crisis of 2015, when Migri recorded 32,477 asylum applications (including 20,484 asylum seekers from Iraq, 5,214 from Afghanistan, 1,981 from Somalia and 877 from Syria),[5] this situation was not considered a "refugee crisis" and has

[1] Finnish far-right finance minister accused of racist online comments, 2023, *The Guardian*, URL: https://www.theguardian.com/world/2023/jul/11/finnish-far-right-finance-minister-riikka-purra-accused-of-racist-online-comments (accessed 02.04.2024).
[2] MTV:n kysely: Riikka Purran pitäisi erota, sanoo 47 prosenttia vastaajista, 2023, *MTV Uutiset*, URL: https://www.mtvuutiset.fi/artikkeli/mtv-n-kysely-riikka-purran-pitaisi-erota-sanoo-47-prosenttia-vastaajista/8741180#gs.3bl5oh (accessed 02.04.2024).
[3] Ukraine Refugee Situation, 2024, *The United Nations High Commissioner for Refugees*, URL: https://data.unhcr.org/en/situations/ukraine (accessed 02.04.2024).
[4] International protection, Applications 3/2033—2/2024, 2024, *Finnish immigration service*, URL: https://tilastot.migri.fi/index.html#applications/23330?l=en&start=626 (accessed 02.04.2024).
[5] International protection, Applications 1/2015—12/2015, 2024, *Finnish immigration service*, URL: https://tilastot.migri.fi/index.html#applications/23330?l=en&start=626 (accessed 02.04.2024).

not caused a surge in negative sentiment among the population.[1] On the contrary, the right-wing parties in the Nordic countries welcomed the arriving Ukrainians. For example, Riikka Purra made a distinction between refugees from the Middle East and Ukraine and explained why the latter deserve Finnish hospitality and assistance.[2] According to Purra, Ukrainian refugees are distinguished by their European origin and Christian faith, their number mainly includes women and children and, most importantly, their stay in Finland is temporary.[3] This statement, widely regarded as racist and Islamophobic [3, p. 256], vividly illustrates contemporary Northern European migration policy.

However, political processes make adjustments to Finnish "hospitality" towards all Christians. Thus, the deterioration of interstate relations between Finland and Russia has led to discrimination against Russians. Since October 2022, Finnish authorities have introduced restrictions and then an entry ban for Russian citizens, despite the fact that "the participation of the Russian Federation in an armed conflict is not a sufficient basis for discrimination against all Russians and classifying them as a potential security threat" [4, p. 29]. In November 2023, Finland closed its land border with Russia. Finnish authorities explained their decision by the serious threat to national security caused by the "influx" of several hundred asylum seekers from African countries at the eastern border points crossing Russia as a transit territory.

Theory and method

The study focuses on asylum seekers in Finland who immigrated from Muslim countries due to unfavourable social and political conditions. This category of migrants is most vulnerable to manifestations of racism and discrimination in Finnish society, and people with Muslim religious and ethnic identities face significant obstacles to integration. According to the theory of Finnish sociologist Vesa Puuronen, in the modern world, the dominant form of racism is based primarily on cultural differences [5, s. 56—57]. The "old" racism based on the biological superiority of some ethnic races over others is gradually being supplanted by the ideas of the "new" cultural racism, according to which non-Western cultures are backward, conservative and in conflict with Western values.

[1] For comparison: in 2014, the number of asylum seekers was around 3,000.

[2] Muhonen, T. 2022, Ukrainasta pakenevat ovat aivan eri asia kuin Lähi-idästä tulevat "elintasosiirtolaiset", sanoo perussuomalaisten Riikka Purra, *Helsingin Sanomat*, URL: https://www.hs.fi/politiikka/art-2000008700536.html (accessed 02.04.2024).

[3] Temporary protection for those fleeing Ukraine, 2023, *Finnish immigration service*, URL: https://migri.fi/en/temporary-protection (accessed 02.04.2024).

The theoretical basis of the study includes research on the adaptation of migrants in Finnish society [6—9] and stereotypes regarding the ethnoreligious identity of Muslim migrants [10—12]. In this context, the specifics of religious identity formation within the Finnish school system play a crucial role [13; 14]. The paper pays special attention to the examination of the deportation procedures in Finland [15—17], the activities of asylum supporters and anti-immigration movements [18; 19], as well as religious conversion from Islam to Christianity among asylum seekers [20; 21]. The problem of religious conversion of migrants in the global [22—24] and Finnish [25] contexts is of significant interest within the framework of this study.

The source base of the study includes interview materials with asylum seekers, refugees and Finns, published in the works of Finnish researchers, as well as documents regulating the legal aspects of immigration and integration processes in the country. The main document regulating all issues related to migration, in addition to the Constitution of Finland of 1999, is the "Aliens Act" of 2004. The objective of this Act is "to promote managed migration and provision of international protection with respect for fundamental and human rights and in consideration of international treaties binding on Finland".[1]

The research methodology involves the analysis of statistical data, including the religious composition of Finland's population and information on asylum seekers and deportees published by Migri.

The study aims to substantiate the importance of ethnic and religious factors for migration and integration processes in Finnish society. Ethnic and religious affiliation is essential for the self-identification of both migrants seeking to integrate into a fundamentally new social and legal environment and Finnish citizens defending their national interests. However, the increase in the number of cases of religious conversion as a migration strategy for legalizing refugee status has revealed the contradictory role of the religious factor.

Discrimination and racism in Finland

The "Action Plan on Integration and Inclusion 2021—2027"[2] is the main document that defines the general vector of integration policy for EU countries. As a guide to the integration and inclusion of migrants and refugees, this document focuses on combating discrimination against persons with a migrant

[1] Aliens Act (301/2004; amendments up to 389/2023 included), Section 1. Objectives of the Act, *Ministry of the Interior*, URL: https://www.finlex.fi/en/laki/kaannokset/2004/en20040301_20230389.pdf (accessed 02.04.2024).

[2] Action plan on Integration and Inclusion 2021—2027, 2020, *European Commission*, URL: https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52020DC0758&qid=1632299185798 (accessed 02.04.2024).

background. Discrimination is a particularly pressing issue in modern European society. It can be based solely on a migrant background but may be exacerbated due to ethnic origin as well as religious beliefs.[1] The main principles of this plan form the basis of the Finnish national migration strategy developed by the Ministry of the Interior. This indicates that Finnish integration policy is inclusive and anti-discriminatory.

According to the Migrant Integration Policy Index (MIPEX), Finland is among the top ten in the world. The effectiveness of the Finnish migration policy is 85 points, and "anti-discrimination" as one of the key indicators reaches its maximum.[2] However, the "Government Report on the Need for Reform in Promoting Integration" (2021) highlights the need to strengthen integration measures and confirms that racism and discrimination against migrants not only exist in Finnish society but also significantly hinder their successful integration.[3] The first signs of racism appear in the school system and subsequently manifest themselves in all spheres of life, including the labour market, education, and mental health.[4] Research on this issue shows that, despite the inclusiveness of integration policy, it focuses on the differences between migrants and the local population, and positions them as "others" based on ethnic, cultural or religious criteria [e. g. 6, p. 4].

A study of stereotypes in public consciousness related to migration, discrimination, and racism in Finnish society has revealed three main myths about migrants [7, p. 8—14]. First of all, there is a myth that immigrants are fundamentally different from the majority of Finns in a negative way—they are less educated, unwilling to assimilate, inclined toward a dependent lifestyle, and more prone to criminal behaviour, etc. This approach not only contributes to the division of society into two groups: us and them "us" and "others", but also extrapolates the widespread negative public stereotypes about an ethnic and/or religious minority group to all its members. Such mythologized prejudices are used in public discourses to justify various restrictions on migrants. According to a second myth, discrimination and racism are not a minor social problem, since discrimination

[1] Action plan on Integration and Inclusion 2021—2027, 2020, P. 7, *European Commission*, URL: https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52020DC0758&qid=1632299185798 (accessed 02.04.2024).

[2] The Migrant Integration Policy Index. Finland, 2020, *Migrant Integration Policy Index*, URL: https://www.mipex.eu/finland (accessed 03.04.2024).

[3] Valtioneuvoston selonteko kotoutumisen edistämisen uudistamistarpeista, p. 36, 2021, *Valtioneuvosto*, URL: https://julkaisut.valtioneuvosto.fi/bitstream/handle/10024/163237/VN_2021_62.pdf (accessed 02.04.2024).

[4] Ibid. P. 36—37.

against migrants is part of everyday life. This position removes responsibility from the host society for the occurrence of discrimination and makes the fight against its manifestations unnecessary.

A myth of privileged immigrants (the third one) has the opposite argument and presents migrants as a separate group with a privileged position in Finnish society compared to majority Finns. This myth comes from the belief that the state provides significant benefits to refugees based simply on their immigrant status. Such an argument is actively used by the ideologists of the Finnish anti-immigration political movement to justify racist sentiments in society. They present refugees as "economic migrants" or "surfers seeking a higher standard of living" [26].

The legal definition of the concept and status of a refugee is set out in Article 1 of the 1951 Convention Relating to the Status of Refugees[1] and confirmed by the Finnish Aliens Act.[2] However, its interpretation at the national level depends on the constantly changing state and political interests [27, p. 51]. Thus, the concept of "migrant" implies "voluntary" or "economic" migration, whereas the concept of "refugee" indicates "forced" or "political" displacement.[3] The political agenda actively exploits these concepts and interprets them in accordance with the priorities of various state and political structures. While Denmark has traditionally had the strictest immigration policy among the Nordic countries and Sweden has taken the most liberal approach [28, p. 82], Finland has always occupied an intermediate position in this regard [17, p. 2]. However, nationalistically oriented parties have recently actualized anti-immigration and nationalist ideology in Finnish society [29], and liberal and center-left parties have included some aspects of anti-immigration discourse in their political programs. All this contributed to the tightening of state migration policy. In particular, a significant increase in the number of asylum seekers predictably led to an increase in the number of

[1] According to the 1951 Convention Relating to the Status of Refugees, the term "refugee" shall apply to any person who "owing to well-founded fear of being persecuted for reasons of race, religion, nationality, membership of a particular social group or political opinion, is outside the country of his nationality and is unable or, owing to such fear, is unwilling to avail himself of the protection of that country". The 1951 Convention Relating to the Status of Refugees, *The United Nations*, URL: https://www.un.org/ru/documents/decl_conv/conventions/refugees.shtml (accessed 02.04.2024).

[2] According to p. 11 of Section 3 of the "Aliens Act", "refugee means an alien who meets the criteria laid down in Article 1 of the Refugee Convention". (Aliens Act (301/2004; amendments up to 389/2023 included), 2023, *Ministry of the Interior*).

[3] Apostolova, R. 2015, Of Refugees and Migrants: Stigma, Politics, and Boundary Work at the Borders of Europe, *American sociological association culture section*, URL: https://asaculturesection.org/2015/09/14/of-refugees-and-migrants-stigma-politics-and-boundary-work-at-the-borders-of-europe/ (accessed 02.04.2024).

decisions to deport foreign citizens who were denied refugee status. This has led to serious divisions in Finnish public and political discourse and has divided citizens into those who oppose the asylum practice and those who sympathize with the deportees.

Protests against deportations: the "Right to Life"

Since 2015, Migri has registered 10,481 deportation decisions and 3,469 decisions to cancel deportation.[1] For example, during this period, Finnish authorities deported 1,166 Iraqi citizens, 397 Somali citizens, and 202 Afghan citizens, while also making 432, 104, and 154 decisions, respectively, to cancel deportations. However, deportation is an expensive, lengthy and often controversial procedure, which is significantly complicated by legal obstacles to the return of refugees to potentially unsafe areas. This leads to a significant gap between the number of deportation decisions and the actual deportation of aliens from the country [17, p. 2]. Despite the recognition of Afghanistan, Somalia and Iraq as completely safe territories since May 2016, many refugees from these countries remain illegally[2] in Finland after the decision to refuse asylum [18, c. 152].

In addition, asylum seekers have intensified protests against the tightening of asylum conditions and deportations, which, according to the protesters, contradict the principle of non-refoulement.[3] The first large-scale political protest was the "Right to Life" [19, p. 981]. It began in the autumn of 2015 when Iraqi and Afghan asylum seekers, who had arrived in Finland at the peak of the migration crisis, asserted their right to live in the country. Despite the small number of protesters — about 100 people — this event received wide publicity and led to both demonstrations of support and counter-demonstrations, as well as the persecution of the protested asylum seekers. Thus, the activities of Finnish volunteers from the "Refugees Welcome" movement [16, p. 135] to provide assistance to asylum seekers served as one of the reasons for the mobilization of anti-immigrant

[1] Deportation Decisions 1/2015—2/2024, 2024, *Finnish immigration service*, URL: https://tilastot.migri.fi/index.html#decisions/23332/52?l=en&start=540 (accessed 02.04.2024).

[2] In 2017, approx. 2300 illegal residents were encountered in Finland, the greatest number of them were Estonians (331), with Russian nationals (291) and Iraqis (171) as the next largest groups. International Migration 2017—2018 — Report for Finland, 2018, *Ministry of the Interior*, URL: https://julkaisut.valtioneuvosto.fi/bitstream/handle/10024/161174/25_2018_International_Migration_2017-2018.pdf?sequence=4 (accessed 02.04.2024).

[3] Article 33 — Prohibition of the expulsion of return ("refoulement"), The 1951 Convention Relating to the Status of Refugees, *The United Nations*.

movements. Most of them, such as the "Soldiers of Odin", strongly associate migration processes with a national threat and seek to protect their homeland from "Islamization", "cultural invasion" and "terrorist threats" by closing state borders [12, p. 135].

The main demands of the "Right to Life" included a suspension of deportations, as their legality was questioned due to the incompetence of the interpreters of the significantly expanded staff of Migri in the autumn of 2015. This department of the Ministry of the Interior is the main state agency for asylum, residence permits and deportation. According to the Aliens Act, it may decide to deport an alien even on the grounds that "there is reason to suspect that he or she may commit an offence which is punishable by imprisonment in Finland".[1] In addition, asylum seekers were severely restricted in receiving free legal assistance at asylum interviews, and the time for filing an appeal to administrative courts was reduced from 21 to 14 days, while the normal appeal period in Finland is 30 days [18, p. 987]. In this way, the protesters sought to draw the attention of state authorities to the obvious discrimination and human rights violations against asylum seekers.

Another controversial aspect of asylum decisions is the credibility assessment of an applicant's fear of being persecuted in his/her home country. On the one hand, the "Aliens Act" emphasizes that it is immaterial whether the applicant actually possesses the origin-specific, religious, national, social or political characteristic which attracts the persecution, provided that such a characteristic is attributed to the applicant by the actor of persecution.[2] On the other hand, the asylum seeker must justify this fear of being persecuted in his country of nationality, or his inability or unwillingness to avail him of the protection of that country.[3] Formally, the credibility assessment can be divided into three parts [15, p. 7]. The first part is internal credibility measured by examining how logical and detailed the asylum seeker's story is. The second part is external credibility based on a comparison of this story with external facts, for example, the situation in the country of origin and provided documentary evidence. The third part is social credibility used to justify the social and cultural perspective of reading this story by authorities. This need for the credibility assessment has been one of the reasons why Muslim migrants (mostly from Iraq and Afghani-

[1] Aliens Act (301/2004; amendments up to 389/2023 included), Section 148. Grounds for denial of admittance or stay, 2023, *Ministry of the Interior*.

[2] Aliens Act (301/2004; amendments up to 389/2023 included), Section 87b (422/2014). Reasons for persecution, 2023, *Ministry of the Interior*.

[3] Article 1 — definition of the term "refugee". The 1951 Convention Relating to the Status of Refugees, *The United Nations*.

stan) have chosen to formally renounce their religion in favour of Christianity, which is predominant in Finnish society to increase their chances of receiving asylum.

Religious conversion as a modern migration strategy

The specifics of religious conversion among migrants in the host country require special consideration. In 2017, the conversion to Christianity became the most common ground for appeal to administrative courts in Finland after a deportation decision,[1] as Muslim migrants who change their religious beliefs may face persecution in their home country, including the death penalty. While Migri does not have official statistics for asylum applications based on conversion to another religion, it estimated that they accounted for about 70 % of the 7,500 filed appeals [21, p. 2]. In a study of the deportation of Iraqi refugees to Iraq, interviewees claimed that there were rumours actively spread in reception centres, on social media, and on the streets that Finland only grants asylum to people who convert to Christianity or who justify their application by their sexual orientation [20, s. 257—258]. One of these interviewees confirmed that he had converted to Christianity and renewed his asylum application because he believed that he could stay in Finland after changing his religion. But in practice, an applicant is often unable to confirm the authenticity of his/her religious beliefs and substantiate the veracity of the grounds for appealing a negative decision on deportation. However, more and more migrants from countries with Muslim cultures want to join the Evangelical Lutheran Church in Finland (ELCF).

In Finland, the majority of the population — 65.2 % — belongs to the ELCF.[2] Although over the last twenty years, the number of the ELC followers has decreased by 20 % (according to statistics, the number of non-believers in the country has increased by the same amount),[3] it is still the most influential religious organization in the country, and its status is defined by the "Church Act" in the

[1] Statistics for 2017: Clearly less asylum seekers than the year before — over 2,100 asylum seekers submitted their first application, 2018, *Finnish Immigration Service*, URL: https://migri.fi/-/vuoden-2017-tilastot-turvapaikanhakijoita-selvasti-edellisvuosia-vahemman-ensimmaisen-hakemuksen-jatti-reilut-2-100-hakijaa?languageId=en_US (accessed 02.04.2024).

[2] Population and society, Population structure on 31 December 2022, Religion, 2023, *Statistics Finland*, URL: https://www.tilastokeskus.fi/tup/suoluk/suoluk_vaesto_en.html#Applicants%20for%20asylum (accessed 02.04.2024).

[3] Ibid.

Constitution of Finland.[1] The Constitution proclaims freedom of religion and conscience,[2] but at the same time, it preserves the traditionally strong relations between the state and the ECLF. This fact indicates the importance of the religious aspect for the civic identity of Finns, despite the high level of secularization in the country. In addition, this determines the attractiveness of the ELCF among other Christian organizations for Muslim migrants who have chosen religious conversion as a way to increase their chances of receiving official refugee status and successfully integrating into Finnish society. However, all issues related to asylum and deportation of newly converted Christians are resolved by the Ecumenical Council of Finland. The Council is a forum of Christian churches where issues related to migrants and refugees are discussed at national and European levels and with the participation of the Commission of the Churches on Migrants in Europe.

The Ecumenical Council first raised the issue of conversion of asylum seekers to Christianity in October 2016, in one of four recommendations for the "National Action Plan on Fundamental Human Rights, 2017—2019": "Immigration authorities react with suspicion to conversions, which forces converts to take a test on religion that has given unreliable results. The process of belief-testing, according to which it is decided whether a person is truly Christian or not, is discriminatory and against freedom of religion, and the present form of exam does not serve the original purpose, the investigation of grounds for asylum" (cit. in: [21, p. 6]). Thus, the credibility assessment of religious beliefs by Finnish state authorities is contrary to fundamental human rights and freedoms. But at the same time, religious beliefs are sufficient grounds for asylum or the cancellation of a deportation decision only if their authenticity can be proven.

Migri's efforts to assess the credibility of religious beliefs of asylum seekers have been condemned by Finnish Christian communities. In an interview with the Lutheran World Federation, the leader of the ELCF — the Archbishop of Finland Tapio Luoma expressed concern about the safety and religious freedom of deported refugees and asylum seekers.[3] He briefly summarized a paper signed in August 2019 by the leaders of the member churches of the Finnish Ecumenical

[1] The Constitution of Finland 11 June 1999 (731/1999, amendments up to 817/2018 included), Section 76. The Church Act, *Ministry of Justice*, *UNHCR*, URL: https://www.refworld.org/legal/legislation/natlegbod/1999/en/86918 (accessed 02.04.2024).

[2] The Constitution of Finland 11 June 1999 (731/1999, amendments up to 817/2018 included), Section 11. Freedom of religion and conscience, *UNHCR,* URL: https://www.refworld.org/legal/legislation/natlegbod/1999/en/86918 (accessed 02.04.2024).

[3] Finnish church: an integral part of society, 2019, *The Lutheran World Federation*, URL: https://lutheranworld.org/news/finnish-church-integral-part-society (accessed 02.04.2024).

Council. This paper drew the attention of the Finnish authorities to two main issues. Firstly, in addition to the fact that some asylum seekers who receive a negative decision are being returned to unsafe areas, they face a risk of persecution due to their conversion to Christianity. Secondly, assessing whether the conversion is genuine or asylum-motivated is problematic. Churches are worried that secular authorities lack the necessary experience in the religious and cultural spheres to make an objective decision. At the same time, the authorities do not pay due attention to the opinions of experts from the parishes where asylum seekers were baptized. In addition, the ELCF is interested in attracting new members in the context of the secularization of Finnish society and the declining number of its parishioners.

Religious identity in Finnish society

In recent decades, the world has seen an unprecedented increase in the number of conversions from Islam to Christianity, but it is not possible to estimate their exact number. This situation has arisen largely due to the ambiguity of self-identification among newly converted Christians. For example, in the Middle East, Muslims who converted to Christianity often avoid the term "Christian" and identify themselves as a "Muslim-background Believer" or a "Muslim Follower of Christ" [22, p. 3]. In Finland, as in most Nordic countries, on the contrary, newly converted migrants must demonstrate a change in their religious beliefs to be granted asylum on the grounds of a risk of religious persecution in their home country. Therefore, their new religious identity must exclude any ambiguity in breaking with their previous religion to be recognized by secular authorities.

This underlines the importance of missionary work by Christian churches among migrants who intend to convert to another religion to remain in the host country. In this regard, Christian churches have committed to opposing racism and discrimination[1] and have included in their charters recommendations to explain to Muslims the possible consequences of baptism both in the country of origin and in the host society [24]. At the same time, migrants who intend to convert from Islam to Christianity are warned that an open declaration of their new religious affiliation could also threaten their relatives in their homeland [25, p. 166].

[1] Migration, 2024, *Evangelical Lutheran Church of Finland*, URL: https://evl.fi/en/our-work/our-policies/migration/ (accessed 02.04.2024).

On the other hand, despite the primacy of democratic values in Western countries, newly converted immigrants with a "Muslim background" may be subject to Islamophobia due to the strong association of Islam with their ethnicity [23]. While Muslim religious organizations and mosques in Finland play a significant role in integration processes, and the formation of a positive image of migrants and their identity [8, p. 94], there are widespread fears in Finnish society about the growth of extremism and radicalization among Muslims. A Pew Research Center poll on "Being Christian in Western Europe" found that a majority of Finns — 62 % — believe "Islam is fundamentally incompatible with [their country's] culture and values".[1] This is the highest rate among Western European countries. It indicates that religion has become a key element of immigrant identity in the modern world. At the same time, the membership of migrants in a religious community plays a decisive role in their integration. [11, p. 8]. This has led to the formation of three widespread false assumptions [10, p. 20]:

1) since migrants come from countries where Islam is the dominant religion, they are frequently assumed to be Muslim, even though, in reality, they may follow other religions or be atheists;

2) not only are all migrants assumed to be Muslims, they are all Muslim in "the same way" regardless of numerous social differences, adherence to different movements in Islam and variations in beliefs;

3) the mass displacement of migrants and the escalation of international extremism (stereotypically associated with Islam) have led to a situation where "migrant" equals "Muslim", and "Muslim" equals "terrorist" in public discourse and consciousness.

To promote the integration of migrants with a "Muslim background" and to overcome existing social misconceptions, the Finnish Ministry of Education and Culture has included lessons on studying Islam along with other religious traditions in the school curriculum [9, p. 221].

Finnish immigration policy sees education as an important element of integration [14, p. 82]. Finnish school education is a national project and Christianity is its important component. Although religion does not play a significant role in the

[1] Being Christian in Western Europe, Western Europeans divided over whether Islam is compatible with national values, 2018, *Pew Research Center*, URL: https://www.pewresearch.org/religion/2018/05/29/nationalism-immigration-and-minorities/ (accessed 02.04.2024).

daily lives of most Finns, Lutheran traditions are an important part of Finnish culture. These traditions are actively promoted by schools, where religious lessons are compulsory for everyone [13, p. 4].

Most students attend religion classes based on the teachings of the ELCF as the dominant religious organization in the country with the largest number of followers. Children whose families do not belong to the Lutheran Church can choose to join these classes or attend classes in secular ethics. There is also a third group of students (mostly Muslim) who attend classes in the religion of their families, if at least three students in the class request it.

However, religious differences among students become most noticeable not when children are assigned to different religion classes, but when the school holds Christian events. When various Christian holidays are celebrated in Finnish schools, non-Christian children are offered an alternative program [13, p. 8]. This approach emphasizes the religious background of each student and contrasts "Lutherans" and "others". Since most Christians of other denominations prefer to attend events organized by the Lutheran Church [13, p. 9], all children are conditionally divided into "Christians" and "others".

Thus, religion is an important tool of identification in school education. It highlights religious differences and encourages students to define their religious identity, even if they come from a secular family. In this context, it is the non-Lutheran alien who is the "other". This also contributes to the equation of ethnic and religious identities in Finnish society.

Conclusion

The European migration crises have had a significant impact on the integration and immigration policies of the Nordic countries. For Finland, with its predominantly ethnically, culturally, and religiously homogeneous population, the need to accept and integrate a significant number of asylum seekers with other ethno-religious identities has become a national issue. Despite the government's commitment to pan-European political principles of inclusiveness and anti-discrimination towards migrants, Finnish society is conditionally divided into those who support asylum and those who support nationalist anti-immigration movements. The most manifestations of racism from state structures and political parties, as well as from Finns, are directed at Middle Eastern and African migrants. Unlike Ukrainian refugees, they are stereotypically associated with Islamic radicalism and perceived as a potential threat to public safety.

Despite Islamophobia and a significant increase in the number of negative asylum and deportation decisions, most migrants from Muslim countries have

shown a desire to stay in Finland. Many of them chose conversion to Christianity as a ground for asylum applications or appeals against deportation decisions to Finnish administrative courts, despite the possible negative consequences of religious conversion. This migration strategy has led to a number of social problems: from the ambiguity of the credibility assessment of religious beliefs of newly converted Christians with a "Muslim background" to obstacles to their successful integration due to their ethnicity. It is important to note that the Ecumenical Council of Finland has not always been able to defend the right of new members of Christian churches to receive asylum on the ground of a risk of persecution on religion.

Religion is one of the main aspects of integration processes in Finnish society, and religious identity is actively formed in school education. Religious identification plays a significant role not only for Christian Finns (Lutherans), but also for Muslim refugees or newly converted Christians with a "Muslim background". The state, Islamic and Christian religious organizations make many efforts to integrate people with other religious and/or ethnic identities into Finnish society. However, the Finnish society still strictly adheres to the opposition of "us" and "others" with a negative connotation. On the one hand, it is connected with the stereotypical thinking of the majority of Finns in relation to migrants from certain countries, and on the other hand, the Finnish integration policy reinforces the perception of "us" and "others" in different spheres of social life.

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WHY DO EAST GERMANS FEEL AFFINITY TOWARDS RUSSIA: AN ANALYSIS OF ATTITUDES TO RUSSIA IN GERMANY'S EASTERN FEDERAL STATES

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Despite the reunification of Germany taking place more than 30 years ago, the Eastern and Western federal states still have different attitudes toward foreign policy. This article explores the reasons and prerequisites for greater understanding and lower awareness of Russia in the eastern part of Germany. The author examines the correlation between East Germans' perception of Moscow and their political culture, as well as the economic ties between the Russian Federation and the new federal states. Using archival materials, newspapers from the former German Democratic Republic, interviews, and social surveys, the author tests the hypothesis that sympathy toward Russia in East Germany may be rooted in the shared history of the GDR and the USSR. The steady dissemination of Soviet culture and the Russian language, along with various personal and institutional contacts, made Russia seem less foreign and more familiar. Furthermore, both the GDR and the USSR avoided raising difficult questions about World War II that could have complicated mutual relations. The study also identifies differences between memory politics in Germany and in several other former Eastern Bloc countries, which have influenced perceptions of Russia. Due to the nature of reunification and the rapid integration into Western organizations, reunified Germany did not construct the image of Russia as an antagonistic 'Other' to affirm its European identity.

Keywords:
Russia, USSR, Germany, GDR, East Germany, East Germans, Russian-German relations, political culture, politics of memory, The Society for German-Soviet Friendship

The reunification of Germany occurred over 30 years ago, yet disparities persist between the eastern and western federal states. East Germany continues to lag behind the west of the country in terms of labour productivity, per capita GDP,

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average salaries, and other economic indicators. Some German researchers and politicians have expressed concerns about the differing political cultures and the lack of democratic experience in the former GDR [1, p. 258]. These concerns have grown as support for the right-wing party Alternative for Germany has increased among East Germans since 2015 [2].

Public speakers have voiced unease over another distinctive feature of East Germans: the citizens of the former GDR hold a different attitude towards German foreign policy and relations with other countries. These differences in assessments of international relations echo the divisions of the Cold War. Ossis (the German informal label for citizens of the former GDR, just as Wessis is the label for West Germans) tend to view the policy of Western allies, NATO and the US more critically. For instance, in 1999, only 36 % of respondents in East Germany and 94 % of respondents in the West were satisfied with NATO's operation in the Kosovo war [3, p. 95—96]. According to 2021 polls, 36 % of Germans believed their country should become more independent from the US. However, 60 % of East Germans and only 32 % of West Germans shared that view.[1]

At the same time, East Germans generally express greater understanding and a positive attitude towards Russia. In 2019, the Körber-Stiftung compared how German citizens viewed the importance of allied relations with the US and Russia. Forty-three per cent of the population in the old federal states (i. e. West Germany) considered close relations with the US more important for the country, while only 21 % favoured relations with Russia. In contrast, only 23 % of the population in the new federal states prioritised transatlantic ties, while 38 % supported German-Russian relations.[2]

Even after the launch of the conflict in Ukraine, amid the dramatic worsening of relations between Berlin and Moscow and the Germans' growing distrust of the Russian Federation (in both parts of the country), East Germans continue to express greater interest in Russia and weaker support for sanctions and military aid to Ukraine than their western compatriots.[3] For instance, in 2023, 47 % of West Germans and 70 % of East Germans opposed the supply of Taurus cruise

[1] Forsa-Umfrage: Ostdeutsche fühlen sich Russland deutlich näher, Westdeutsche den USA, *RND*, URL: https://www.rnd.de/politik/forsa-umfrage-ostdeutsche-fuehlen-sich-russland-deutlich-naeher-westdeutsche-den-usa-HMUGK6VO6BADTCBKZM6ZY4GANU.html (accessed 07.07.2024).

[2] Germany and the United States: Reliable Allies, Pew Research Centre, 07.05.2015, URL: https:// www.pewresearch.org/global/2015/05/07/germany-and-the-united-states-reliable-allies/ (accessed 07.07.2024).

[3] Russland-Bild der Deutschen, *Infratest dimap*, URL: https://www.infratest-dimap.de/umfragen-analysen/bundesweit/umfragen/aktuell/russland-bild-der-deutschen/ (accessed 07.07.2024) ; Keine Mehrheit für mehr Waffenlieferungen, *Tagesschau*, 05.01.2023, URL: https://www.tagesschau.de/inland/deutschlandtrend/deutschlandtrend-3255.html (accessed 07.07.2024).

missiles to Kiev.[1] In 2024, 33 % of respondents in the old federal states viewed military support to Ukraine as excessive, and 22 % believed it to be insufficient. In the new federal states, these figures were 47 % and 15 % respectively. Forty-five per cent of West Germans and 34 % of East Germans believed that the sanctions against Russia were inadequate, while 17 % of respondents from the West and 27 % of respondents from the East Germans saw them as unreasonable.[2]

Methodological differences in sociological polls prevent an analysis of how East German attitudes towards Moscow have evolved since 1990. However, one pattern can be clearly identified: East Germans tend to express greater understanding and less criticism of Russia.[3]

Differences in political culture between East and West Germans have been critically examined in academic papers [5, p. 383; 6, p. 281; 7]. Yet, some texts, mostly journalistic, addressing East Germans' differing attitudes towards foreign policy and Russia, often lack impartiality. Firstly, East Germans' positive attitude towards Russia is viewed as an anomaly, a feature that warrants scrutiny.[4] However, even before the conflict in Ukraine, it was difficult to imagine articles such as 'Why do West Germans express less understanding of Russia?' or 'Why are many East Germans mild towards Russia?'.[5] Regardless of foreign policy preferences,

[1] Zurückhaltung bei möglicher Lieferung von Taurus-Marschflugkörpern an die Ukraine, Infratest dimap, URL: https://www.infratest-dimap.de/umfragen-analysen/bundesweit/umfragen/aktuell/zurueckhaltung-bei-moeglicher-lieferung-von-taurus-marschflugkoerpern-an-die-ukraine/ (accessed 07.07.2024).

[2] ARD-DeutschlandTREND Januar 2024. Eine repräsentative Studie im Auftrag der tagesthemen. Infratest-dimap. *Tagesschau*, 02.01.2024. URL: https://www.google.ru/url?sa=t&source=web&rct=j&opi=89978449&url=https://www.tagesschau.de/inland/deutschlandtrend/deutschlandtrend-pdf-134.pdf&ved=2ahUKEwjXuojGy4KLAxWicKQEHUUiEvEQFnoECBoQAQ&usg=AOvVaw3w-ns50yxVoQx8wvwTbEjj (accessed 07.07.2024).

[3] The author analyses the opinions expressed in the five eastern states, noting that published polls usually exclude data from Berlin. In the last five years, only a paper prepared by the Centre for East European and International Studies (ZoiS) reveals that respondents from Berlin are less supportive of relations with Russia than those from both eastern and western federal states [4, p. 15]. It is assumed that these results were influenced by the inclusion of data from West Berlin and migration to the capital from other regions.

[4] Darum sympathisieren im Osten mehr Menschen mit Russland, *Krautreporter*, 05.06.2023, URL: https://krautreporter.de/4909-darum-sympathisieren-im-osten-mehr-menschen-mit-russland (accessed 10.06.2024) ; Woher das Russland-Verständnis kommt. *MRD*, 24.10.2023, URL: https://www.mdr.de/geschichte/ddr/politik-gesellschaft/ostdeutsche-russland-versteher-beziehungen-ukraine-krieg-sowjetunion-100.html (accessed 10.06.2024).

[5] Reference to the article 'Why are many East Germans mild towards Russia' [Warum viele Ostdeutsche russlandmilde sind], *Spiegel*, 03.10.2022, URL: https://www.spiegel.de/politik/deutschland/nach-putins-angriffskrieg-warum-viele-ostdeutsche-russlandmilde-sind-a-961d45a1-b648-4d8f-8292-04873df157cb?dicbo=v2-c29b19b7f695b7420efefb8a48f2243d (accessed 10.06.2024).

the West German attitude seems to be considered the norm. Secondly, even before the Ukrainian conflict, some texts appeared to assess this interest negatively. Thirdly, in some texts, East Germans appear not only as objects of research but also potentially as objects of political education.[1] Finally, even scientific research has at times conflated East Germans' sympathies for Russia, the Russian political system and the Russian political elite [4].

This article explores the reasons and prerequisites for a more positive attitude towards Moscow in the eastern federal states of Germany, investigating the hypothesis through various theoretical approaches. Firstly, the hypothesis that positive attitudes towards Russia may correlate with political culture (political culture theory) and economic ties (economic determination) requires verification. Secondly, it is suggested that significant preconditions for the perception of Russia might have been shaped by the history of the GDR and the USSR. Thus, the process of Soviet-German reconciliation is explored. Thirdly, to understand why East Germans' attitudes towards Russia differ from those in several other Eastern Bloc countries, the article also examines distinctive features of memory politics in reunited Germany. The final sections draw on Aleida Assmann's theoretical approach, particularly her definition of collective memory [8], as well as Maurice Halbwachs's thesis that personal memory operates within a collective context [9].

The article draws on the author's interviews with German and Soviet politicians and researchers, archival documents, the GDR newspaper *Neues Deutschland*, statistical data and published opinion polls.

The limitations of this conceptual framework are acknowledged, with the hope that future research will explore this question using sociological methods as well.

'With the change of the economic foundation the entire immense superstructure is more or less rapidly transformed'

Hypothetically, economic ties between nations foster political cooperation and positive mutual perceptions. Therefore, it is necessary to challenge the assumption that East Germans' relatively positive attitude towards Russia correlates with more intensive economic cooperation between the new federal states and the Russian Federation. Given that the sanctions imposed in the wake of the Ukraine conflict and the concurrent deterioration of Russian-EU economic cooperation, this study focuses on pre-2022 data.

Trade statistics from two eastern federal states provide strong support for the assumption regarding the significance of economic ties. In 2021 and 2020, Russia was the top export destination for Brandenburg, while for Sachsen-Anhalt, it ranked first in 2021 and second in 2020.[2]

[1] Russland ist Teil der ostdeutschen Identität, *Tagesschau*, 26.02.2023, URL: https://www.tagesschau.de/inland/gesellschaft/ostdeutschland-ukraine-101.html (accessed 10.06.2024).

[2] Calculated by the author for Brandenburg based on *OEC. World.,* URL: https://oec.world/en/profile/subnational_deu/brandenburg (accessed 30.04.2024) ; Saxony-Anhalt, based on *OEC. World.* URL: https://oec.world/en/profile/subnational_deu/saxony-anhalt (accessed 30.04.2024).

In 2021, Russia accounted for 15 % of Sachsen-Anhalt's goods exports, amounting to 2.9 billion euros, a figure significantly exceeding that of other suppliers.[1] At the same time, exports from Sachsen-Anhalt to Russia reached 314 million euros, a relatively low figure.[2] Russia's major exports were fossil fuels — natural gas and oil. With the Druzhba pipeline running through the federal state, the refinery in Leuna sustains gas stations, households, and the chemical industry in Sachsen-Anhalt, as well as in Thuringia and Saxony.

In 2021, Russia's share of goods exports in Brandenburg was 19.2 %, amounting to 3.93 billion euros.[3] The refinery in Schwedt processed Russian crude oil flowing through the Druzhba pipeline in Brandenburg, directly employing 1,200 people. The oil refining industry in the eastern federal states created jobs for 54,500 individuals and supported 160 enterprises in the chemical and pharmaceutical sectors.[4]

Russia was significant, though not the main trade partner, for other eastern federal states. In 2020, the country ranked 12th among exporters and importers in Mecklenburg-Vorpommern.[5] Moreover, the Nord Stream 1 and 2 gas pipelines terminate in Greifswald, Mecklenburg-Vorpommern, where the EUGAL and NEL pipelines originate. Russia's role, however, is less significant in two other eastern states: in 2021, it ranked 15th as an exporter and 30th as an importer to Thuringia,[6] and 20th as an exporter and 29th as an importer to Saxony.[7]

The above suggests that although economic ties may shape perceptions of Russia, they are not the decisive factor, as no correlation exists between trade balance and attitudes towards Russia in Saxony and Thuringia. While the share of Russian exports and imports was insignificant, the US, in contrast, was the

[1] Counted by the author by Saxony-Anhalt. *OEC. World*, URL: https://oec.world/en/profile/subnational_deu/saxony-anhalt (accessed 10.06.2024).

[2] Wirtschaft und Verbraucher: So abhängig ist Sachsen-Anhalt von Russland. *MRD,* URL: https://www.mdr.de/nachrichten/sachsen-anhalt/krieg-russland-sanktionen-folgen-wirtschaft100.html#sprung (accessed 30.04.2024).

[3] Counted by the author by Brandenburg. *OEC,* URL: https://oec.world/en/profile/subnational_deu/brandenburg (accessed 30.04.2024).

[4] Ukraine-Krieg: Ohne russisches Öl aus der „Druschba"-Pipeline — geht das?, *Merkur.de*, 25.03.2022, URL: https://www.merkur.de/wirtschaft/ukraine-krieg-news-russisches-oel-druschba-pipeline-ende-zr-91434319.html (accessed 10.06.2024).

[5] Statistische Berichte zum Thema Außenhandel, *Landesamt für innere Verwaltung Statistisches Amt*. URL: https://www.laiv-mv.de/Statistik/Zahlen-und-Fakten/Gesamtwirtschaft-&-Umwelt/Aussenhandel/Statistische-Berichte (accessed 23.01.2025).

[6] Russland und die Ukraine im Fokus — Außenhandel und Bevölkerung in Thüringen, *Thüringer Landesamt für Statistik*, URL: https://statistik.thueringen.de/presse/2022/pr_035_22.pdf (accessed 12.06.2024).

[7] Counted by the author by Außenhandel, Statistisches Landesamt des Freistaates Sachsen, URL: https://www.statistik.sachsen.de/html/aussenhandel.html?_cp=%7B%22accordion-content-8029%22%3A%7B%222 %22%3Atrue%2C%223%22%3Atrue%7D%2C%22previousOpen%22%3A%7B%22group%22%3A%22accordion-content-8029%22%2C%22idx%22%3A2%7D%7D (accessed 30.04.2024).

second-largest exporter and fourth-largest importer to Saxony in 2021.[1] As noted earlier, Eastern Germans believe that relations with Russia are more important for Germany than those with the US. Furthermore, despite the dramatic deterioration of Russian-German economic relations and the Nord Stream explosions, the new federal states still maintain a relatively positive attitude towards Russia. This indicates that economic cooperation and gas pipelines were not the sole factors connecting East Germany with Russia.

The wall in the mind: differences in political cultures

East Germany's distinct political culture, along with its similarities to that of Russia, could be seen as a prerequisite for a deeper understanding of Moscow. German public figures and researchers suggest that shared experiences of the crises of the 1990s, disillusionment with pro-Western ideals, and a sense of being treated as second-class citizens may have shaped East German-Russian relations.[2] Support for Moscow appears to be tied to the struggle for the vulnerable East German identity.[3] Although there is no definitive evidence linking the trauma of the painful transition to capitalism with a favourable attitude towards the Russian Federation, this hypothesis remains thought-provoking. Although it has been argued that the roots of the current perception of Russia can be traced to the history of the GDR and the *Wendezeit* (the period of transformation after the collapse of communism in the GDR), this does not explain why Russia became embedded in East German identity. We will explore this question in the following paragraphs.

Weaker support for democracy is seen as another distinctive feature of East German political culture. Indirectly, this could reinforce positive attitudes towards Russia — a country often regarded as undemocratic in German discourse — as well as for Russian political elites. According to polls, in 2019, 33.8 % of East Germans and only 20.3 % of West Germans considered Vladimir Putin an effective president [4, p. 11]. However, East Germans' political culture and weaker commitment to democracy cannot be the primary cause of the difference in attitudes. Firstly, it seems more accurate to attribute East Germans' sentiments not to anti-democratic views in the new federal states but to dissatisfaction with the German political system. According to 2020 data, 59 % of respondents in the

[1] Sachsens Außenhandel, *Sachsen!*, URL: https://standort-sachsen.de/de/exporteure/sachsens-aussenhandel (accessed 12.06.2024).

[2] Warum viele Ostdeutsche russlandmilde sind, *Spiegel*, 03.10.2022, URL: https://www.spiegel.de/politik/deutschland/nach-putins-angriffskrieg-warum-viele-ostdeutsche-russlandmilde-sind-a-961d45a1-b648-4d8f-8292-04873df157cb?dicbo=v2-c29b19b7f695b7420efefb8a48f2243d (accessed 10.06.2024).

[3] Russland ist Teil der ostdeutschen Identität, *Tagesschau*, 26.02.2023, URL: https://www.tagesschau.de/inland/gesellschaft/ostdeutschland-ukraine-101.html (accessed 10.06.2024).

West and only 39 % in the East were satisfied with it.[1] Secondly, attitudes towards a country appear to carry more weight than perceptions of its political regime. The presidency of Donald Trump, widely regarded as populist in the German mass media, did not alter the pattern of stronger support for the US in the West than in the East of Germany. Another notable feature is the lower level of trust in political institutions, including official mass media, in the new federal states [7, S. 170]. As a result, some East Germans may disregard criticism of the Russian regime in the German media. Nevertheless, the case of Donald Trump demonstrates that scepticism towards media criticism alone is insufficient to alter the pattern in which West Germans show greater support for their US ally, while East Germans express more support for Russia.

Therefore, political culture could influence East Germans' attitude towards Russia, as some East Germans are less susceptible to the criticism of the Russian political regime in the German media. However, as noted above, attitudes towards a country may be a more significant factor than perceptions of its political regime. Consequently, the roots of East Germans' idea of Russia, as well as the differences between the new and old federal states, can presumably be traced back to the times of a divided Germany.

'Learning from the Soviet Union means learning to win'

The Soviet-German friendship became a crucial element of East German ideology following the establishment of the German Democratic Republic in 1949. On May 5, 1949, the Socialist Unity Party of Germany (*Sozialistische Einheitspartei Deutschlands,* SED) passed a resolution requiring party members to actively support friendship with the USSR [10, S. 77]. Amity with the Soviet Union, alongside ties with other socialist countries,[2] was enshrined in the GDR's Constitutions of 1968 and 1974.[3]

The SED political elite ensured the inviolability of Soviet-German ties. The rationale for their commitment was the protection offered by the Soviet Union, which secured the existence of the young German Democratic Republic and its socialist system. However, another driving factor behind their pro-Soviet orientation was the personal biographies of the party leaders, who had deep emotional ties to the USSR. Prominent figures of the GDR, such as Wilhelm Pieck and Walter Ulbricht, had fought against the Nazis in the National Committee for a Free Germany, an organization that operated in the USSR during World War II.

[1] *Ostdeutschland. Ein neuer Blick. Bericht 2022,* 2022, Berlin, Der Beauftragte der Bundesregierung für Ostdeutschland, 92 S.

[2] Verfassung der Deutschen Demokratischen Republik vom 9. April 1968 in der Fassung vom 7. Oktober 1974. Kap. 1. Art. 6. (2.), URL: https://www.verfassungen.de/ddr/verf74.htm (accessed 10.01.2024).

[3] Verfassung der Deutschen Demokratischen Republik vom 9. April 1968 in der Fassung vom 7. Oktober 1974. Kap. 1. Art. 6. (2.), *Verfassungen der Welt,* URL: https://www.verfassungen.de/ddr/verf74.htm (accessed 30.04.2022).

Others, such as Horst Sindermann and Erich Honecker, had been incarcerated in Nazi prisons and concentration camps. Some, such as Erich Mielke, studied in the USSR after fleeing the Third Reich, while Marcus Wolf, the head of the Ministry of State Security's foreign intelligence service from 1952 to 1986, spent his childhood and youth in the Soviet Union and was known to his friends as 'Mischa' [11]. The Soviet Union, therefore, was a natural and significant ally for them. Willi Stoph, Chairman of the Council of Ministers from 1976 to 1989, and Hans Modrow, Chairman of the Council of Ministers from 1989 to 1990, both served in the German army but became fervent communists after their time in Soviet POW camps and anti-fascist schools[1] [12, S. 36—45]. Quantitative data on members of the SED Central Committee provides additional support for this thesis.

In 1954, 20 % of Central Committee members and 6 % of candidates had been in exile in the USSR between 1939 and 1945 [13, S. 175]. Furthermore, 24 % of members and 9 % of candidates had received education in the Soviet Union before 1945, while 6.6 % of members and 11 % of candidates attended Soviet educational institutions after the war [13, S. 176].

Several public and cultural organisations were established to promote Soviet-German friendship and disseminate Soviet culture. In 1946, the Council of Ministers of the Soviet Union approved the opening of the House of Soviet Culture in Berlin, which covered a library, theatre, art exhibitions, among other initiatives.[2] In 1947, Societies for the Study of Soviet Culture were founded to combat anti-Soviet sentiments. Two years later, these smaller societies were consolidated into a mass organisation named the Society for German-Soviet Friendship (*Gesellschaft für Deutsch-Sowjetische Freundschaft*, DSF). The DSF held public lectures, discussions, concerts, films, exhibitions, and managed the Houses of Soviet Culture.[3] By the end of the 1980s, approximately 6 million people had become members of the DSF. However, as the number of members steadily grew, their involvement became more symbolic. Many members no longer actively participated in the organisation's activities, leading to a decline in membership fees and increasing reliance on government support.

The dissemination of the Russian language and Soviet culture aimed to strengthen Soviet-German ties. In 1951, Russian became the primary foreign language taught in schools. Russian books were translated and published, and events such as the Days of Friendship and Culture of the USSR in the GDR, tours by Soviet dance troupes and music ensembles and film festivals were organised annually in East Germany.[4]

Public sentiment towards the Soviet Union evolved over 40 years. Initially, anti-Soviet attitudes were strong, with Germans criticising Soviet soldiers,

[1] Author's interview with Hans Modrov. 10.03.2020.

[2] State Archive of the Russian Federation (GARF) F. R-9493. Op. 1. D. 3. P. 24; State Archive of the Russian Federation (GARF) F. R-9493. Op. 1. D. 2. P. 10.

[3] State Archive of the Russian Federation (GARF) F. R-9576 Op. 4. D. 13 (1). P. 1, 7, 34.

[4] Neues Deutschland, 9 Mai, 1980.

the Soviet political system, the Stalin cult, and the Society for German-Soviet Friendship [10, S. 83]. Citizens condemned the Soviet propaganda, particularly a large number of posters at the time when children did not have school textbooks [10, S. 84]. However, attitudes gradually shifted. Interviews indicate that by the early 1970s, East Germans no longer viewed Soviet people as foes. While the Society for German-Soviet Friendship still sparked irritation, this was primarily due to its obligatory nature and membership fees [10, S. 25]. Some East Germans had already befriended Soviet citizens. According to Filitov, the dissemination of Soviet culture was successful and contributed to a positive image of the Soviet Union [14, p. 9—10].

Some East Germans already had Soviet friends. According to the article Alexey Filitov, the dissemination of Soviet culture was successful and contributed to the positive image of Soviet Union [14, p. 9—10].

Thus, the policy of Soviet-German friendship, along with the dissemination of Soviet culture and the Russian language, laid the foundation for contact and apparently fostered a sense of familiarity with the Soviet Union among East Germans.

Dealing with the past

Although both Soviet and German propaganda promoted the slogan of Soviet-German friendship, there was no mention of reconciliation. It seemed that the Soviet and German peoples had moved from war to friendship without that stage. Yet, confronting the Nazi past was a crucial aspect of Soviet-East German and later Russian-German relations.

On the one hand, the GDR elites acknowledged the crimes of the Hitler regime immediately after the war. More significantly, they promptly recognised the atrocities committed on Soviet territory,[1] a contrast to the reluctance of West German elites to do so [14, p. 17]. In the official GDR discourse, one of the main outcomes of World War II was 'the liberation of East Germany by the Soviet Union'. Although East German political elites sought to promote the idea of liberation by the Red Army at the war's end, Soviet leaders contested this narrative, preferring to describe it as a victory over Germany. It was only after the establishment of the GDR on 8 May 1950 that Soviet leader Joseph Stalin officially congratulated the new republic on Liberation Day by telegram [15, p. 32]. Stalin's telegram legitimised the narrative of Germany's liberation. Even former Soviet soldiers, such as the war hero Mikhail Yegorov, described the liberation of the Germans in their official speeches as a key objective of the Red Army,[2] which contradicted the reality of 1945.

On the other hand, public discussions on the collective guilt of the East German people waned. In the first decades after the war, there was room for politi-

[1] Neues Deutschland, 7 Mai, 1950.

[2] Er hisste die rote Fahne auf dem Reichstag. Neues Deutschland, 8 Mai, 1955.

cal discourse on East German responsibility for the lack of anti-Nazi resistance. However, under Erich Honecker, the emphasis shifted from responsibility to pride in belonging to the anti-fascist state.[1] Official GDR propaganda asserted that only the Hitler regime had been the aggressor.

The remembrance of World War II enriched the concept of Soviet-German friendship. East Germany emphasised the Soviet Union's dominant role in both the victory and the Eastern Bloc. However, under Erich Honecker, images of two forces fighting side by side, almost on equal terms, appeared in public addresses and publications.[2] The political elites of the GDR did not confine themselves to the role of 'the grateful pupil'. Under Honecker, East Germany celebrated Liberation Day with the same symbols as those used for Victory Day in the Soviet Union.[3] Party and state leaders received congratulations from representatives of the Warsaw Pact countries and awarded Soviet veterans the Scharnhorst Order and the Patriotic Order of Merit.[4]

Given that silence is just as important as commemoration within the framework of the politics of memory, public dissatisfaction with Soviet actions was not permitted in East Germany. With West Germany using the suffering of prisoners of war in the USSR for propaganda, the GDR viewed POW camps as an effective means of re-education. East Germans displaced from Czechoslovakia and former German territories in Poland and the USSR were not allowed to form associations or criticise their displacement [16, S. 151]. Any conflicts between German and Soviet citizens, including military personnel of the Group of Soviet Forces in Germany, were concealed [10, S. 94]. As a result, difficult and painful moments of mutual history did not become part of the shared collective memory.

Thus, East German elites, largely composed of members of the Anti-Nazi Resistance, immediately acknowledged the crimes of Hitler's regime against the Soviet people. With Moscow's approval, the GDR equated the victory in World War II with the liberation of East Germany. At the same time, both sides avoided addressing complex issues of the war and post-war history. The Soviet decision to support the SED's discourse of liberation was driven by political pragmatism. Over time, the victory of the USSR in World War II came to be seen by East Germans not as humiliation but as liberation. In turn, East German elites consistently complemented the thesis of the liberation of the German people with a statement emphasising the importance of Soviet-German friendship.

People-to-people contacts

The slogan 'German-Soviet friendship' could seem hollow without social contact between the two peoples. Paradoxically, within Soviet-German interactions, a declaration of friendship coexisted with a limited number of private contacts. There were two main types of contact between citizens of the USSR and

[1] Autor's interview with Prof. Jens Reich und Eva Reich. 13.12.2017.

[2] Neues Deutschland, 8 Mai, 1975.

[3] Ibid.

[4] Neues Deutschland, 7 Mai, 1985.

the GDR. The first was formalised interactions in groups, according to a pre-approved programme, including official visits and meetings. The second was informal communication among ordinary citizens, free from control or censorship.

Shortly after World War II, only limited groups of people, predominantly communist elites, were allowed to visit the USSR. Prominent party members travelled abroad to receive an education in Moscow. From the mid-1950s, Soviet and German worker delegations visited each other's industrial factories as part of mutual exchanges.

Another opportunity for citizens of both countries to visit the USSR and the GDR was tourism, although the number of individuals travelling to the 'brotherly nation' remained limited. In 1956, only 3,516 East Germans visited the USSR; by 1975, the number had risen to 143,000, and in 1988, it reached 380,000 [17, p. 156]. The number of Soviet tourists in the GDR was roughly two to three times smaller [17, p. 156].

Tourist visits were organised according to officially approved guidelines. Tourist groups were often arranged by profession, with routes tailored to participants' fields of work. Agricultural workers visited kolkhozes,[1] while industrial workers toured factories. Soviet groups visited memorials to the Great Patriotic War, sites dedicated to the history of the communist movement, and locations associated with German anti-fascism. German tourists toured places related to the history of the communist party and Lenin, as well as the achievements of the socialist system, with reduced emphasis on cultural and historical heritage [18].

Both official and tourist visits included semi-official meetings and intercultural dialogue. Organised by the Society for German-Soviet Friendship, these gatherings took place in a formal yet highly amicable atmosphere, featuring addresses, toasts and artistic performances. While their structured and controlled nature made them seem artificial, they also minimised the risk of serious conflicts.

Co-education and collaboration fostered even deeper and stronger informal connections, sometimes developing into lasting friendships. For instance, Russian-speaking East German scholars maintained warm relationships with their Soviet counterparts and remained in contact even after the collapse of the Soviet system [10, S. 92].[2] Co-education, as an interaction between representatives of two nations, could not be entirely controlled or confined to propaganda slogans. While respondents and researchers noted the presence of observers and informers among Soviet and German students, this did not have a significant impact on the daily lives of the youths [19, p. 76].[3]

It is worth noting that German students enrolled in higher education in the Soviet Union cannot be regarded as a representative sample of GDR society. Firstly, the number of East German students who studied in the USSR was not considerable, never exceeding 22,000 after 1951 [20, p. 535]. Secondly, only motivated, well-educated and trustworthy youths were permitted to study abroad.

Soviet-German educational exchanges strengthened friendly relations between the two countries. According to surveys, many Germans who studied at So-

[1] State Archive of the Russian Federation (GARF) F. R-9612. Op. 3. D. 54. P. 2.

[2] Autor's interview with Prof. Jens Reich und Eva Reich. 13.12.2017.

[3] Author's interview with Dr Viktor Vasilyev. 14.11.2022.

viet universities maintained an interest in Russian culture and people [21, S. 17]. Respondents from the former GDR assessed their studies in the USSR positively, valuing the knowledge and experience they had gained. One of the most decisive factors was human relations, with one respondent noting that none of their teachers or acquaintances blamed them for the war [21, S. 15]. Unexpected everyday challenges, such as travel restrictions and less comfortable halls of residence, did not diminish their positive attitude towards Soviet education. Moreover, some respondents highly valued experiences that contradicted the official image of the USSR, mentioning political debates among students, opportunities for critical discussions on Soviet reality and socialist ideas, and access to Western literature [21, S. 12—13]. Similarly, Soviet students who attended universities in East Germany expressed similar sentiments. They were particularly struck by student discussions, open communication, books (such as those by Heinrich Böll), access to Western television, and relatively high levels of consumption.

Contacts between ordinary citizens of the GDR and Soviet troops, including the medical corps deployed in East Germany, had an ambiguous nature and impact. On one hand, these contacts were strictly restricted; on the other, both official and unofficial communications took place. Some of these interactions left a positive impression [6, S. 26], but at the same time, several members of the Group of Soviet Forces in Germany committed crimes against civilians, undermining the entire concept of Soviet-German friendship[1] [10, S. 94]. Additionally, German soldiers, particularly officers of the National People's Army (NVA), interacted with their Soviet counterparts, and this experience was ambivalent, with the most positive memories stemming from contacts with ordinary people in the USSR [22; 23, S. 19—22]. However, the consequences and influences of military contacts require a more thorough evaluation in future studies.

An uncommon but fruitful practice of Soviet-German interaction was pen friendship. Worker[2] and student[3] collectives would find pen pals from the 'brotherly nation' through the Society for German-Soviet Friendship or the embassies. Pupils, especially young pioneers, sent letters to *Pionerskaya Pravda* and International Friendship Clubs to request the addresses of pen friends. While some participants may have used such correspondence for career purposes, it seems that most schoolchildren had a genuine interest in the exchange or a desire to improve their foreign language skills. Soviet-German pen pals exchanged similar experiences (everyday pioneer life, pioneer bonds, summer camps) and shared aspects that were unfamiliar to the correspondents (daily goods, life abroad) [24, p. 230, 244].

Thus, contacts between the Soviet and East German people, although relatively rare, should not be underestimated. Firstly, even organised visits and meetings fostered a sense of familiarity, and a structured programme reduced the risk of

[1] Bundesarchiv, DC 20/8970. S. 31—32.

[2] State Archive of the Russian Federation (GARF) F. R-9576 Op. 4 D. 12 (1). P. 65.

[3] State Archive of the Russian Federation (GARF) F. R-9576 Op. 4. D. 13 (1). P. 29—30.

conflicts.[1] Secondly, mutual perceptions of the German-Soviet relationship, particularly as one of similarity and exoticism, heightened interest and communication. Thirdly, paradoxically, rare informal contacts amid a reality that differed from the official ideal image proved powerful and contributed to the positive perceptions of both countries.

Post-reunification politics of memory in Germany: exceptio probat regulam in casibus non exceptis

The hypothesis that the ties between the USSR and the GDR, along with the dissemination of Soviet culture, has translated into a more amicable attitude of the new federal state towards Russia raises the question of why this sentiment is not shared by all Eastern Bloc countries. Indeed, in all Warsaw Pact countries, there were communications with Soviet citizens, Russian was taught in schools, and Soviet culture was strongly promoted [25, p. 20].

The East German attitude towards Russia (distinct from, for instance, Polish sentiments)[2] was supposedly influenced not only by shared history but also by the remembrance of that period, as individual memory of a particular event is shaped not only by personal experience but also by social and collective memory. Maurice Halbwachs noted that one 'must often appeal to others' remembrances to evoke his own past. He goes back to reference points determined by society, hence outside himself" [9]. Particularly for generations born after 1980, perceptions are based both on the stories of elders and the image of the past shaped by the politics of memory.

German politics of memory does not focus on critically examining the GDR-USSR ties or the Soviet influence and pressure on East German elites. Even the East German uprising of 1953 did not become a significant or critical part of collective memory. 17 June, the day of the East German uprising suppressed by Soviet troops, was a national holiday in West Germany (Day of German Unity) but was replaced by 3 October, German Unity Day, following the reunification. Apparently, the lack of criticism of the Soviet Union in collective memory can be explained by the history of the past 30 years. Additionally, the differences between the former GDR and other Warsaw Pact countries may have influenced Germany's politics of memory towards Russia.

Firstly, the new elites who came to power in post-socialist countries after the collapse of the Eastern Bloc were predominantly representatives of the anti-socialist opposition and projected their experiences onto national politics. The last President of Czechoslovakia and the first President of the Czech Republic, Václav Havel sought to shape the identity of the new elites by positioning them as heirs of the 1968 protesters. He appointed the architect of the Prague Spring, Alexander Dubček, as Chairman of the Federal Assembly of Czechoslovakia [26,

[1] Yet, conflicts between citizens of the two countries could not be entirely eliminated. For example, the archives of tourist organisations contain complaints from Soviet citizens regarding the rudeness or the unnecessary political discussions raised by German guides [13].

[2] Taking into account that the memories of the population of Central and Eastern European countries, as well as their attitude towards the Russian Federation, are also heterogeneous.

p. 25]. These elites actively criticised the communist past and, to some extent, the USSR. For instance, Václav Havel described Russia as a potential threat in his speeches [27, p. 62]. In contrast, with former West German elites remaining in power in reunified Germany, the anti-communist struggle was not central to German identity. Moreover, the country's authorities sought to avoid complicating Russian-German relations with anti-Soviet rhetoric.

Secondly, some dramatic events in the shared history of the USSR and Central and Eastern European (CEE) countries became significant elements of their politics of memory — the Prague Spring [28, p. 194] in the Czech Republic and the Warsaw Uprising in Poland. A united Germany cannot radically revise the commemoration of World War II, given its commitment to overcoming the Nazi past (*Vergangenheitsbewältigung*). For instance, while the demolition of the monument to Marshal Konev was possible in the Czech Republic, a comparable decision in Germany would provoke condemnation and violate the Treaty on Good-Neighbourliness, Partnership and Cooperation, as well as the German-Russian War Grave Agreement. Moreover, Berlin cannot blame the USSR for the occupation of the GDR, as this could be seen as a revision of the outcomes of World War II.

Thirdly, Germany and other Eastern Bloc countries interpret the historical events that took place in 1989 and 1990 differently. While CEE countries commemorate the Velvet Revolutions as a victory over their communist regimes and the USSR [29, p. 162], Germany largely credits Mikhail Gorbachev with enabling the peaceful revolution and the country's reunification.[1] Former Chancellor Helmut Kohl expressed gratitude to the Soviet leader, alongside the American president and opposition figures in former Warsaw Pact countries, in a speech marking the 10th anniversary of reunification.[2] Chancellor Gerhard Schröder similarly acknowledged in his 1999 reunification address: 'We commend the Soviet government of Mikhail Gorbachev for not opposing the people's desire for freedom. Quite the opposite: Gorbachev's reform policies contributed to this development'.[3] Chancellor Angela Merkel also included Gorbachev among those who facilitated the fall of the Berlin Wall in her speech on 9 November 2014.[4]

[1] Deutsche Teilung und Friedliche Revolution, *Infratest-dimap*, URL: https://www.bundesstiftung-aufarbeitung.de/sites/default/files/uploads/files/2019-11/2014-10-02-umfragebundesstiftungaufarbeitung-2-graf.pdf (accessed 20.06.2024).

[2] Rede von Dr Helmut Kohl, Bundeskanzler a. D., *Deutscher Bundestag*, URL: https://www.bundestag.de/parlament/geschichte/gastredner/gorbatschow/kohl-247410 (accessed 20.06.2024).

[3] Rede von Bundeskanzler Gerhard Schröder zum Tag der deutschen Einheit am 3. Oktober 1999 in Wiesbaden, URL: https://politische-reden.eu/BR/t/49.html (accessed 20.06.2024).

[4] Rede von Bundeskanzlerin Merkel anlässlich der Eröffnung der neuen Dauerausstellung der Gedenkstätte Berliner Mauer am 9. November 2014, Bunderegierung, URL: https://www.bundesregierung.de/breg-de/suche/rede-von-bundeskanzlerin-merkel-anlaesslich-der-eroeffnung-der-neuen-dauerausstellung-der-gedenkstaette-berliner-mauer-am-9-november-2014-415742 (accessed 20.06.2024).

Finally, in the discourse on affiliation with Europe, Russia came to be perceived as the *Other*. With the former GDR merging into reunified Germany, it automatically joined Western structures — NATO and the European Communities/EU. For CEE countries, however, this remained a goal to be achieved over the following decade. While East Germans did not have to prove their European identity, some CEE representatives were acutely aware of their alleged alienation from Europe. Europe was their quest [30, p. 2], a mythical lost home to which they had been returning [31].[1] They could construct their (Central) European identity by defining Russia as the antagonistic *Other* — the force that had severed them from their roots. This perception of Russia as the *Other* was already present in Central European intellectual debates of the 1980s [32, p. 200—207]. Milan Kundera, for instance, wrote in his essay: '[n]othing could be more foreign to Central Europe and its passion for variety than Russia: uniform, standardizing, centralizing, determined to transform every nation of its empire… into a single Russian people'.[2] After the Velvet Revolutions of 1989 and 1990, political elites in CEE countries sought integration into the Western community by positioning themselves in opposition to the East, particularly Russia [32, p. 211—212; 33].

Thus, while the integration of the former GDR into Western society shaped its distinct politics of memory and set it apart from CEE countries, the relatively low level of criticism of the Soviet Union did not significantly influence perceptions of Russia in the new federal states.

* * *

The more favourable attitude of East Germans towards Russia may result from a combination of factors. Economic ties and, in particular, cognate political cultures shape perceptions of Russia in the new federal states. However, since economic and political factors alone cannot fully explain the exceptional empathy for Russia in eastern Germany, a shared history appears to be another significant element.

Historical ties fostered a sense of closeness between the two countries. While Soviet-German friendship did not fully align with its official image, the steady dissemination of Soviet culture and the Russian language, along with various points of contact, made Russia feel less foreign and more familiar. Familiarity often breeds understanding, as East German politician Matthias Platzeck observed: 'When you get to know the Russians better, it doesn't mean that you love them,

[1] Havel, V. 1996, The Hope for Europe, an address in Aachen on May 15, *The New York Review*, URL: https://www.nybooks.com/articles/1996/06/20/the-hopefor-europe/ (accessed 10.06.2024).

[2] Kundera, M. 1984, The Tragedy of Central Europe, *The New York Review*, URL: https://www.nybooks.com/articles/1984/04/26/the-tragedy-of-central-europe/?srsltid=AfmBOoqG6qlfzrdFRq1_EQIysWa526pTHIvPkf10ReWgMLSxTVd-0uJR (accessed 10.06.2024)

but you assess them more realistically and you don't have any irrational fears'.[1] Notably, this rapprochement was strengthened not because of propaganda, but in spite of it. Germans who had direct contact with Soviet people retained empathy towards the USSR and Russia, even as they recognised that the country differed from the idealised portrayal in Russian language textbooks.

Another key factor was the relatively low level of criticism directed at the Soviet Union in both the GDR and reunified Germany. The process of reunification and Germany's swift integration into Western organisations shaped its post-1990 politics of memory. In the socialist GDR, condemnation of the USSR was not permitted due to the close ties between the elites of both countries and the Soviet Union's endorsement of East Germany's narrative of World War II. Both states sought to avoid raising difficult questions.

Silence about painful historical issues is a contentious approach that does not necessarily lead to reconciliation. For instance, in the first decade after the war, when memories of the conflict were still raw, oblivion was not an option. Although the enforced suppression of memory and restrictions on openly discussing personal tragedies may have seemed harsh, restrictions on the remembrance of traumatic events caused these episodes to be ultimately excluded from the collective memory of subsequent generations. A balance must be struck — one that allows victims to share their difficult experiences while ensuring that their suffering does not become the foundation of a historical myth (in the academic sense of the word) that could hinder future generations' ability to engage in constructive dialogue.

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[1] Author's interview with Matthias Platzeck 12.11.2019; Die späte Liebe zum großen Bruder, in Spiegel: https://www.spiegel.de/politik/die-ostdeutschen-und-russland-liebesgruesse-nach-moskau-a-00000000-0002-0001-0000-000166007141 (accessed 10.01.2024).

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ANALYSIS OF THE CONVERGENCE OF DIGITAL INEQUALITY ACROSS RUSSIAN REGIONS

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In contemporary information societies, digital inequality among populations has become a significant challenge, impeding both social and economic progress. This study aims to investigate the convergence of digital inequality across 79 regions of Russia from 2014 to 2021, with a particular focus on the population's access to information and communication technologies. Through the analysis of dispersion and Theil indices, the study reveals a trend of convergence and a growing uniformity in digital inequality indicators among the population of Russian regions over the observed period. Notably, there has been a relatively homogeneous distribution of digital inequality indicators across regions throughout this timeframe. The general trend of reduced dispersion signals a more stable and consistent dynamic of indicators across regions, suggesting enhanced stability and similar development trajectories. Moran dispersion diagrams for both 2014 and 2021 have enabled the identification of regional shifts between quadrants, highlighting progress in the trend towards reducing digital inequality among Russian regions. Regions initially characterised by lower levels of internet development have gradually advanced to higher quadrants in the Moran chart in subsequent years. This indicates a convergence process, wherein these regions are narrowing the gap with, or even surpassing, regions with more advanced internet development. This upward trend reflects the effectiveness of governmental policies and measures aimed at enhancing internet infrastructure and technological integration across the regions.

Keywords:
digital inequality, internet, convergence, digital technologies, digital economy, Russian regions, digital divide, econometric modeling

Introduction

The economic development of Russian regions exhibits considerable disparities, shaped by vast geographical distances, climatic conditions, historical trajectories and other factors. Moreover, there are considerable differences among Russian regions in households' access to digital technologies. In a digital society, access to information and communication technologies is increasingly essential for education, employment, healthcare and participation in public life. However,

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financial, geographical and socio-cultural barriers may limit this access. As a potential impediment to economic development, digital inequality restricts certain groups from accessing vital information, resources and opportunities, thereby reducing their chances of self-actualisation and civic engagement.

The development of a modern digital economy is a crucial phase in Russia's economic advancement at both national and regional levels. The digitalisation of socio-economic processes significantly broadens opportunities for businesses, individuals and the state as a whole [1]. Leadership in digital accessibility can inspire transformational change by enabling cities to embrace digital inclusivity and equity, thereby fostering a barrier-free digital urban logic [2]. In contemporary societies, the digital divide has direct implications for efforts to digitalise the welfare state [3], while also posing significant challenges for local governments striving to provide equitable and inclusive access to essential public services for all community members [4].

Despite the growing role and significance of digitalisation in the current phase of global economic development, digital inequality remains an increasingly pressing issue [5].

The digital divide is commonly understood as the gap between individuals with and without access to information and communication technologies such as computers and the Internet. In some cases, it also includes mobile phones — particularly smartphones — as well as other digital hardware and software.

The digital divide emerged as a prominent issue in the early 1990s with the expanding access to the Internet and personal computers [6]. The initial approach to the problem was simplistic, focusing on the binary distinction between those with Internet access and those without [7], with the latter perceived as being at a greater disadvantage [8]. This definition refers to first-level inequality, which will be examined in the present study.

Exploring different ways of using the Internet [9] and the challenges of fully embracing technology [10] have become key issues in discussions on the digital divide. Eszter Hargittai [11] introduced the term second-level gap, while Jan van Dijk and Kenneth Hacker [12] stressed that digital inequality does not end with physical access but begins with the everyday use of digital media.

As a result, the discourse has shifted from the binary distinction of access versus no access to a focus on skills and usage, with an emphasis on meaningful outcomes — a concept introduced in 2011 as third-level digital inequality [13]. This gap arises when possessing digital skills and using the Internet do not translate into tangible benefits [14; 15].

The digital divide is now understood as a multidimensional phenomenon shaped by various factors [16]. Furthermore, it is widely assumed to reinforce existing social inequalities [17—19].

Studies on first-level digital inequality have shown that Internet access is unevenly distributed among people with varying demographic characteristics, such as age, gender, socioeconomic status, ethnicity and geographic location [20].

This study aims to examine the trend towards reducing digital inequality across 79 regions of Russia from 2014 to 2021, focusing on the population's access to information and communication technologies. It analyses trends and patterns in digital inequality indicators to assess whether regions are moving towards greater uniformity in access to these technologies. Additionally, the research seeks to identify trends indicating a decrease in dispersion and increased digital uniformity across regions. Russia's vast and diverse geographical landscape and socio-economic conditions lends particular relevance to the study of this phenomenon.

Literature review

A literature review on the narrowing of the digital divide must begin with the recognition that it is not static but evolves in response to political, economic and social processes. Studies on the bridging of the digital divide examine how regions with varying levels of access to digital resources either converge or diverge in their development. This approach helps to identify the trends and mechanisms that contribute to the narrowing or widening of the digital divide. The mitigation of the digital divide is often linked to the concept of economic convergence.

Numerous academic studies have meticulously examined various types of convergence, with two widely recognised models being β-convergence and σ-convergence. The seminal work of William J. Baumol [21] stimulated extensive research into convergence hypotheses, following the examples set by Robert J. Barro, Xavier Sala-I-Martin et al. [22; 23]. These studies employ the β-convergence approach, which is based on the principle that if a significant convergence coefficient is observed in the equation, growth rates in poorer countries will exceed those in wealthier ones, indicating a process of convergence. According to Sala-i-Martin [24], absolute β-convergence occurs when poorer economies tend to grow faster than richer ones. Conversely, a group of countries is considered σ-convergent when the variation in their real GDP levels declines over time. The so-called σ-convergence, proposed by Danny Quah, is typically measured using either the standard deviation or the coefficient of variation over different periods [25].

Various forms of economic convergence are frequently the subject of rigorous discussion and extensive debate in academic circles. In several articles, Sergio J. Rey in collaboration with Brett D. Montouri [26] and Mark V. Janikas [27] have incorporated spatial effects into the assessment of convergence trends, with a particular focus on the spatial distribution of variables. They contend that both the magnitude and spatial distribution of the variable play a crucial role. Cinzia Alcidi has examined the β-convergence hypothesis at the regional level within the EU [28]. Nina Schönfelder and Helmut Wagner have applied the concepts of σ-convergence and unconditional β-convergence to institutional development across several country groups, using World Bank indicators and identifying β-convergence within the EU [29].

In recent decades, convergence has emerged as a central issue in economic growth. However, both σ-convergence and β-convergence frequently depend on methodologies that overlook the geographic characteristics of data [30].

Regarding studies on the convergence of digital inequality, the following works merit particular attention.

Keun-Yeob Oh and Vinish Kathuria tested the narrowing of the digital divide in 40 Asian countries over 10 years from 2000 to 2009. The GINI coefficient and HH index indicate that countries are becoming more equitable in relative terms regarding information and communication technology (ICT) usage. Relative convergence suggests a convergence rate of approximately 9 %. In contrast, advanced methodologies that test for panel nonstationarity, both with and without cross-sectional dependence, provide little evidence of convergence across countries. Although ICT use is increasing more rapidly in less developed countries, the absolute gap between nations is not narrowing [31]. Badri N. Rath examined ICT convergence across 47 developed and developing countries, using annual data from 2000 to 2012 and constructing the ICT Development Index through principal component analysis. Findings from a dynamic panel data model suggest a widening gap in ICT development, with greater disparity observed in emerging economies compared to developed ones [32].

By examining the digital divide across 108 countries, Seung Rok Park et al. aim to better understand the factors contributing to a more creative global economy. The study finds that the level of convergence in digitalisation among these countries can be categorised into three groups. Group 1, characterised by the highest level of convergence, also exhibits the highest level of digitalisation, whereas Group 3, conversely, displays the lowest level of convergence and digitalisation among the countries studied [33].

Yu Sang Chang et al. have examined the dynamics of the digital divide between middle- and low-income groups in 44 African countries in the context of three technologies: mobile cellular, Internet and fixed broadband, from 2000 to 2015. At the macro level, the relative digital divide decreased by 0.72 % to 11.3 % per year, while the absolute digital divide increased by 31.33 % to 17.11 % per year. The faster the absolute digital divide increases, the higher the catch-up rate of low-income countries [34].

Herdina Dwi Ramadhanti and Erni Tri Astuti have provided evidence of both absolute and conditional convergence in ICT development in Indonesia [35], while Vagia Kyriakidou et al. have assessed the convergence of the digital divide using a dataset on broadband service penetration across all European countries over an extended period [36].

The findings of Tanushree Agarwal and Prasant Kumar Panda indicate uneven access to ICT facilities across Indian states. Over the past decade, low-income states have experienced faster growth than high-income states in access to facilities such as telephones and mobile phones [37]. Spatial econometric methods applied to panel data from Russian regions confirm short-term technological

cooperation between regions. Furthermore, they demonstrate convergence in the growth rates of innovation expenditures and patents granted over the long term [38].

Stepan Zemtsov et al. have found that as markets become saturated with digital services, digital inequality between Russian regions decreases due to the accelerated adoption of new technologies in lagging regions, i. e. convergence. Overall, patterns of Internet use align with the spatial diffusion of innovations. Leading regions include those with major agglomerations and the northern territories of Russia, whereas regions with a high proportion of rural populations lag behind. Coastal and border regions (e. g., St. Petersburg, Kaliningrad, Karelia and Primorsky *krai*) benefit from better Internet access due to their proximity to centres of technological innovation and the high intensity of external connections. Leading regions influence their neighbours through spatial diffusion [39].

Material and methods

This article seeks to analyse digital inequality among the population of Russian regions in terms of access to information and communication technologies between 2014 and 2021. Digital equality or inequality within Russia's regions reflects their level of development and plays a crucial role in achieving sustainable development goals, both nationally and regionally, by illustrating the distribution and use of information resources across the country.

The study is based on objective indicators of digital inequality among regional populations, sourced from the website Russia's statistical service Rosstat, as of 20 November 2023.[1]

The final dataset on digital inequality in access to ICT across Russian regions comprises eight key indicators. It covers 79 Russian regions over an eight-year period from 2014 to 2021.

However, due to the absence of official statistics for the Republic of Crimea, the city of Sevastopol and the Republic of Chechnya during this period, these regions were excluded from the study. Additionally, the data for the Yamalo-Nenets and Khanty-Mansiysk autonomous *okrugs* were combined as a single entry under the Tyumen region. Consequently, the analysis was conducted on a dataset of 79 regions, including the cities of St Petersburg and Moscow, without affecting the overall results of the study.

The first indicator used in the sigma-convergence analysis is the coefficient of variation. Dispersion values reflect changes in the growth rate of indicators over different years [40]. Higher variance values may indicate greater fluctuations, while lower variance values suggest more stable and uniform growth rates [41; 42].

[1] Appendix to the *Regions of Russia. Socio-economic indicators* statistics yearbook, 2023, *Rosstat*, URL: https://rosstat.gov.ru/folder/210/document/47652 (accessed 23.08.2023).

$$\sigma_t = \frac{\sqrt{\frac{\sum_{i=1}^{n}(y_i - y)^2}{n}}}{y}, \quad (1)$$

where y_i represents the value of the variable in region i;

y is the average of the variable

n is the number of regions.

The Theil indices in the study were calculated using the following formulas [43]:

$$\text{The Theil index} = \frac{1}{N}\sum_{i=1}^{N} ln(\frac{\mu}{x_i}), \quad (2)$$

$$\text{The Theil index} = \frac{1}{N}\sum_{i=1}^{N} \frac{x_1}{\mu} ln(\frac{\mu}{x_i}), \quad (3)$$

where x_i is the indicator of the i^{th} regional economy, μ is the average indicator, and n is the number of regions.

The Theil indices were calculated for indicators of digital inequality across the regions to assess the degree of disparity in their distribution throughout Russia. The Theil index, derived from absolute values, can be considered an indicator of beta-convergence, while variance and the Theil index based on growth rates correspond to sigma-convergence.

A value closer to zero indicates a more even distribution, whereas a value approaching one signifies greater inequality. The second Theil index is used to analyse inequality in the year-on-year growth rate of the indicator.

Analysing Theil indices provides valuable insights into the extent of regional disparities and forms the basis for further investigation into the underlying drivers of these inequalities, as well as potential strategies for fostering more equitable digital access across Russian regions.

The Theil indices in this study were computed using the following formula [44]:

$$I_i = \frac{x_i - \bar{x}}{m_2}\sum_{j=1}^{N} \omega_{ij}(x_j - \bar{x}), \quad (4)$$

where

$$m_2 = \frac{\sum_{i=1}^{N}(x_i - \bar{x})^2}{N}, \quad (5)$$

and

$$I = \sum_{i=1}^{N} \frac{I_i}{N}; \quad (6)$$

I is the Global Moran's I measuring global autocorrelation; I_i is its local counterpart. N stand for the number of spatial units indexed by i and j; x_i is the variable of interest; $\bar{x}$ is the mean of x_i; ω_{ij} are the elements of a spatial weight matrix with zeros on the diagonal.

When regions fall into the first quadrant of the Moran scatter diagram, this may indicate a spatial concentration of higher values of indicators, where regions with such a high concentration are typically surrounded by others with similarly high values. Regions in the second quadrant score low on the standardised indicator while being surrounded by regions with higher values. Territories in the third quadrant exhibit both a low score on the standardised indicator and are adjacent to other regions with similarly low values. Finally, regions in the fourth quadrant score highly on the standardised indicator but are surrounded by neighbouring regions with low values.

To test the hypothesis regarding the impact of digital inequality indicators on convergence, significant and relevant factors were analysed using dispersion indices, the Gini coefficient and two Theil indices, including that based on the growth rate of the indicator. The Lorenz curve is employed to visualise inequality in data distribution, with its approximation aiding in identifying patterns. The data are tested for normality using the Kolmogorov — Smirnov and Shapiro-Wilk tests. Spatial inequality is assessed using the Moran index, calculated based on the distance along highways from Moscow to the capital of each region. The results are visualised through graphs and charts, offering a comprehensive depiction of changes in household access to information and communication technologies across Russian regions.

Table 1 outlines the analysed factors contributing to digital inequality in the population of Russian regions.

Table 1

Indicators of digital inequality in public access to information and communication resources

Indicator number	Indicator	Units of measure; calculation of indicator; data source
X_1	Percentage of the population accessing the internet daily or almost daily	Based on a sample survey of ict usage, expressed as a percentage of the total population of the respective Russian region (Rosstat)
X_2	Percentage of the population using the internet	
X_3	Percentage of households with a personal computer	Based on data from a sample survey on ict use, expressed as a percentage of the total number of households in the respective Russian region (Rosstat)
X_4	Percentage of households with access to the internet	
X_5	Percentage of households with broadband access to the internet	
X_6	Number of active fixed broadband internet subscribers per 100 population	At the end of the year; units; Rosstat
X_7	Number of active mobile broadband internet subscribers per 100 population	
X_8	Number of mobile subscribers with active connections per 1,000 population	

Source: prepared by the authors based on Rosstat data.

Results

As a result of the correlation and regression analysis, a correlation matrix was obtained, from which only four indicators (X_5—X_8) were selected due to their low correlation with one another. This allows for the assessment of their independent impact on digital inequality.

Table 2

Correlation matrix of digital inequality indicators

Indicator number	X_1	X_2	X_3	X_4	X_5	X_6	X_7	X_8
X_1	1.00	0.83	0.67	0.64	0.51	0.46	0.34	0.39
X_2	0.83	1.00	0.76	0.78	0.50	0.42	0.45	0.50
X_3	0.67	0.76	1.00	0.85	0.61	0.50	0.39	0.62
X_4	0.64	0.78	0.85	1.00	0.45	0.32	0.48	0.47
X_5	0.51	0.50	0.61	0.45	1.00	0.45	0.08	0.48
X_6	0.46	0.42	0.50	0.32	0.45	1.00	0.06	0.57
X_7	0.34	0.45	0.39	0.48	0.08	0.06	1.00	0.41
X_8	0.39	0.50	0.62	0.47	0.48	0.57	0.41	1.00

Source: prepared by the authors based on Rosstat data.

Let us now analyse the selected indicators of digital inequality as regards the population's access to information and communication resources across Russian regions.

In 2014, St Petersburg, Moscow, the Murmansk region and the Tyumen region recorded the highest percentages of households with broadband Internet access. However, by 2021, broadband Internet access had expanded across regions. Notable percentages were observed not only in Moscow (94.4 %) but also in the Orenburg region (93.2 %), the Magadan region, Kalmykia and the Chukotka autonomous *okrug*. The spread of broadband Internet access has been rapid, exemplified by the Chukotka autonomous *okrug*, where the share of households with broadband access rose from 26 % to 92 %, and the Republic of Ingushetia, where it increased from 30.5 % to 76.7 %. In 2021, the lowest percentage among the regions analysed was observed in the Novgorod region at 69.5 %.

The Theil index consistently records low values, both in absolute terms and growth rates, indicating uniform growth in broadband access across households (Fig. 1). The minimal disparity in growth rates further supports this trend of convergence.

Our analysis reveals a notable decline in dispersion rates, from an initial 0.2619 to 0.0933, followed by a slight rebound to 0.1251 by 2021, as illustrated by the black line in Figure 1. This shift in dispersion suggests a convergence trend. The estimated convergence rate, derived from the growth rate of the Theil index, is 0.0088 or 0.88 %.

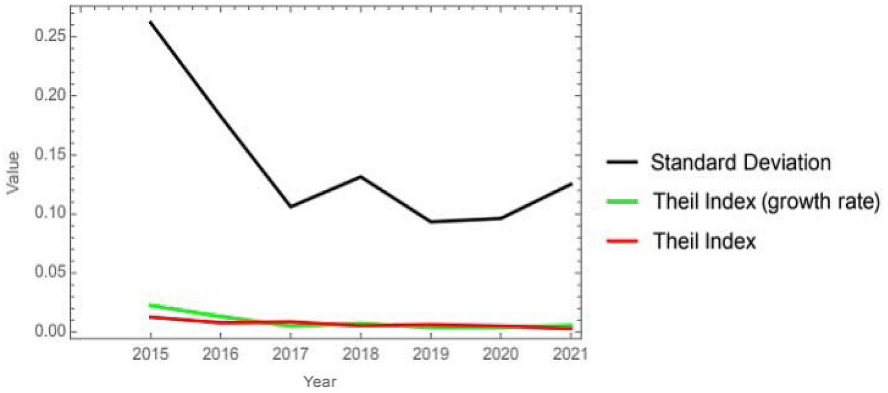


Fig. 1. Visualisation of dispersion and key indicators for 'Percentage of households with broadband access to the Internet'

Source: calculated by the author based on Rosstat data.

Additionally, the Gini coefficient for this indicator has declined over the period under review, reflecting a more equitable distribution of broadband access among households and indicating progress towards greater social equity in resource distribution.

Figure 2 presents the Lorenz curve with approximations using linear and quadratic dependence functions. The strong fit of the approximations to the actual data may suggest underlying patterns in the distribution of the indicator across the study regions.

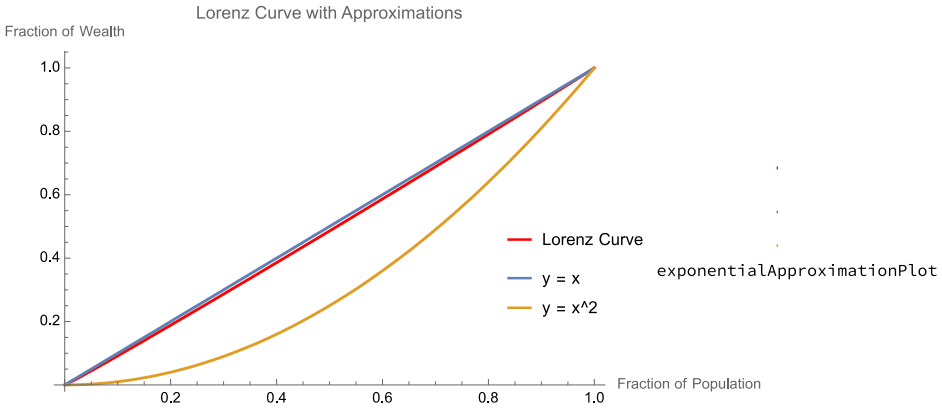


Fig. 2. Lorenz curve with approximations using linear and quadratic functions for the indicator 'Percentage of households with broadband Internet access'

Source: calculated by the author based on Rosstat data.

The Kolmogorov — Smirnov test, which yielded a p-value of 0.86, indicates that the distribution of broadband percentage data does not significantly deviate

from a log-normal distribution (Fig. 2). This result is further supported by the quantile-quantile (Q—Q) plot (Fig. 3), which shows a strong alignment between the dataset's quantiles and those of a theoretical log-normal distribution, indicating a strong correspondence.

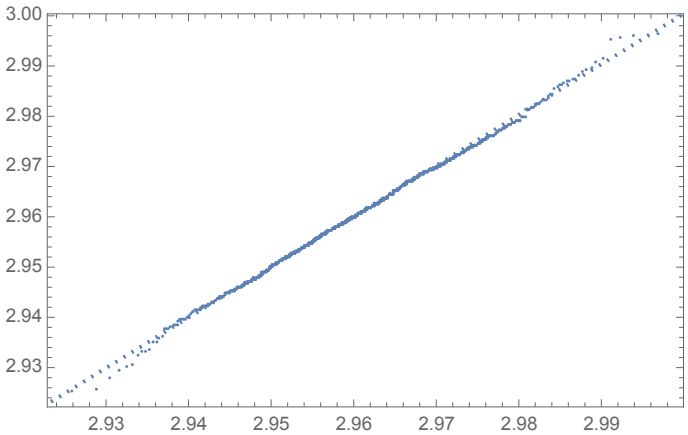


Fig. 3. Quantile-quantile (Q—Q) plot for the indicator 'Percentage of households with broadband Internet access'

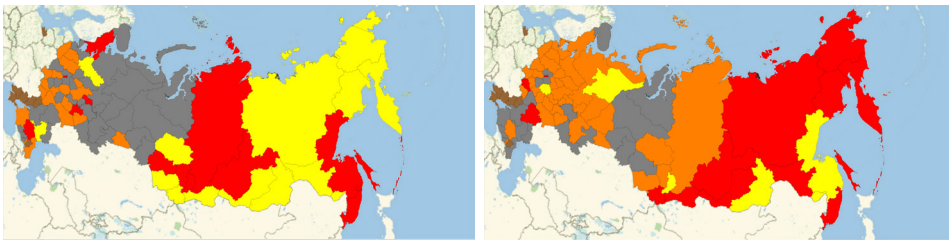
Source: calculated by the author based on Rosstat data.

Additionally, the Shapiro-Wilk test, with a p-value of 0.684, provides no strong evidence to reject the hypothesis that the data follows a normal distribution. This reinforces the conclusion that the distribution of percentages of households with broadband access among can be effectively modelled using normal or log-normal statistical distributions.

A Moran index value near zero suggests a lack of significant spatial autocorrelation, indicating that neighbouring regions show only a limited resemblance in the percentage of households with broadband access.

Figure 4 presents a visualisation of Russian regions based on the Moran scatter diagram for the indicator 'Percentage of households with broadband access to the Internet' for 2014 (*a*) and 2021 (*b*).

One of the objectives of Russia's sustainable development is to increase the proportion of households with broadband access. In 2021, broadband Internet access was available to 82.6 % of households in the country, compared to 64.1 % in 2014. The changes in the distribution of regions across quadrants from 2014 to 2021 are as follows: Moscow remains in the first quadrant, maintaining its stable digital dominance. The Republic of Khakassia, Primorsky *krai*, Khabarovsk *krai* and Kamchatka *krai*, initially in the first quadrant, shifted to the second quadrant due to a decrease in the growth rate of the specific weight indicator by 2021. This shift illustrates the convergence of highly digitised Russian regions, based on the reduction of dispersion rates, and confirms the theory of diffusion in the later stages.



a *b*

Fig. 4. Visualisation of regional clusters based on Moran's dot plot for the indicator 'Percentage of households with broadband access to the Internet' for 2014 (*a*) and 2021 (*b*) years

Source: calculated by the author based on Rosstat data.

Certain regions, such as Irkutsk, Novosibirsk, Sakhalin, Amur, Magadan and the Chukotka autonomous *okrug*, moved from the second quadrant to the first, reflecting their digital growth and development.

One of the main reasons for these changes is the high per capita incomes of northern residents, as well as the policy aimed at the digitalisation of remote and northern regions of the country.

Regions distinguished by high education levels and excellence in innovation, such as Voronezh, Ivanovo and Kaluga, have significantly improved their positions, moving from the third quadrant to the fourth.

It is worth noting that, amid the COVID-19 pandemic, these regions saw a sharp rise in demand for communication services due to isolation measures and the need to interact with the country's financial and economic centre, Moscow. Another contributing factor was the presence of numerous subsidiaries of the oil and gas sector in these territories.

Moreover, regions initially in lower connectivity quadrants have moved towards higher connectivity categories over time, suggesting a potential reduction in regional connectivity disparities.

The number of active fixed broadband subscribers per 100 population increased between 2014 and 2021, rising from 32.90 to 38.4 in Moscow and from 29.30 to 31.70 in the Novosibirsk region.

In 2014, Ingushetia had the lowest number of subscribers among the regions, at 0.30, which increased to 2.10 by 2021.

Figure 5 presents the Theil index values for the indicator 'Number of active subscribers of fixed broadband Internet access per 100 population', demonstrating near-zero values. This indicates a relatively uniform growth pattern, with negligible disparity in growth rates.

Additionally, the dispersion indices remain close to zero. However, dispersion increased noticeably to 0.334 by 2016 before declining to 0.074. This trend suggests a convergence in broadband access distribution over time. The revealed

convergence rate for the indicator 'Number of active subscribers of fixed broadband Internet access per 100 population' is 0.0095 or 0.95 %, indicating a steady trend towards convergence in broadband subscription rates across the population.

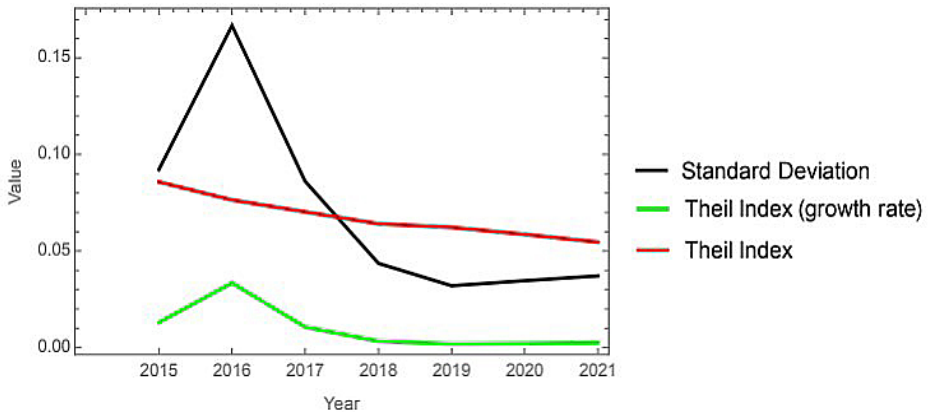


Fig. 5. Visualisation of dispersion and key indicators for the indicator 'Number of active subscribers of fixed broadband Internet access per 100 people'

Source: calculated by the author based on Rosstat data.

Figure 6 presents the Lorenz curve with an approximation. The approximation curve, however, does not accurately correspond to the actual indicator of broadband subscribers' distribution.

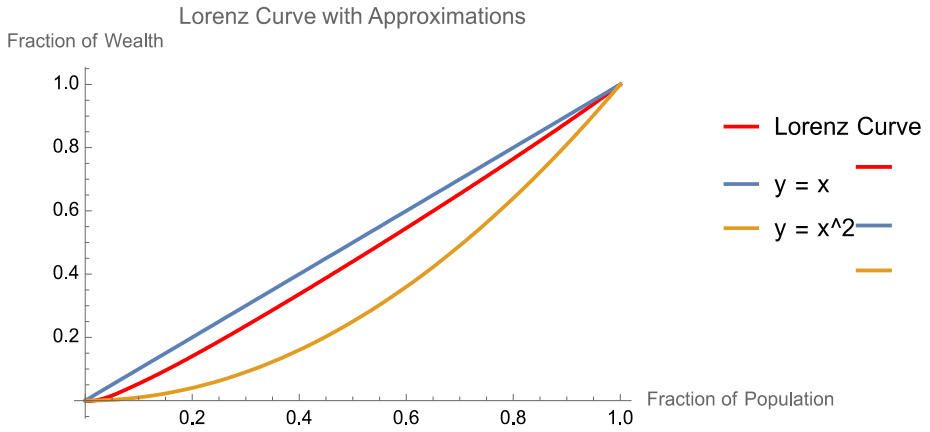


Fig. 6. Lorenz curve with approximations using linear and quadratic functions of dependence for the indicator 'Number of active subscribers of fixed broadband access to the Internet per 100 population'

Source: calculated by the author based on Rosstat data.

The statistical analysis using the Kolmogorov — Smirnov test yielded a p-value of 0.57, which exceeds the significance level of 0.05. Consequently, this result

provides insufficient evidence to reject the hypothesis that the data on the 'Number of active subscribers of fixed broadband Internet access per 100 population' follows a log-normal distribution.

The points on the Q—Q graph (Fig. 7) are aligning with a straight line, indicating a strong correspondence between the data and the log-normal distribution. The Shapiro-Wilk test yielded a p-value of 0.291, providing insufficient evidence to reject the hypothesis that the data follows a normal distribution. This result reinforces the conclusion that the broadband subscriber indicator dataset aligns well with a log-normal distribution.

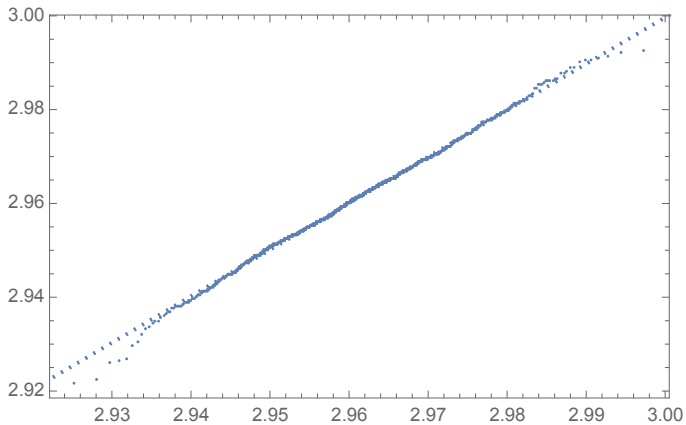


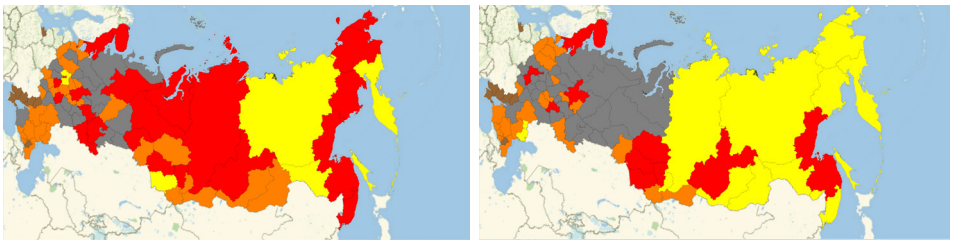
Fig. 7. Quantile-quantile (Q—Q) plot of the indicator 'Number of active subscribers of fixed broadband access to the Internet per 100 people of the population"'

Source: calculated by the author based on Rosstat data.

Over the course of eight years, the Moran index remained consistently close to zero, with a gradual decline from −0.10 to −0.03. This indicates a steady reduction in spatial disparity or clustering in the distribution of broadband access across regions during this period.

Figure 8 presents a visualisation of Russian regions based on Moran's scatter diagram for the indicator 'Number of active subscribers of fixed broadband Internet access per 100 population' for 2014 (*a*) and 2021 (*b*).

Analysing the data from 2014 and 2021, several changes in the distribution of regions across quadrants can be noted. For instance, the Tyumen region, the Republic of Komi and the Khabarovsk *krai* moved from the first quadrant to the second due to a decline in other regions' performance indicators. At the same time, the transition of territories such as the Kaluga, Oryol and Kirov regions to the first quadrant is associated with an increase in the number of subscribers with broadband Internet access in 2021, in the presence of neighbours with similarly high indicators, which may confirm the 'neighbourhood diffusion' effect. These regions are involved in innovative activities and have a population with a relatively high level of education, as well as a significant proportion of working-age youth.



a *b*

Fig. 8. Visualisation of regional clusters based on Moran's dot diagram for the indicator 'Number of active subscribers of fixed broadband Internet access per 100 population' for 2014 (*a*) and 2021 (*b*)

Source: calculated by the author based on Rosstat data.

It is also important to highlight the growth in the number of subscribers with broadband Internet access in Povolzheye, particularly the Voronezh region, Tatarstan and the Samara region. The status of these territories as industrial and innovative centres has contributed to their transition from the third quadrant to the fourth.

Initiatives aimed at promoting digitalisation and fostering information technology awareness and digital skills may have contributed to the increased number of Internet users in these regions.

For the indicator 'Number of active subscribers of mobile broadband Internet access per 100 population,' the highest values were observed in the Orenburg region at 100.8 active subscribers per 100 population, followed by the Moscow region and Moscow at 99.2. In 2014, the lowest values were recorded in Buryatia and the Irkutsk and Nizhny Novgorod regions, at 39.3, 37.9 and 39.9, respectively. By 2021, the situation had changed, with St Petersburg and the Leningrad region scoring the highest at 141.4, followed by Moscow and the Moscow region (138.7). Notably, 38 of the regions considered have an index value above 100, while the lowest indicators are found in regions such as Dagestan, Adygea and Ingushetia (51.1).

The Theil index values, both in absolute terms and growth rates, are close to zero, indicating a relatively uniform growth pattern in Internet usage across the population. This suggests minimal disparity in growth rates among different segments.

The dispersion value, shown by the black line in Figure 9, drops sharply from 0.22 to 0.03 over time, reflecting a convergence in mobile broadband distribution and reduced variability.

The convergence rate, calculated at 0.0050, indicates steady progress towards uniformity in subscriber rates. Additionally, the declining trend in the Gini coefficient suggests decreasing inequality in mobile broadband distribution.

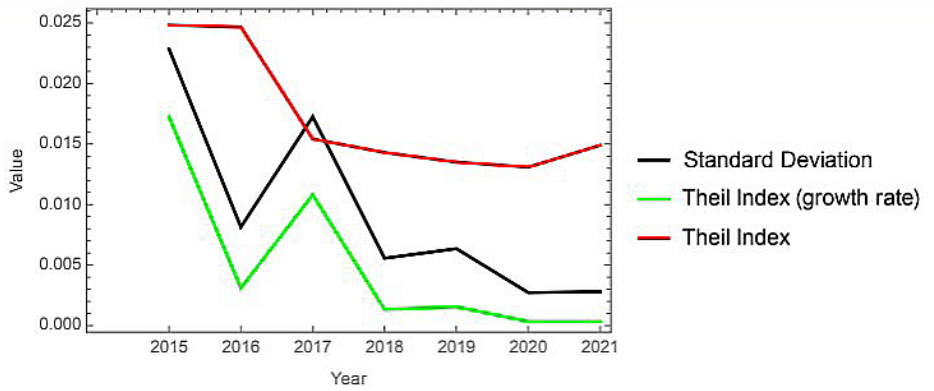


Fig. 9. Visualisation of the dispersion and main indicators of the 'Number of active subscribers of mobile broadband Internet access per 100 population'

Source: calculated by the author based on Rosstat data.

The probability curve of cumulative distribution and the Lorenz curve, represented as a diagonal line from the origin in Figure 10, further support the observation of a relatively even data distribution.

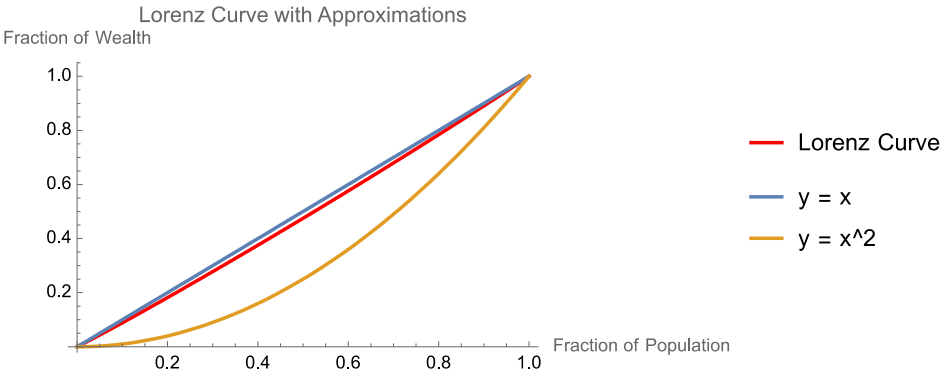


Fig. 10. Lorenz curve with approximations using linear and quadratic functions for the indicator 'Number of active subscribers of mobile broadband Internet access per 100 population'

Source: calculated by the author based on Rosstat data[1].

Statistical tests, including the Kolmogorov — Smirnov test (p-value = 0.6789) and the quantile-quantile (Q—Q) distribution graph in Figure 11, indicate a strong alignment of the data with a log-normal distribution. The positioning of points along a straight line in the Q—Q graph suggests consistency with this distribution model. The Shapiro-Wilk test yielded a p-value of 0.668, providing insufficient evidence to reject the hypothesis of normality for the distribution of mobile broadband subscribers.

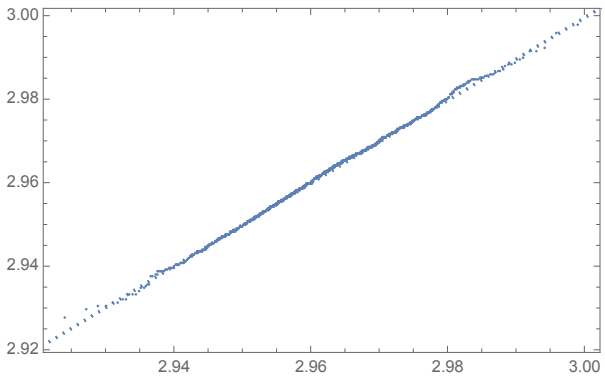
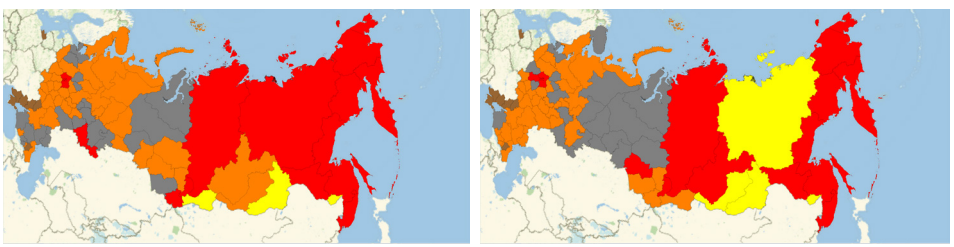


Fig. 11. Quantile-quantile (Q—Q) plot of the indicator 'Number of active subscribers of mobile broadband Internet access per 100 population'

Source: calculated by the author based on Rosstat data.

Over eight years, the Moran index for the indicator 'Number of active subscribers of mobile broadband Internet access per 100 population' consistently approaches zero, showing a decreasing trend from −0.12 to −0.01. This suggests a gradual reduction in spatial inequality among regions over the period.

Figure 12 presents the visualisation of Russian regions based on Moran's scatter diagram for the indicator 'Number of active subscribers of mobile broadband Internet access per 100 population' for 2014 (*a*) and 2021 (*b*).



a *b*

Fig. 12. Visualisation of regional clusters based on Moran's dot diagram for the indicator 'Number of active subscribers of mobile broadband Internet access per 100 population' for 2014 (*a*) and 2021 (*b*)

Source: calculated by the author based on Rosstat data.

By 2021, a relative slowdown in the growth rate of active mobile subscribers was observed in northern regions, such as Khakassia, the Republic of Komi and the Khabarovsk *krai*. This led to these regions transitioning from the first cluster to the second, further supporting the hypothesis of diffusion in later stages.

The development of state programmes for the digitalisation and communication of hard-to-reach regions contributed to increased growth rates of active

mobile subscribers in areas such as the Altai Republic, Primorsky *krai*, Tuva, the Kursk, Irkutsk and Volgograd regions, Buryatia, the Republic of Sakha (Yakutia) and Kamchatka *krai*. This facilitated their transition from the second cluster to the first.

Additionally, the growth in some regions may be linked to the rapid development of neighbouring areas — the Belgorod, Saratov and Sverdlovsk regions among others. The expansion of communication networks and information technologies in these regions could have positively influenced mobile communications accessibility and quality, boosting their rankings. Overall, the data suggests a discernible trend towards convergence in mobile broadband access levels across regions, yet not towards uniformity.

The near-zero values of the Theil index, both in absolute terms and growth rates, point to a relatively uniform growth pattern in the 'Number of mobile subscribers with active connections per 1,000 population'. This suggests minimal inequality among regions regarding mobile subscriber rates. The dispersion indices (Fig. 13) also approach zero, further indicating convergence in the distribution of mobile subscribers across the population.

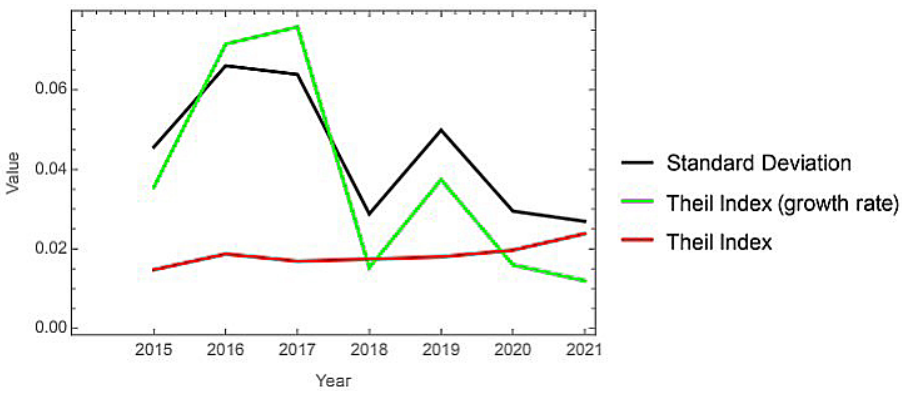


Fig. 13. Visualisation of dispersion and key indicators for the 'Number of mobile subscribers with active connections per 1,000 population'

Source: calculated by the author based on Rosstat data.

The convergence rate of the 'Number of connected mobile subscribers per 1,000 population' is 0.0011, indicating a reduction in the disparity of mobile connectivity levels across regions or demographic groups over time. The observed decrease in the Gini coefficient may indicate a shift towards a more equitable distribution of mobile subscriber rates across the population.

Additionally, this trend is supported by the probability curve of cumulative distribution and the Lorenz curve (Fig. 14), reflecting potential improvements in the accessibility and availability of mobile services across diverse demographic groups or regions. Figure 14 presents the Lorenz curve with an approximation.

The results of the Kolmogorov — Smirnov test, with a p-value of 0.328, indicate that the distribution of mobile subscriber devices does not significantly deviate from a log-normal distribution, as suggested by the statistical test outcomes.

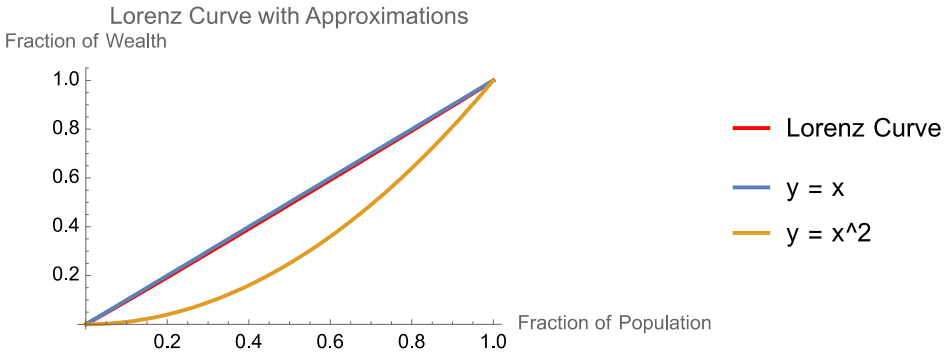


Fig. 14. Lorenz curve with approximations using linear and quadratic functions for the indicator 'Number of mobile subscribers with active connections per 1,000 population'

Source: calculated by the author based on Rosstat data.

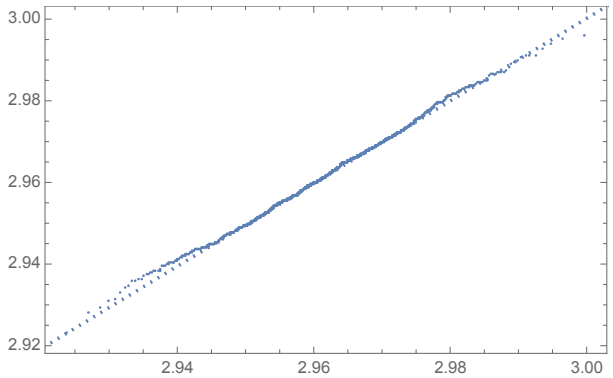
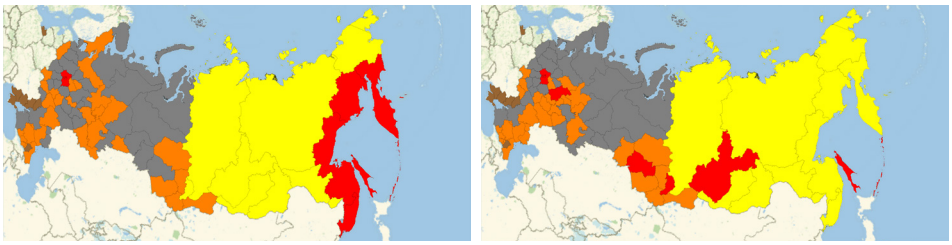


Fig. 15. Quantile-quantile (Q—Q) plot of the indicator 'Number of mobile subscribers with active connections per 1,000 population'

Source: calculated by the author based on Rosstat data.

Both the Q—Q plot (Fig. 15) and the Shapiro-Wilk test support the assumption that the data for the indicator 'Number of mobile subscribers with active connections per 1,000 population' conforms well to a log-normal distribution, whereas statistical analysis did not reveal strong evidence of deviation from normality.

The Moran index shows the spatial inequality of Russian regions according to this indicator. Over the eight years, the Moran index remained consistently near zero. Figure 16 presents the visualisation of Russian regions based on Moran's scatter diagram for the 'Number of mobile subscribers with active connections per 1,000 population' for 2014 (*a*) and 2021 (*b*).



a *b*

Fig. 16. Visualisation of regional clusters based on Moran's dot diagram for the indicator 'Number of mobile subscribers with active connections per 1,000 population' for 2014 (*a*), 2021 (*b*)

Source: calculated by the author based on Rosstat data.

In 2014, the first quadrant was dominated by major agglomerations such as Moscow and the Moscow region, owing to their high economic development and appeal to youth, driven by the presence of numerous educational institutions. Moscow, as the financial and economic hub of Russia, stood out with the highest GDP per capita. At the same time, regions with a significant share of rural population (Khakassia), as well as northern and border areas, such as Kamchatka and Primorsky *krai*, were also included in the first quadrant.

By 2021, there was a notable change in the composition of several quadrants, as regions such as Nizhny Novgorod, the Republic of Khakassia, Irkutsk, Novosibirsk and Sakhalin moved from the second quadrant (which had the lowest indicator values despite neighbouring regions scoring highly on the number of mobile subscribers) to the first quadrant.

The Republic of Khakassia, for instance, moved from ninth place in 2014 to 41st in 2021 in terms of mobile subscribers, indicating that the growth rates of the second quadrant regions began to exceed those of the first quadrant.

Special attention should be given to the study of the transition from the first quadrant to the second quadrant due to the relative decline in the performance of regions such as Kamchatka, Primorsky, Khabarovsk, Amur, Magadan, the Jewish autonomous region and the Chukotka autonomous *okrug*.

In 2021, several Russian regions with innovative potential and a sufficiently high level of education moved from the third quadrant to the fourth quadrant, significantly improving their positions regarding the number of mobile subscribers. These regions include Voronezh, Ivanovo, Kaluga, Lipetsk, Oryol, Ryazan, Smolensk, Tver, Tula, Leningrad, St. Petersburg, Tatarstan and others.

It is important to note that due to the pandemic and the relocation of a portion of the working population back to their native regions, as well as the rise of remote work, there was increased demand for relevant technologies and heightened competition among providers, leading to reduced Internet service charges.

In addition, it is important to highlight the impact of government policies in northern regions such as the Republic of Karelia and the Republic of Komi, where communication infrastructure has been improved, in contrast to neighbouring regions where the number of mobile subscribers has remained low.

Discussion

The econometric assessment of first-level digital inequality indicators among Russia's regional populations, combined with spatial analysis using Moran's I index, reveals a significant trend towards convergence across all examined indicators. The strong spatial correlation among Russia's regions, akin to patterns observed in Indonesian regions [35], indicates the growing development of ICT in neighbouring areas, which contributes to convergence. This process was evident from 2014 to 2021, with digital inequality between Russian regions diminishing by 2021, largely due to the accelerated adoption of new technologies in remote and northern regions.

Although previous research in other countries [32] identified divergence, our findings indicate convergence in ICT development across Russia's regions. This study is in line with previous literature [38; 39], reaffirming established patterns. Regions with large agglomerations and northern territories in Russia have emerged as leaders, while those with substantial rural populations continue to lag behind. Coastal and border regions (e. g., St Petersburg, Kaliningrad, Karelia and Primorsky Krai) benefit from better Internet access, owing to their proximity to technological innovation hubs and strong external connectivity. Leading regions exert influence on their neighbours through spatial diffusion [39].

This analysis highlights a significant trend in which regions initially positioned in different quadrants transition over time, reflecting changes in their economic, social and political trajectories.

The transition of regions between quadrants also reflects strategic governmental initiatives aimed at advancing digital infrastructure across Russia's regions. These changes mirror broader trends in regional economic development and societal digitalisation. Measures implemented at both the national and regional levels to enhance digital accessibility have contributed to reducing digital inequality and accelerating convergence.

The reductio in first-level digital inequality reflects a narrowing gap in regional access to digital technologies — including the Internet, computers and mobile devices. Moreover, the increasing adoption of digital technologies across all regions, including remote and sparsely populated areas, supports a more equitable distribution of digital resources and opportunities.

To sustain this convergence and facilitate the progression of regions to higher quadrants, increased investment in communication networks and the expansion of Internet accessibility in remote areas are crucial. Furthermore, digital modernisation initiatives and government-led regional digitalisation programmes can enhance the growth of active Internet subscribers.

Overall, these findings underscore the importance of investing in broadband infrastructure and considering regional characteristics when developing and implementing information technology policies. A key factor in the convergence process is the development of digital infrastructure and services, which foster equitable access to and use of digital technologies.

Conclusions

The steady reduction in the Theil index and the variance of digital inequality indicators across Russian regions from 2014 to 2021 provides evidence of both sigma and beta convergence, affirming the effectiveness of regional and national policies in addressing digital inequality.

The cumulative distribution probability curves and Lorenz curves obtained in this study further support the observation of a log-normal distribution across all examined indicators of digital inequality. Statistical tests, including the Kolmogorov — Smirnov test and the quantile-quantile plot, also confirm a strong alignment of the data with the log-normal distribution.

Moran dispersion diagrams for 2014 and 2021 helped identify regional transitions between quadrants, shedding light on shifts in the trend towards narrowing digital inequality. Regions that initially exhibited lower levels of Internet development progressively moved to higher quadrants in the Moran chart, reflecting a convergence process in which they close the gap with, or even surpass, regions with higher levels of Internet development. These shifts indicate regions that require heightened focus and increased investment in Internet infrastructure. Regions that remain in lower-performing quadrants may need further support and targeted interventions to ameliorate their circumstances.

This change underscores the effectiveness of governmental measures and policies in fostering Internet infrastructure development and technological integration across regions.

Government digitalisation policy plays a crucial role in Internet infrastructure development across regions. Effective support mechanisms and incentive frameworks can thus foster a more equitable distribution of Internet access nationwide.

The information on regional developments presented in the Moran diagram can assist governments, organisations and analysts in understanding Internet infrastructure dynamics, identifying successful development strategies and addressing inequalities to ensure sustainable growth.

To gain a deeper understanding of regional economic development in Russia, future research could investigate additional factors contributing to convergence, such as human capital, infrastructure and institutional elements.

This study utilised official data from Rosstat — Russia' state statistics service, which, while generally reliable, may have limitations in accuracy and completeness. Moreover, the analysis focused on a limited set of indicators, excluding other socio-economic factors that influence digital inequality. Future studies could incorporate a broader range of indicators to provide a more comprehensive understanding of economic convergence.

The findings of this study can inform the design and refinement of public policies on digitalisation and Internet infrastructure development. They help pinpoint problem areas, prioritise investments and enhance support mechanisms. Identifying regions on the path to convergence enables the optimisation of resource allocation to maximise efficiency and outcomes. Insights into the evolution of Internet infrastructure across Russian households can also contribute to academic research by offering a deeper understanding of the factors driving convergence and divergence in the economic and society.

Thus, these findings hold practical significance for policymakers, managers, investors and researchers, aiding in the formulation of informed decisions and strategies concerning Internet infrastructure and the digital economy. Despite observed convergence trends, continuous monitoring of regional development and the factors influencing sustainable economic growth remains essential.

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ECONOMY

TRANSMISSION OF FINANCIAL CONTAGION IN THE BALTIC SEA REGION COUNTRIES DURING THE ENERGY CRISIS OF 2021—2022

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The global energy crisis of 2021—2022 significantly impacted the financial markets of many countries. The shock of price volatility in the oil and gas market triggered the transmission of crisis processes across various European countries, including those in the Baltic Sea region. This article analyses the effects of the energy crisis on these countries using the financial contagion methodology. The study aimed to estimate the financial contagion that spread through stock market channels in the Baltic Sea region during 2021—2022, as well as to systematize measures aimed at mitigating the consequences of the energy crisis and countering financial contagion. Using statistical analysis methods, the current state of the energy market in the Baltic region and its response to the conflict between Russia and Ukraine were examined. By reviewing a range of publications on the Baltic countries, evidence of financial contagion that emerged in different years under the influence of various shocks was identified. The financial contagion methodology was implemented by constructing DCC-GARCH models and estimating contagion effects using specialized test statistics. The calculations revealed that the energy crisis led to financial contagion in the markets of most Baltic Sea region countries. The study identified the causes of these countries' vulnerability to financial contagion and provided additional estimates of contagion from a sectoral perspective. This allowed for conclusions to be drawn regarding the resilience of individual economic sectors to the crisis. The varying degrees of exposure to financial contagion were explained by differences in dependence on external energy supplies and the nature of anti-crisis policies. The paper systematized a set of specific anti-crisis measures for households and businesses in the Baltic Sea region and outlined strategies for countering financial contagion.

Keywords:
Baltic Sea region, financial contagion, energy crisis, volatility, DCC-GARCH model, anti-crisis policy

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Introduction

The European economy is frequently impacted by shocks of varying magnitude, nature and duration, with examples including the global financial and debt crises, Brexit and COVID-19. Having struggled to fully address the consequences of the COVID-19 pandemic, European countries are now confronted with new challenges, primarily stemming from heightened international political tensions. The military conflict between Russia and Ukraine was a global shock, leading to rising inflation, higher interest rates and increased volatility in financial, raw materials and food markets [1]. In turn, this provoked shocks in energy markets, leading to an energy crisis, which reached a global scale in 2022 [2].

The energy crisis began in 2021, when the global economy started to recover after the pandemic-induced sharp decline in aggregate demand. The rise in energy demand was a response to renewed economic growth and the recovery of commercial manufacturing. At the same time, growing natural gas and carbon quota prices contributed to higher energy rates across Europe [3; 4]. However, the outbreak of hostilities in February 2022 is still regarded as a turning point, with financial markets reacting with a significant surge in volatility in energy sector asset prices [5].

Crises are dynamic rather than static processes, with those in the energy sector being no exception. As they can potentially lead to transformations in intermarket relationships, the impact of an economic system crisis can be effectively examined through the lens of financial contagion theory and methods. This concept, which gained prominence in the 1990s through studies of Asian and Latin American financial crises, draws analogies with biological contagion and provides a key to understanding the mechanisms behind the transmission of various shocks from one entity to another, as well as the causes of crises unfolding. A system of statistical and econometric methods for detecting financial contagion enables the identification of shifts in economic relationships resulting from the negative impact of a particular shock.

This article applies financial contagion models to assess the impact of the 2021—2022 energy crisis on the economies of the Baltic Sea states. It provides an overview of studies on the dependence of these states on energy resources and their response to the energy shock. Additionally, the study briefly introduces the principles of financial contagion theory and presents the results of empirical findings on the characteristics of financial contagion in the Baltic Sea states. The main section of the article outlines the methodology and findings of the empirical study into contagion effects in the Baltic Sea states, both from a country-specific and industry perspective. Finally, the article systematises crisis management measures and analyses policies aimed at countering financial contagion.

Energy market of the Baltic Sea states: current status and response to the conflict between Russia and Ukraine

The current energy crisis began at the end of 2021, when the gas market was experiencing significant price volatility. This was due not only to the increase in consumption, but also to the introduction of new restrictive measures against the Russian economy. The fifth package of sanctions imposed a prohibition on the

sale, provision, transfer, or export to Russia of goods and technologies essential for gas liquefaction. Restricting the use of Russian gas led to economic losses in European countries, as Russia had previously met two-thirds of their energy needs. At the same time, there was no viable substitute for traditional energy resources [6; 7]. The Baltic Sea states have endorsed the cessation of Russian energy commodities, with countries like Poland and Lithuania, in particular, having long pursued a cautious stance towards Russian energy supplies while developing new energy import infrastructure to diversify their sources [8].

The introduction of restrictions did not allow the Baltic Sea states to completely abandon Russian energy commodities, as in 2021 no viable alternatives existed to sufficiently diversify supplies and meet the required volume. As production capacity recovered from the COVID-19 pandemic, demand for energy sources increased, which in turn led to a rise in energy prices. Figure 1 illustrates the dynamics of the average values of the harmonised consumer price index for electricity and energy commodities in the Baltic Sea region. This indicator, employed in inflation assessment, aids traders in forecasting potential shifts in the currency market. The observed dynamics reflect the impact of the crisis induced by the conflict between Russia and Ukraine on the escalation of energy prices and the potential for systemic risk transmission through trade channels.

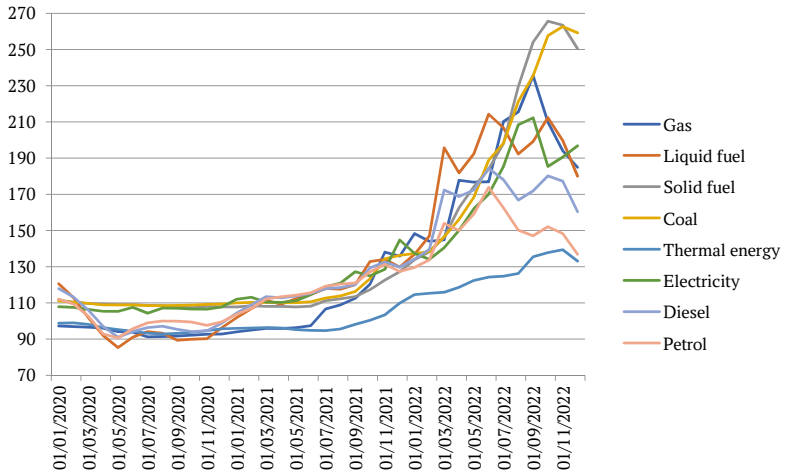

Fig. 1. Harmonised consumer price indices for electricity, heat and other energy commodities in the Baltic Sea states (excluding Russia) in 2020—2022, %

Computed according to Eurostat data[1].

As illustrated in Figure 1, from February to March 2022, the rate of price growth surged for liquid fuels, gas, petrol and diesel. With a slight delay of

[1] HICP — monthly data (monthly rate of change), *Eurostat.eu*, URL: https://ec.europa.eu/eurostat/databrowser/view/prc_hicp_mmor/default/table?lang=en&category=prc.prc_hicp (accessed 03.02.2024).

approximately one month, sharp price increases followed for solid fuel, thermal energy, electricity and coal. Among the Baltic Sea states, Poland and Germany saw the least pronounced electricity price increases, while Estonia was the most affected, reaching a peak of 463.5 % in August 2022. The most noticeable gas price surges occurred in Lithuania, Latvia and Germany, while Sweden experienced the steepest increase in diesel fuel prices. Coal, similar to other solid fuels, exhibited the most significant price growth, albeit with a delayed onset, with Poland at the forefront (peaking at 386.4 % in October 2022), followed by Estonia and Lithuania.

Finland, Poland, Lithuania and Estonia demonstrate a high reliance (70—85 %) on Russian oil supplies, although this dependence is gradually declining. The Baltic Sea states are also among the European nations highly reliant on Russian gas, albeit with periodic fluctuations in the extent of this dependence [6]. Historically, the Baltic countries have sourced most of their natural gas via pipelines from the North Sea or Russia. Given that natural gas is more costly to store and transport than oil or coal, pricing in natural gas markets remains less predictable. Consequently, in recent years — particularly following the outbreak of hostilities in Ukraine — the construction of LNG terminals in Poland, Finland and Estonia has accelerated. However, these terminals do not yet provide volumes equivalent to those delivered via pipeline [9].

The Lithuanian energy market has unique characteristics. Given its limited fossil fuel reserves, this Baltic state relies heavily on oil and natural gas imports In the 1990s, most of Lithuania's electricity was generated by a single nuclear power plant, the Ignalina NPP. Until 2009, it met 77 % of the country's electricity needs. However, two NPP reactors were shut down in 2004 and 2009, with Lithuania turning from a net exporter to a net importer of electricity. Within a decade, the country has transitioned from a nuclear-centric energy approach to a national strategy prioritising renewable energy sources [10]. Nevertheless, the problem of energy dependence remains acute, as over 70 % of the country's electricity needs are currently satisfied by imports. At the same time, the importance of bio-energy in domestic energy supply is gradually increasing. Most of Lithuania's co-production power plants, district heating and residential buildings have switched from natural gas to biomass, due to the abundance of forests and arable land.[1] By 2030, Lithuania aims to reduce its electricity imports by half, fulfilling 70 % of its electricity demand through domestic renewable energy sources, including biomass, solar, wind and hydropower.

Methodology and methods

Specific methodological aspects of financial contagion research

The concept of financial contagion is interpreted in various ways in contemporary research. However, most academic economists define it as the trans-

[1] Energy system of Lithuania, *IEA50*, URL: https://www.iea.org/countries/lithuania (accessed 02.02.2024).

mission of shocks across countries, industries or economic sectors, potentially disrupting inter-market relationships. A narrower interpretation, frequently used in empirical studies, distinguishes financial contagion from 'calm' periods by defining it through extreme returns and heightened correlations between asset prices across different markets. The response to a shock can intensify interdependencies among countries or sectors, driven by shifts in national macroeconomic fundamentals or market dynamics. Notably, this phenomenon is often attributed to investors' 'herding mentality', where market participants mimic others, fuelling inflationary pressures and fostering the emergence of speculative 'financial bubbles' [13].

Complex and multifaceted, the financial contagion methodology comprises statistical and econometric methods and models designed to differentiate between crisis and 'calm' periods and to identify shifts in interrelationships. This enables the detection of the presence, direction and strength of financial contagion as it spreads through various channels, with the stock market regarded as the primary one. For instance, correlation analysis and the GARCH model have been employed to obtain evidence of financial contagion transmission from the US stock market to the Baltic Sea states (Estonia, Latvia and Lithuania) during the global financial crisis [14]. Yet, other possible channels, particularly the banking channel, should not be overlooked. For example, transaction data from the Danish payment system have been used to estimate contagion risk in the national deposit market [15]. Additionally, simulation modelling suggests that the unexpected collapse of a major bank presents a negligible risk of triggering financial contagion across the Danish monetary system.

In general, the Baltic Sea region — understood as the group of countries bordering the Baltic Sea — has received limited attention in financial contagion theory and methodology. Existing studies typically focus on either a specific country within the region or a broader selection of countries that includes Baltic Sea states. For example, in research examining the spread of financial contagion during the global financial crisis (GFC) and the euro area debt crisis across multiple stock markets, only one Baltic Sea state, Estonia, was included in the sample [16]. Cross-correlation analysis in that study found Estonia to exhibit very weak contagion effects, whereas countries from other macro-regions, such as Slovenia, Nigeria and Vietnam, demonstrated significantly stronger contagion effects.

Empirical studies on financial contagion most often examine the Baltic Sea region as consisting of Latvia, Lithuania and Estonia, focusing on their regional and global financial market integration. For instance, cointegration analysis and the Granger causality test have been employed to demonstrate long-run bidirectional causality between the stock indices of Vilnius, Riga and Tallinn, indicating regional market integration [17]. However, there are relatively few findings that specifically illustrate how Baltic markets respond to particular shocks or adverse events that trigger risk transfer and financial contagion. Table 1 presents selected examples from various international studies conducted over different years.

Table 1

Empirical findings on financial contagion in the three Baltic Sea states

Shock or event	Financial contagion detection method	Basic results
Political news from Russia	Multivariate generalisation of the GARCH — VARMA-AGARCH asymmetric model	The influence of political news on financial contagion in the Baltic Sea states is declining over time. The spread of the contagion depends on investors' interpretation of political news and bilateral trade between the Baltic Sea states and Russia [18]
GFC	Cointegration analysis, Granger, Dickey-Fuller, Johansen tests	Financial risks were transmitted more significantly to the markets of Latvia and Estonia, while Lithuania was affected to a lesser extent. During periods of economic shock, investors' interests and expectations tend to align with those of larger markets [19]
GFC	Adjusted correlation coefficients, GARCH model	A marked intensification of financial linkages between the United States (a crisis-affected country) and Estonia, Latvia and Lithuania (non-crisis-affected countries) was observed immediately after 15 September 2008, the onset of the crisis [14]
Lehman Brothers Bank collapse	DCC-GARCH model, tests	System-wide shocks originating in global financial centres impact Baltic markets, with Estonia and Lithuania experiencing the most pronounced effects of cross-border financial contagion transmission [20]
GFC and European debt crisis	FIAPARCH model	Latvia and Lithuania were vulnerable to contagion during the GFC (while Estonia was not) but remained unaffected during the debt crisis (when Estonia was). Investors should approach simultaneous investments in the Baltic region's emerging markets with caution [21]

Although initial groundwork has been established for studying financial contagion in the Baltic Sea states, further empirical research is needed to assess how these countries respond to various shocks, including energy shocks and to identify and explain the causes of potential financial contagion.

Study design and empirical basis

The study consisted of the following stages.

In the first stage, the countries comprising the Baltic region were identified. To achieve this, we applied the narrow approach outlined in [22]. Consequently, our selection included nine countries, excluding Belarus, Iceland and Norway, which are considered part of the region under the broad approach.

The study focused on the stock channel of financial contagion transmission. Consequently, the empirical basis comprised data on shares, stock indices and

marketplace trading in energy resources. To account for the specific characteristics of European oil and gas trade, statistics from European marketplace trading were utilised. The data forming the empirical foundation for subsequent computations included:

— Prices of ICE Dutch TTF Natural Gas Futures (TFMBMc1 — Netherlands)[1] and Brent Crude Oil Futures (LCOU4) — UK (London Intercontinental Exchange (ICE Futures Europe);[2]

— basic and sector indices of the Baltic Sea states;

— share quotation of large companies domiciled in the Baltic Sea states.

The frequency of information disclosure was daily, covering the period from 2 January 2021 to 31 December 2022, with over 20,000 observations analysed. Selected observations were transformed into logarithmic series of returns and analysed for stationarity, using the Augmented Dickey-Fuller (ADF) test.

The second stage involved a graphical analysis of volatility dynamics in the oil and gas market, enabling the identification of the onset of the energy crisis and the initiation of the financial contagion process. The standard deviation of the indicators was used as a measure of their volatility.

At the third stage, transmitter-receiver variable pairs were tested for ARCH effects to determine the suitability of the DCC-GARCH model, considering the available data structure for estimating financial contagion transmission from the transmitter to the receiver. The testing was conducted using pre-constructed paired linear regression models.

The fourth stage included analysing DCC-GARCH models constructed for multiple transmitter-receiver bundles. This analysis utilised logarithmic returns of gas and oil prices as potential contagion transmitters, alongside logarithmic returns of stock indices from individual Baltic Sea states as potential contagion receivers. Given the complexity of the mathematical formulation of the technique under consideration, it is not discussed in this article. The original DCC-GARCH model is presented in [23], while its application in Russian studies can be found in [24; 25].

At the fifth stage, the average values of the previously computed series of dynamic conditional correlations were evaluated and the hypothesis about the presence or absence of contagion was tested. Contagion was considered to occur if the average values of dynamic conditional correlations exceeded those observed during the crisis period ($\overline{DCC}_{kriz}$), as opposed to the stable one ($\overline{DCC}_{stab}$):

$$H_0 : \overline{DCC}_{kriz} > \overline{DCC}_{stab}, \quad (1)$$

$$H_1 : \overline{DCC}_{kriz} < \overline{DCC}_{stab}, \quad (2)$$

[1] Past data — ICE Dutch TTF Natural Gas Futures, *Investing.com*, URL: https://ru.investing.com/commodities/ice-dutch-ttf-gas-c1-futures-historical-data (accessed 24.07.2024).
[2] Past data — Brent Oil Futures, *Investing.com*, URL: https://www.investing.com/commodities/brent-oil-historical-data (accessed 02.02.2024).

Two-sample t-test assuming different variances, the Wilcoxon — Mann — Whitney u-test for differences in median values and the Kolmogorov — Smirnov z-test were employed to confirm the fact of contagion by evaluating series of dynamic conditional correlations.

Results and discussion

Estimates of oil and gas market volatility as a predictor of financial contagion in the Baltic Sea states

Figure 2 shows the volatility dynamics of oi and gas as potential sources of financial contagion. The onset of the crisis period was marked by heightened volatility in energy prices. Notably, a substantial increase in natural gas price volatility was observed from mid-September 2021, driven by a combination of the following factors:

— high demand for gas in Europe due to a cold winter and greater reliance on gas for heating (attempts to reduce coal usage);

— international geopolitical tensions leading to reduced gas supplies from Russia to Europe;

— insufficient liquefied natural gas production in the United States due to natural disasters and maintenance issues;

— rising consumption of liquefied natural gas in Asia driven by economic growth and a shift away from coal in various sectors;

— speculation in financial markets.

The rise in oil price volatility was observed later, beginning on 26 November 2021. The factors contributing to this volatility included:

— investor concerns over the spread of the Omicron COVID-19 variant, which could lead to renewed quarantine measures and reduced oil demand;

— a sharp rise in the United States' crude oil inventories, resulting in lower demand for oil;

— the refusal to extend the OPEC+ oil production cut agreement, in place since early 2021, which contributed to market uncertainty;

— the strengthening of the United States dollar

It is important to note that while oil and gas are alternative energy sources, they are not interchangeable. Consequently, a sharp decline in gas supply does not immediately impact the oil market, as confirmed by our observations. The gap between the onset of heightened volatility in the two markets exceeds six weeks. As gas storage and transportation costs exceed those of oil — especially in European countries, including the Baltic Sea states, as evidenced by studies [9] — natural gas markets are inherently less liquid and more volatile.

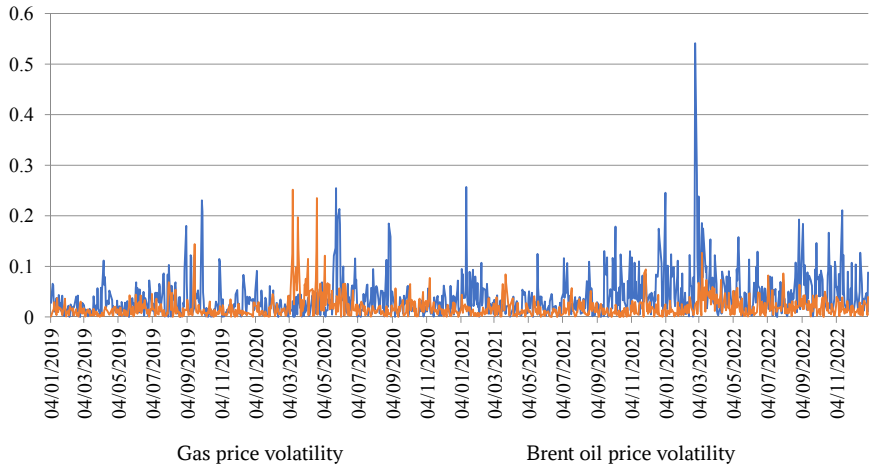

Fig. 2. Dynamics of natural gas and Brent crude oil price volatility

Compiled according to the European marketplace trading statistics.[1]

The pre-crisis period encompassed several months in 2021, during which energy price volatility remained relatively stable, whereas the crisis period was defined as the interval when price standard deviations were at least twice as high as normal. Table 2 presents detailed characteristics of the selected periods, relevant to the potential transmission of financial contagion.

Table 2

Results of identifying pre-crisis and crisis periods in the study markets

Indicator	Contagion transmitter	
	Gas	Oil
Onset of the volatility stabilisation period (calm period)	11.02.2021	31.03.2021
Onset of increased volatility period (crisis period)	16.09.2021	26.11.2021
End of the examined increased volatility period	30.12.2022	30.12.2022
Average volatility during the calm period	0.017	0.013
Average volatility during the crisis period	0.043	0.029

Overall, natural gas exhibited greater price volatility than oil throughout the study period, in both stable and crisis intervals. During the crisis period, gas price volatility rose more sharply than oil price volatility, with growth rates of 252.9 % and 169.2 %, respectively. This suggests that the gas crisis was the principal catalyst of the global energy crisis and the ensuing financial contagion processes.

[1] Past data — ICE Dutch TTF Natural Gas Futures, *Investing.com*, URL: https://ru.investing.com/commodities/ice-dutch-ttf-gas-c1-futures-historical-data (accessed 24.07.2024) ; Past data — Brent Oil Futures, *Investing.com*, URL: https://www.investing.com/commodities/brent-oil-historical-data (accessed 02.02.2024).

Estimates of financial contagion in the Baltic Sea states

The results of the ADF test-based analysis do not reject the hypothesis of stationarity for the examined variables at a confidence level of 95—99 % ($0.00 < p\text{-value} < 0.05$).

Testing for ARCH effects indicated that the hypothesis of ARCH process presence could not be discarded for all paired bundles of the type 'gas → Baltic Sea state' and 'oil → Baltic Sea state'. Accordingly, DCC-GARCH models were constructed for all paired bundles in the selection. Dynamic conditional correlations (DCCs) derived from the simulations were employed to assess contagion transmission. Average DCC values (calculated as the arithmetic mean of the DCC series) and median values were computed separately for stable and crisis periods. The hypotheses were then tested using the t-test, u-test and z-test. The critical value of the Student's t-test statistic for DCC pairs was $t_{crit} = 1.98$. The significance of the u-test and z-test statistical criteria was assessed at a confidence level of 95 % (p-value < 0.05). Contagion was confirmed when all three test statistics failed to reject the hypothesis of contagion (Table 3).

Table 3

Results of detecting financial contagion in the Baltic Sea states from the oil and gas market during the 2021—2022 energy crisis (tested at a 5 % significance level)

Country	DCC (pre-crisis period)		DCC (crisis period)		t-test, t_{calc}	u-test, p-value	z-test, p-value	Presence of contagion
	Average	Median value	Average	Median value				
Contagion source: gas market								
Germany	–0.050	–0.038	–0.170	–0.171	18.50	0.000	0.000	+
Denmark	–0.201	–0.023	–0.026	–0.023	–14.51	0.000	0.000	–
Latvia	0.046	0.055	–0.046	–0.046	8.53	0.000	0.000	+
Lithuania	0.080	0.103	–0.106	0.182	15.03	0.000	0.000	+
Poland	0.019	0.025	0.003	0.005	0.64	0.210	0.001	–
Finland	–0.089	–0.089	–0.186	–0.183	32.98	0.000	0.000	+
Sweden	–0.199	–0.126	–0.133	–0.134	–2.64	0.949	0.000	–
Estonia	0.055	0.068	–0.154	–0.140	13.22	0.000	0.000	+
Russia	0.106	0.109	–0.109	–0.098	19.58	0.000	0.000	+
Contagion source: oil market								
Germany	0.154	0.159	0.139	0.149	–0.62	0.923	0.000	–
Denmark	–0.158	–0.240	–0.083	–0.078	2.98	0.000	0.000	+
Latvia	0.140	0.143	–0.007	–0.002	–9.24	0.000	0.000	–
Lithuania	0.134	0.131	0.007	0.020	–12.30	0.000	0.000	–
Poland	0.378	0.381	0.122	0.141	–13.72	0.000	0.000	–
Finland	0.240	0.264	0.081	0.084	–6.45	0.000	0.000	–
Sweden	0.152	0.148	0.093	0.078	–3.28	0.002	0.000	–
Estonia	0.093	0.050	0.085	0.095	–0.25	0.339	0.116	–
Russia	0.371	0.368	0.051	0.049	–31.74	0.000	0.000	–

Thus, during the energy crisis, financial contagion was observed in seven Baltic Sea states — Germany, Lithuania, Latvia, Finland, Estonia, Russia and Denmark. Contagion from gas was detected in the first six states, while Denmark experienced contagion from oil.

As noted earlier, the primary driver of financial contagion in the states under consideration was the post-pandemic economic recovery, which spurred increased demand for energy commodities. However, escalating geopolitical tensions and the tightening of sanctions against Russia, particularly in the energy sector, hindered the ability to meet these demands. For instance, Germany had long been highly dependent on Russian natural gas, with Russia supplying 65.4 % of its total imports in 2021 (55,443.3 million m^3). By 2022, this share had more than halved to as little as 29.6 % (25,941.1 million m^3),[1] necessitating urgent supply substitutions, reliance on alternative markets and an increased intake of more expensive LNG amid a resource shortage. Given Germany's role as Europe's industrial hub, with 59 % of its natural gas consumption allocated to industrial enterprises, the drastic transformation of its energy market triggered financial contagion across various national industries. Given Germany's role as Europe's industrial hub, with 59 % of its natural gas consumption accounted for by industrial enterprises, the drastic transformation of its energy market triggered financial contagion across various national industries.

Countries with lower dependence on natural gas have also proven to be vulnerable to financial contagion. In Finland, for example, natural gas accounted for 5.3 % of power generation and 10.9 % of heat generation in 2021. Yet, the country experienced financial contagion due to its reliance on Russian oil imports. Additionally, the decline in peat production as a fuel source for heat generation further contributed to contagion.

The susceptibility of Latvia, Lithuania and Estonia to financial contagion may stem from various factors, including increased electricity generation from thermal power plants using natural gas and reduced generation from renewable energy sources (RES). Moreover, these countries have withdrawn from the BRELL power grid system. Lithuania, in particular, faces challenges such as insufficient power grid capacity and a low share of electricity generation from cost-effective renewable sources — solar, wind and hydropower — meeting only 20 % of its energy needs. Consequently, the country lacks the capacity to generate a sufficient amount of electricity [26].

Regarding the causes of the gas crisis in Latvia and the resulting financial contagion, it is important to note that the country was wholly reliant on Russian gas supplies between 2015 and 2020. In contrast, Lithuania's dependence, though

[1] Imports of natural gas by partner country, *Eurostat.eu*, URL: https://ec.europa.eu/eurostat/databrowser/view/nrg_ti_gas__custom_12445435/default/table?lang=en (accessed 02.02.2024).

fluctuating, generally declined, with Russian gas accounting for 41.8 % of its supply in 2020.[1] A combination of factors — including restricted access to Russian energy commodities, adverse climatic conditions and increased natural gas and electricity consumption following the COVID-19 pandemic — contributed to financial contagion [6].

The contagion in the Russian stock market driven by gas supply issues is attributed to the country's substantial loss of its European sales market, estimated at 77.1 % of total exports as of 2020. The decline in export revenues impacted various sectors of the Russian economy, while factors such as restrictions on Russian gas supplies, the seizure of Russian energy assets abroad and the sabotage of the Nord Stream pipeline further contributed to increased uncertainty in the Russian stock market, heightening its vulnerability to financial contagion.

Poland's resilience to contagion related to natural gas supply issues arises from the fact that 64.8 % of its gas needs are met through LNG imports. The country operates an LNG terminal in Świnoujście, which fulfils its gas demand, reducing reliance on regional European gas market conditions. Pipeline gas demands are met via the Baltic Pipe, while overall energy consumption remains dominated by solid fossil fuels, particularly bituminous coal.

In Sweden, RES account for 67.4 % of electricity generation and 72.6 % of heat generation, while nuclear power contributes 30.8 % and 27.4 %, respectively. As of 2021, gas comprises only 0.2 % of electricity generation and 0.6 % of heat generation, with oil comprising 0.2 % and 1.3 %.[2] Sweden remains energy-independent from external hydrocarbon supplies, rendering it resistant to financial contagion from energy market disruptions.

For the countries under consideration, financial contagion may also ensue from the speculative policies of the United States, the primary geopolitical partner in terms of LNG supply, which accounted for 44 % of demand in 2022 and 48 % in 2023.[3] By the first half of 2022, the United States had become the world's largest LNG supplier, with the EU and the UK receiving 71 % of its exports.[4]

The financial contagion in Denmark can be explained by several factors. The Danish economy relies on imported crude oil to meet its energy needs. Fluctuations in oil prices and a decrease in global oil supply led to a rise in oil prices

[1] Natural gas import dependency by country of origin, *Eurostat.eu*, URL: https://ec.europa.eu/eurostat/databrowser/view/NRG_IND_IDOGAS/default/table (accessed 02.02.2024).
[2] Complete energy balances, *Db.nomics.world*, URL: https://db.nomics.world/Eurostat/nrg_bal_c?tab=list (accessed 12.10.2024).
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within the country, which affected its economy. No contagion linked to the gas market was detected, likely owing to Denmark's domestic gas extraction from the North Sea, which helps mitigate possible shortages. Additionally, the country operates the Energinet gas transmission system and partially offsets shortfalls to European countries through the Baltic pipe, benefiting from this arrangement. However, higher energy prices have significantly impacted the competitiveness of Danish goods, as their production is energy-intensive. This, in turn, led to a decline in foreign exchange earnings from exports. Furthermore, the ban on insuring Russian oil cargo shipments and providing corresponding services, announced in the summer of 2022, also had an impact. The share of Russian oil imports to Denmark decreased by more than threefold as a result, plummeting to 7.8 % in 2022.[1] The sanctions imposed on Russian sea carriers led to a decline in revenues for Danish contractors, who control approximately 60 % of all Russian oil shipments by sea.

The absence of oil market-driven contagion in other countries is primarily due to the resource's availability, the development of supply channels and the capacity for rapid diversification, preventing any deficits.

Estimates of sectoral financial contagion

The results obtained for financial contagion at the country level, it is reasonable to infer that it propagated within the economies of the affected countries. The parallel with biological infection is evident — just as a virus initiates a replicative cycle upon entering the human body, in economic systems, this cycle manifests not within cells but through the transmission of shocks from one market, industry or sector to another.

For the seven affected countries, additional contagion estimates were obtained along the 'oil and gas market → industries or sectors of the national economy' pathway. The calculations incorporated various stock indices from Russia, Germany, Denmark and Finland, as well as share prices of companies in Estonia, Latvia and Lithuania within specific sectors. Stock prices were considered a potential transmission channel due to the absence of industry indices for these countries, as they are not computed or published for the relatively small number of publicly traded companies.

The estimation followed a similar approach. Testing for ARCH effects indicated that the hypothesis of ARCH processes could not be rejected for all pairs of analysed variables. Table 4 displays the final results obtained for industry-level financial contagion.

[1] Imports of oil and petroleum products by partner country, *Eurostat.eu*, URL: https://ec.europa.eu/eurostat/databrowser/view/NRG_TI_OIL__custom_12261734/default/table?lang=en (accessed 03.02.2024).

Table 4

Results of detecting financial contagion from the oil and gas market across selected industries and sectors of the Baltic Sea states during the 2021—2022 energy crisis (tested at a 5 % significance level)

Industry or sector	DCC (pre-crisis period)		DCC (crisis period)		t-test, t_{calc}	u-test, p-value	z-test, p-value	Presence of contagion
	Average	Median value	Average	Median value				
Germany								
Automotive engineering	0.124	0.122	–0.204	–0.191	43.87	0.000	0.000	+
Banking sector	0.072	0.075	–0.253	–0.259	30.77	0.000	0.000	+
Chemical industry	0.149	0.152	–0.195	–0.172	24.56	0.000	0.000	+
Mass-media	0.163	0.170	–0.192	–0.181	32.11	0.000	0.000	+
Techniques	0.060	0.064	–0.114	–0.103	24.29	0.000	0.000	+
Insurance	–0.065	–0.069	–0.167	–0.155	10.80	0.000	0.000	+
Transport and logistics	–0.014	–0.015	–0.194	–0.180	21.48	0.000	0.000	+
Industry	0.130	0.151	–0.217	–0.211	20.39	0.000	0.000	+
Health service	0.084	0.080	–0.150	–0.115	24.89	0.000	0.000	+
Retail trade	–0.043	–0.042	–0.204	–0.204	16.61	0.000	0.000	+
Software	0.045	0.043	–0.166	–0.168	20.27	0.000	0.000	+
Telecommunications	0.057	0.070	–0.089	–0.065	12.66	0.000	0.000	+
Utility services	0.038	0.032	–0.190	–0.191	27.54	0.000	0.000	+
Financial services	0.047	0.056	–0.201	–0.206	29.14	0.000	0.000	+
Consumer sector	–0.031	–0.031	–0.208	–0.199	37.72	0.000	0.000	+
Latvia								
Techniques	–0.192	–0.124	–0.214	–0.183	0.068	0.259	0.000	–
Food-processing industry	0.164	0.199	–0.125	–0.116	23.37	0.000	0.000	+
Utility services	0.196	0.197	0.092	–0.089	29.36	0.000	0.000	+
Health service	–0.089	–0.083	0.034	0.034	–6.56	0.000	0.000	–
Consumer sector	–0.170	–0.188	–0.063	–0.055	–6.28	0.000	0.000	–
Transport	–0.022	–0.023	–0.040	–0.038	1.35	0.000	0.000	–
Lithuania								
Telecommunication services	0.130	0.111	–0.080	–0.074	10.25	0.000	0.000	–
Banking sector	–0.032	–0.032	–0.117	–0.117	5.99	0.000	0.000	+
Real estate	0.153	0.153	–0.037	–0.031	9.75	0.000	0.000	+
Tourism	0.174	0.157	–0.146	–0.141	22.89	0.000	0.000	+
Oil and gas sector	–0.058	–0.077	–0.072	–0.075	0.87	0.816	0.000	+
Construction	0.013	–0.032	–0.262	–0.216	10.84	0.000	0.000	+
Utility services	–0.171	–0.171	–0.093	–0.090	–9.64	0.000	0.000	–
Food-processing industry	0.130	0.128	0.168	0.099	–1.30	0.568	0.011	–
Energy sector	0.150	0.173	–0.169	–0.166	17.64	0.000	0.000	+
Textile industry	–0.037	–0.041	0.022	0.013	–1.98	0.000	0.000	–
Finland								
Telecommunications	0.029	0.032	–0.081	–0.048	9.25	0.000	0.000	+
Direct materials	–0.052	–0.040	–0.180	–0.178	9.08	0.000	0.000	+
Health service	–0.135	–0.108	–0.077	–0.075	–2.67	0.088	0.000	–

The end of Table 4

Industry or sector	DCC (pre-crisis period)		DCC (crisis period)		t-test, t_{calc}	u-test, p-value	z-test, p-value	Presence of contagion
	Average	Median value	Average	Median value				
Industry	–0.180	–0.107	–0.215	–0.225	1.66	0.000	0.000	–
Finance	0.064	0.075	–0.105	–0.083	10.06	0.000	0.000	+
Techniques	–0.026	–0.026	–0.126	–0.130	8.18	0.000	0.000	+
Oil and gas sector	0.053	0.054	–0.023	–0.012	12.40	0.000	0.000	+
Utility services	0.008	0.014	–0.114	–0.123	6.48	0.000	0.000	+
Estonia								
Food-processing industry	–0.161	–0.164	0.008	0.006	–27.93	0.000	0.000	–
Textile industry	–0.056	–0.065	–0.137	–0.129	9.13	0.000	0.000	+
Real estate	0.061	0.071	–0.091	–0.069	13.62	0.000	0.000	+
Finance	–0.009	–0.006	0.113	0.113	–9.71	0.000	0.000	–
Electrical equipment	0.038	0.034	–0.156	–0.151	17.45	0.000	0.000	+
Banking sector	0.019	0.048	–0.151	–0.152	13.23	0.000	0.000	+
Construction	0.036	0.029	–0.217	–0.200	18.56	0.000	0.000	+
Retail trade	–0.015	–0.015	–0.180	–0.177	14.26	0.000	0.000	+
Transport	0.090	0.105	–0.161	–0.161	27.43	0.000	0.000	+
Russia								
Metallurgy	–0.043	–0.056	–0.199	–0.208	10.61	0.000	0.000	+
Oil and gas sector	0.146	0.117	–0.119	–0.113	32.50	0.000	0.000	+
Energy	–0.036	–0.100	–0.130	–0.132	7.35	0.000	0.000	+
Telecommunications	–0.053	–0.051	–0.129	–0.138	8.04	0.000	0.000	+
Consumer sector	0.020	–0.023	–0.173	–0.159	11.92	0.000	0.000	+
Chemistry and petroleum chemistry	–0.048	–0.020	–0.157	–0.157	8.59	0.000	0.000	+
Finance	0.053	0.081	–0.149	–0.132	5.52	0.000	0.000	+
Transport	0.023	0.024	–0.174	–0.188	25.29	0.000	0.000	+
Denmark								
Software	–0.040	–0.039	0.083	0.084	24.86	0.000	0.000	+
Consumer goods	0.023	0.026	0.104	0.128	5.88	0.000	0.000	+
Health service	–0.182	–0.182	0.045	0.040	26.13	0.000	0.000	+
Real estate	0.001	0.012	0.028	0.026	2.93	0.016	0.000	+
Banking sector	0.183	0.191	0.098	0.123	–5.16	0.000	0.000	–
Techniques	–0.040	–0.039	0.083	0.083	24.67	0.000	0.000	+
Chemical industry	0.078	0.075	0.081	0.082	0.93	0.129	0.000	–
Oil and gas sector	–0.013	–0.003	0.124	0.137	13.93	0.000	0.000	+
Financial services	–0.107	–0.018	–0.020	–0.033	5.25	0.006	0.000	+

As shown in Table 4, financial contagion during the energy crisis impacted multiple economic sectors across all countries. The oil and gas industry and the energy sectors were the most exposed, which is consistent with the causes and consequences of the crisis. However, certain sectors demonstrated greater resilience than others. For instance, the immunity of some Latvian sectors, particularly healthcare and technology, can be attributed to their relatively low reliance on external energy supplies and strong support from the state. Denmark's banking system, recognised as one of the most stable globally, and Lithuania's telecom-

munications sector, sustained by steady demand from households and businesses, also exhibited resistance to financial contagion. Nevertheless, overall sectoral vulnerability to energy shocks remained high, underscoring the necessity of developing crisis mitigation strategies and implementing policies to counteract financial contagion.

The sectoral stock markets of Estonia, Latvia and Lithuania remain in an early stage of development, consisting of only a limited number of companies whose share prices do not provide a comprehensive representation of sectoral stock market dynamics. Consequently, estimates of contagion at the sectoral level remain inherently incomplete.

Anti-crisis policy and counteraction to financial contagion

Anti-crisis policies in the Baltic Sea states included governmental responses to the energy shock of 2021—2022, which significantly impacted households and multiple economic sectors. Various measures were implemented to mitigate the effects of rising energy prices, including subsidies and compensations, increased budgetary allocations, tariff freezes, tax reductions and the provision of loans and bank guarantees. Table 5 presents a summary of these policies for the selected countries (excluding Russia), along with examples of specific measures.

Table 5

Anti-crisis measures taken in the Baltic Sea states during the energy crisis

State	Anti-crisis measures	
	Households	Business
Germany	Increased social benefits, coverage of heating costs, one-time payments to vulnerable populations, rental subsidies	Capping energy price increases, granting subsidies to energy and trading companies, providing substantial financial aid to the Uniper energy company and implementing a revised gas auction format
Denmark	Covering electricity bills, providing subsidies for the prompt replacement of individual gas heating systems, increasing the tax-free portion of heating bills	Temporary reduction of electricity tariffs and state-backed loans for energy companies
Latvia	Housing allowances, compensation for housing and utility bills, social payments	Compensation for propane-butane gas and diesel fuel expenditure exceeding the threshold level
Lithuania	Compensation for rising electricity and gas expenditure, increased discounts for solar energy consumers	Additional investments in the electric power sector, support for business initiatives to implement solar, wind and electric batteries, tax incentives
Poland	Freezing electricity and gas prices, subsidising the purchase of coal for heating	Reduction of VAT rates on energy resources, compensation payments to gas companies, tightening of monetary policy

The end of Table 5

State	Anti-crisis measures	
	Households	Business
Finland	Subsidies and tax deductions for utility and transportation costs	Grants to agricultural enterprises, bank guarantees for housing and utilities companies, reduction of VAT rates for passenger transportation services, compensation of expenses to fishing companies
Sweden	Compensation for rising electricity costs and an increase in housing allowances for families with children	Setting an upper limit on electricity prices, reducing fuel taxes, providing bank guarantees to housing and utility companies
Estonia	Subsidies for low-income families to cover utility costs, ceiling on electricity and gas tariffs	Reduction of electricity payments and investment grants for energy security in industry

Compiled according to materials from [28—31].

Obviously, these measures required large-scale administrative oversight, legal regulation and financial backing, with the German government shouldering the greatest cost. For instance, a €65 billion package was announced in September 2022 to support a Europe-wide cap on energy company profits, reduce electricity prices and subsidise the electricity grid in an attempt to curb price increases. The programme also included lump-sum payments of €300 for pensioners and €200 for university students, along with increased rental subsidies, child allowances and other social benefits. Similar initiatives, albeit with significantly smaller budgets, were launched in other countries. The government of Lithuania introduced compensation measures for electricity and gas consumers affected by rapidly rising prices. The maximum electricity price compensation was set at €0.285/kWh, while gas price compensation reached €0.99/m^3. The 2022 budget allocated €973 million for this purpose, with approximately €570 million allocated to households. Additionally, Lithuania actively promoted a transition to solar energy, increasing the budget for solar customer incentives from €5 million to €35 million in 2022, more than doubling the number of participants. Consequently, total monthly solar power consumption capacity rose from 261.8 MW in January 2022 to 572.3 MW by December 2022 [28].

Countering financial contagion should be adapted to the specific channels through which it is transmitted. If contagion spreads through trade, policies may include import restrictions or outright bans. In the case of cross-border lending, measures could involve financial leverage restrictions and stringent bank capital requirements. As this study examines financial contagion spread through the stock market, managing portfolio investments becomes a central concern. Capital flow controls, government or central bank purchases of portfolio assets, asset guarantees and financial market stabilisation mechanisms — such as repo transactions or secured lending to market participants — have been highligh-

ted as effective countermeasures [32]. These strategies are equally relevant for the Baltic Sea states affected by financial contagion, which should, as a priority, maintain a balanced international portfolio investment strategy, diversify their assets and closely monitor macroeconomic linkages. Additionally, implementing investor protection mechanisms can mitigate financial losses in the event of contagion.

Driven by the energy crisis, European measures to counter financial contagion became part of the energy market reform initiated in September 2022. This reform aimed to mitigate risks for consumers, industry and investors, which continually arise in various markets due to the heightened volatility in energy prices [33]. Early results of the European anti-crisis policy can already be seen in the diversification of energy supplies. In the first half of 2022, imports of liquefied natural gas from outside the Russian Federation (i. e. the United States, Canada and Norway) increased by 19 billion m^3 year-on-year. Cooperation with Azerbaijan was expanded, particularly concerning the Southern Gas Corridor and a Trilateral Memorandum of Understanding was signed with Egypt and Israel on gas exports. Additionally, energy dialogue with Algeria was resumed and cooperation with major producers in the Persian Gulf continued. The EU also established a platform for joint gas purchases, enabling member countries to maximise their collective purchasing power. The goal of this voluntary coordination mechanism is to secure more favourable prices, enhance transparency and support member states that need assistance in gas procurement due to a lack of financial resources.

Overall, the anti-crisis measures taken by the countries contributed to the stabilisation of energy prices and a reduction in their volatility. In the context of global instability, these measures proved effective in responding to the crisis, including in countries where no contagion was recorded. The shocks of a global nature and the strong interconnectedness of EU economies, along with policies based on common principles, necessitated the adoption of these national-level measures. They not only helped counteract financial contagion but also precluded it in individual countries, thereby having a preventive effect.

Conclusion

The energy crisis of 2021—2022 posed a significant challenge to the economies of the Baltic Sea states. Our study revealed instances of financial contagion from both a country-specific and industry perspective. Dependence on Russian energy imports and underdeveloped domestic energy infrastructure left many Baltic Sea states vulnerable to the energy shock, primarily originating from the gas market. However, government interventions helped mitigate the crisis effects and shielded the financial system from systemic contagion. The crisis highlighted the critical need for energy resource diversification and the development of renewable energy sources, enabling the Baltic Sea states to build greater resilience against future global energy market shocks.

Other approaches, notably the Diebold-Yilmaz methodology for constructing VAR models, can be employed to explore the processes of financial contagion. This methodology helps capture the dynamics of temporal relationships and estimate how changes in one market may influence other markets [34]. Its application would enable the identification of countries and industries where contagion is detected 'first' or 'late'. Such insights are valuable for developing anti-crisis policies and implementing preventive measures against financial contagion.

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