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## Impact Assessment of a Visa Free Regime between the EU and Russia: the Case of Lithuania

The main aim of this study is to evaluate the impact of a potential visa waiver between the EU and the Russian Federation for the Lithuanian systems of internal, foreign affairs, customs and border control. The analysis will focus upon effects of the aforementioned visa free regime for the scope of legal and illegal migration, crime rates, the system of state border control, the organisation of police activities, the system of control of illegal migration, a financial burden for the system of asylum and general and future costs. Empirical data consists of interviews obtained at ministries of foreign affairs and the interior and the related institutions such as the Police Department, the Migration Department and the State Border Guard Service under the Ministry of the Interior, the Customs Department under the Ministry of Finance, from other officials and statistical data, official statements, and earlier studies. The study consists of five main parts: the political context for the potential visa waiver, its impact for the above-mentioned state institutions, the calculation of potential financial costs, and conclusions and recommendations. The two latter parts are to large extent future-oriented and these methodologically challenge an exact assessment of total costs of possible visa waiver. Besides, the analysis deliberately does not delve into possible benefits of EU-Russia visa freedom. The analysis unveils the negative impact of the possible visa free regime: a visa waiver would abolish the special Kaliningrad transition programme and its financing, increase general crime rates, activity of organised crime groups and potential for terrorism and human trafficking. Financial costs consisting of reduced EU financing, lost income and increased needs to strengthen public institutions would call for 16-17 million Litās in annual expenditures without additional costs and future projects worth, most likely, 40-85 million Litās.

### Introduction

The process of the abolishment of the current visa regime between the EU and the Russian Federation started after Russia exerted its efforts in actively raising

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this initiative.<sup>1</sup> There are relatively few important economic or social motives for this visa freedom on the Russian side: it is quite a relevant issue related to the state status and a symbol on Russia's present political agenda which is being actively uploaded into the EU-Russian dialogue.<sup>2</sup> Russian officials claim that while discussing this issue nowadays the EU and Russia are moving to an 'operational phase' taking into account questions concerning biometric passports and implementation of readmission agreements.<sup>3</sup> The issue of a visa waiver was raised as early as in 2003 during the 11<sup>th</sup> EU-Russia summit.

Lithuania as a member of the EU follows the negotiation processes of the EU's agreements with third countries which subsequently provide legal obligations. It is important to note that the management of potential benefits and the neutralization of negative aspects of consequences of such agreements are also important in the case of a visa free regime.

The relevance of this study is related to political, security oriented and technical-financial aspects. Politically, the aforementioned process has already begun and Lithuania as a member of the EU responsible for part of the Union's external border with Russia keeps an eye on a dynamic geopolitical situation and its possible consequences. From a soft security point of view, the potential costs of the upcoming visa waiver, as well as its impact on internal security, remain underestimated. The information collected during this investigation and final recommendations may serve as a useful tool for shaping the arguments of Lithuanian authorities during negotiations about effects of the visa waiver, seeking for a range of compensatory measures. Logically, the study about the impact of the EU-Russia visa free regime on Lithuania can be considered an initial analysis ensuring better understanding of a current situation and suggesting useful guidelines for the preparation and development of Lithuania's positions in both the EU-Russia visa free regime and in the EU financial perspective of 2014-2020. This case study

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<sup>2</sup> Interview with 3rd Secretary Lina Sučilaitė, Russia Division, the Eastern Neighbourhood Policy Department 2011 January 20.

<sup>3</sup> BNS, *Bevizis režimas bus viena svarbiausių Rusijos ir ES viršūnių susitikimo temų, sako Čizovas*, 2010 m. gruodžio 2 d.,

<<http://myep.delfi.lt/news/bevizis-rezimas-bus-viena-svarbiausiu-rusijos-ir-es-virsuniu-susitikimo-temu-sako-cizovas.d?id=39253527>>, 20 12 2010

might also be useful in the preparation of adequate positions for the Ministry of the Interior in its response to the questionnaire of the European Commission prepared in the beginning of 2011<sup>4</sup>. Finally, the relevance of this particular analysis could be related to certain elements of domestic political context: according to opinion polls, the Lithuanians, in their assessment of country's foreign policy, appreciate efforts to normalise relations with Russia<sup>5</sup>.

Evaluating the novelty of this case study, it is worth noting that there is a lack of comprehensive research on the impact of the EU-Russia visa free regime on Lithuania or its particular areas of public life, but at the same time one could find certain internal assessments at the Ministry of the Interior and the Ministry of Foreign Affairs on possible costs of visa waiver<sup>6</sup>. Besides, the study of M. M. Salminen and A. Moshes (2009) investigated possible perspectives of the Russia-EU visa waiver, by scrutinising five cases (Finland, Germany, Italy, Estonia and Poland) and the current visa regime, as well as relevant political, security and technical problems of the introduction of visa waiver. Their conclusions emphasised that the potential visa freedom between the EU and the Russian Federation was mutually beneficial and desirable, as the number of travellers between the Union and Russia has increased and Russian citizens were considered to be reliable, good customers. Salminen and Moshes argued that the current mode of modernization in Russia needs European capital and knowledge, and this growing dependence requires more flexible conditions for human communication. Their study argues that the present visa regime, in turn, would undermine the EU-Russia strategic partnership.

The key objective of this limited-scope case study is the assessment of the impact of a potential visa free regime between the European Union and the Russian Federation for the Lithuanian system of internal affairs. Therefore the analysis will qualitatively and quantitatively evaluate possible outcomes of the visa waiver and deliver recommendations for the management or neutralization of those particular results. Interrelated smaller tasks elucidate a detailed impact of a possible visa freedom for the various fields of internal affairs:

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<sup>4</sup> *Public Consultation on EU Funding in the Area of Home Affairs*, <[http://ec.europa.eu/home-affairs/news/consulting\\_public/consulting\\_0020\\_en.htm](http://ec.europa.eu/home-affairs/news/consulting_public/consulting_0020_en.htm)>. 07 02 2011

<sup>5</sup> BNS, *Pastangos normalizuoti santykius su Rusija vertinamos palankiai*, 2011 m. January 24 d., <<http://www.delfi.lt/news/daily/lithuania/pastangos-normalizuoti-santykius-su-rusija-vertinamos-palankiai.d?id=41181519>>, 25 01 2011

<sup>6</sup> Lithuanian Ministry of Interior, *Assessment of the Impact of Visa Waiver between the EU and Russia*, 2010 November, (the document has been received from Irina Voinilka, Senior specialist, International Cooperation Department, Ministry of the Interior, 2011 January 26)

- To assess an impact for Lithuanian social environment, that is, scope of legal and illegal migration and crime rates;
- To evaluate possible visa waiver consequences for the system of state border control, i.e. the organisation of activities and needs for financial and human resources for the State Border Guard Service;
- To gauge possible effects for the internal security in the fields of the organisation of activities for the police and its needs for financial and human resources;
- To estimate administrative and financial burden for the system of control of illegal migration;
- To weight up administrative and financial burden for the system of asylum;
- To calculate general financial costs.

Results of the investigation should identify problems and challenges for the State Border Guard Service, customs, the system of migration management and police and deliver possible solutions to minimise or neutralise problems identified and means of challenge management and their possible expenses. The study will employ several methods for data collection and investigation which rely upon case study method which, as a main tool of the analysis, will enable a comprehensive analysis of a small number of objects and reveal the *problematique* and tendencies inherent for the Lithuanian case. The authors of the study admit that the analysis deliberately avoided theoretical foundations and additional empirical evidence to support data obtained from interviews due to the pre-formulated empirical tasks and the limited scope of the investigation which, in turn, retained the critical evaluation of the information received at the institutions.

In order to objectively and comprehensively investigate the effects of the EU-Russia visa waiver, the evidence for the research was obtained from the primary sources by analysing political context, statistical data and interviews from the ministries of the interior and foreign affairs and their respective bodies, such as the Police Department, the Migration Department and the State Border Guard Service under the Ministry of the Interior, the Customs Department Under the Ministry of Finance, the Directorate of Border Crossing Infrastructure under the Ministry of Transport and Communications and secondary sources, like earlier studies about visa free regimes. The research consists of the political context for the visa waiver, its impact for Lithuanian social environment, management of illegal migration, asylum, border control and customs, the total estimate of potential financial costs, conclusions and recommendations.

## 1. Political Context of Visa Free Regime

This section provides a general overview of the context for the introduction of a visa waiver between the Russia Federation and the EU, simultaneously shedding light on peculiarities of the Lithuanian positions. The introduction of the EU-Russia visa free regime marks an ongoing political process, whose origins, as it has already been mentioned, can be traced to the St. Petersburg EU-Russia summit in 2003. During this 11<sup>th</sup> regular summit the idea of raising bilateral EU-Russia relations to a new quality level gained solid ground. Moreover, a declaration, which calls for the expansion of cooperation into four specific areas (economic freedom, security and justice, science and education and external security), was issued.<sup>7</sup> This declaration is relevant to our analysis as it is related to a broader question of visa waiver. Thus, in the long run the introduction of visa freedom is one of the main aspects of the ‘upgrade’ of the EU-Russia partnership and “modernization” of the Russian Federation which is relevant for long-term cooperation.<sup>8</sup> At the same time the beginning of visa free regime introduction could be conceptualized as an important step towards stronger partnership between the EU and Russia.<sup>9</sup>

The Lithuanian position on this issue is not polarized by different internal institutional and political arguments and could be characterized as a moderate support for the EU’s opinion which reflects the idea that the abolition of the current visa regime for Russia is possible in future while highlighting certain important aspects in the implementation which is considered in Lithuania as directly linked to real progress of visa elimination. One such facet is rather technical: the introduction of visa free regime relates to the implementation of special measures and a subsequent operationalization of this progress: a visa waiver between the EU and Russia will not be settled without the implementation of appropriate measures and without an adequate preparation.<sup>10</sup> The second aspect is political in its origins and could be associated with a non-discrimination of the Eastern Partnership countries.<sup>11</sup> Although levels of preparation and progress of these countries in introducing visa waiver with the EU are very different, Ukraine and Moldova have considerably progressed, whereas Georgia, Belarus, Armenia and Azerbaijan are still stalled. Lithuania and other new EU member states exert efforts to ensure

<sup>7</sup> Vitkus G., „The Russia – USA – EU “Triangle” and Smaller States in 2003-2004“, *Lithuanian Annual Strategic Review 2004*, p. 131.

<sup>8</sup> Kірvelytė L., „Rusijos B planas“, Vilnius, 2010 m. birželio 11 d., <<http://www.atgimimas.lt/Pasaulyje/2010-metai-birzelio/Rusijos-B-planas>>, 21 01 2011

<sup>9</sup> Interview with Lina Sučilaitė.

<sup>10</sup> Ibid.

<sup>11</sup> Ibid.

that a visa free regime between the EU and Russia does not come earlier than the one for the Eastern Partnership countries.<sup>12</sup>

The most active endeavours to conclude a final draft of the declaration to introduce visa waiver between the EU and Russia were visible during the Spanish EU Presidency in the first half of 2010. The Spanish Foreign Minister Miguel Angel Moratinos played a significant role by initiating the idea to develop a 'road map' which could lead to the liberalization of a visa regime or even its elimination during the Spanish Presidency.<sup>13</sup> In the EU there was also a general understanding that if the introduction of a visa waiver gained the momentum, then Russia's progress towards the abolition of visa regime would become an unavoidable alternative to Lithuania and other new EU member states. From the Lithuanian point of view, this procedural conception and ability to measure Russia's progress could be considered a safeguard from possible negative effects, in case there are no concrete EU's obligations on time frame and "deadlines" for the harmonization of relevant documentation.<sup>14</sup>

New EU member states with EU Nordic countries, UK, Belgium and the Netherlands are 'soft sceptics' of the visa waiver. They do not directly oppose to the visa freedom, yet retain moderation and caution towards the process. The Baltic states, Austria and the Netherlands, in turn, are interested in the development of operational cooperation rather than a strategic cooperation. The positions of remaining EU countries, first and foremost those of Germany and France, differ to a high degree. The former supports an alternative of controlled process, whereas the latter stands for a more active, less controlled process with the aim to accelerate the mutual abolishment of visas between the EU and Russia. Southern European countries, such as Spain, Italy, Portugal, Greece and Cyprus, like France, pay less attention to details of the potential visa free regime.<sup>15</sup> However, all of the EU member states agree upon a common denominator, that is, 'homework'—Russia must do theirs before the visa waiver comes into force. The Russian Federation is anticipated to abolish obligatory registration of the EU citizens living in Russia at the police and introduce biometric passports.<sup>16</sup>

The opinion of the European Commission (EC) which represents the EU in the negotiations with Russia is similar to the one of countries arguing for

<sup>12</sup> Kirvelytė (Footnote 8).

<sup>13</sup> BNS, *Bevizio režimo su ES siekianti Rusija ruošiasi pasirašyti readmisijos protokolus su Bendrijos šalimis*, Vilnius, 2010 m. January 23 d., <<http://www.delfi.lt/news/daily/world/bevizio-rezimo-su-es-siekianti-rusija-ruosiasi-pasirasyti-readmisijos-protokolus-su-bendrijos-salimis.d?id=28149309>>, 19 12 2010

<sup>14</sup> Interview with Lina Sučilaitė (Footnote 2).

<sup>15</sup> Ibid.

<sup>16</sup> Interview with Olegas Skinderskis, Director of International Cooperation Department, the Ministry of the Interior, 2011 January 28

controlled process and a regular monitoring of the implementation progress.<sup>17</sup> Such an approach of the EC and the cautious member states can be regarded as 'step by step' logic.<sup>18</sup>

EU member states have a certain influence on the negotiation process as they take part in working groups in the structure of the Council of the European Union, in various evaluation commissions, the analysis of reports, though positions of France and Germany are arguably the most important. Lithuanian interests on this issue can be considered an integral part of the EU position, as Lithuania and Russia do not conclude bilateral agreements on visa waiver.<sup>19</sup> However, one of the most pressing issues on the Lithuanian side in the whole aforementioned process is the neighbouring Kaliningrad region and related the Special Kaliningrad transition programme. The visa free regime between the EU and Russia would imply the termination of the transit programme, which, subsequently, leads to a drop in jobs and EU financial aid - these aspects will be analysed later on. Lithuania would like to give the Kaliningrad region more exceptionality in the process<sup>20</sup> towards visa waiver; however, Russia did not always share the same views.<sup>21 22</sup>

It is important to note that visa waiver is not the same as a common free movement area like the Schengen zone, so the final results of this process should not be associated with an elimination, but rather different forms of border control: a two-level control system will disappear, while a new control system would be concentrated at the border.<sup>23</sup> The visa free regime itself would imply the elimination of consular control and this particular situation would be related to more

<sup>17</sup> Interview with Lina Sučilaitė (Footnote 2).

<sup>18</sup> During the process of a visa waiver the Council of the European Union establishes and confirms a scope of negotiation mandate for the EC to represent the EU in international negotiations with third parties, in this case, Russia. The final result of the negotiations is a bilateral agreement on visa waiver between the EU and Russia. Interview with Rimkaudas Loys, Head of Schengen Division, Consular Department, Foreign Ministry, 2011 January 20.

<sup>19</sup> Interview with Lina Sučilaitė (Footnote 2).

<sup>20</sup> Ibid.

<sup>21</sup> On the Lithuanian side there were efforts to bestow the Kaliningrad region a special status, which would enable to talk of earlier visa waiver for the part of the region. This can be seen in connection to Polish and Russian initiatives to extend visa free regime for all inhabitants of the Kaliningrad region. According to vice-minister of foreign affairs Evaldas Ignatavičius, Lithuania supported a different position which was adjusted with Brussels and in line with the Schengen agreement. Lithuania wanted a simplified border crossing procedure for people living not farther than 50 kilometres from the state border. However, Russia did not want to conclude such an agreement. Gudavičius S., „Lietuva – Rusijos bevizio režimo į ES stabdys“, Vilnius, 2010, <<http://www.diena.lt/naujienos/lietuva/lietuva-rusijos-bevizio-rezimo-i-es-stabdys-294945/psl-1>>, 19 01 2011

<sup>22</sup> Such an agreement on local traffic would mark an intermediate situation between the present one and visa waiver, therefore it would be appreciated as a test which could reveal how the visa free regime would function. Interview with Olegas Skinderskis, 2011 January 28 (Footnote 16)

<sup>23</sup> Interview with Rimkaudas Loys, 2011 January 20 (Footnote 18).

intensive examination of people at the border-crossing checkpoints.<sup>24</sup> Logically, there are still left certain safeguard mechanisms against negative factors (such as restrictions on the length of stay in another country).

## 2. Impact of a Visa Free Regime

### 2.1. Impact of a Visa Waiver on the Social Context and Systems of Illegal Migration and Asylum

Specific challenges the Lithuanian System of the Interior might face will be explored in further sections. In order to gauge the overall impact of a visa free regime between the EU and Russia, one has to take into consideration specific impact of the visa waiver on Lithuania's social environment, especially focusing upon flows of legal and illegal migration. According to the estimate of the Migration Department, the introduction of visa freedom would not reduce migration flows: on the contrary, they are projected to grow. The Russian Federation is among the most important non-EU-country migration rates which are considered to be relatively high. There is another and quite reverse tendency: in the case of Lithuania, Russia is probably the main non-EU country outside Europe to which Lithuanian citizens migrate to live. For example, in the period of 2004-2009 an annual average of Lithuanian citizens migrating to Russia was 487, while the period of 2006-2009 was marked by significant upward trend of emigration rates.<sup>25</sup> According to data recorded in the Migration Yearbooks, Russian citizens constituted the largest part of foreigners who were granted permanent residence permits in Lithuania (an annual average was 47 percent among all permits issued).<sup>26</sup> Tendencies in 2005-2009 remained similar: Russian citizens were given the largest share of long-term residence permits in the European Union, but the percentage of annual average dropped to 37 percent.<sup>27</sup> It is presumable that the abolition of visas might simplify border-crossing procedures and increase mutual migration flows. Preliminary data at the Police Department indicate an expected 3-3.5 time increase of annual migration from Russia (towards Lithuania and other EU countries). Lithuania could thus expect about 3.5 million Russian citizens (e.g. more than 1.1 million of

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<sup>24</sup> The key criterion for the increased extent of inspections is time spent for the screening of one passenger. In order to improve the situation one might anticipate larger human resources employed by the respective institutions for the inspection at the border.

<sup>25</sup> Sources: Migration Department under the Ministry of the Interior: 2004 m. *Migracijos metra tis*, 2005 m. *Migracijos metra tis*, 2006 m. *Migracijos metra tis*, 2007 m. *Migracijos metra tis*, 2008 m. *Migracijos metra tis*, 2009 m. *Migracijos metra tis*, <[www.migracija.lt](http://www.migracija.lt)>, 26 01 2011

<sup>26</sup> Migration Department under the Ministry of the Interior, 2004 m. *Migracijos metra tis*, Vilnius, 2005, p. 49

<sup>27</sup> Migration Department under the Ministry of the Interior, 2009 m. *Migracijos metra tis*, Vilnius, 2010, p. 60



Russian citizens travelled to Lithuania in 2010), going through customs border control of vehicles and transported goods. Arguably, one might anticipate certain growth of economic migration,<sup>28</sup> although a prognosis concerning the increase of people flow from Russia should be taken with precaution, since it does not have hardcore evidence. This is a methodological Achilles' heel of all forecasts in social sciences.

Another important aspect concerning illegal migration might be a possible ill-timed, usually later than permitted, departure of Russian citizens from the Lithuanian territory. The stay of foreign residents which lasts longer than six months is illegal.<sup>29</sup> A future estimate of visa waiver reveal an increase of risks of illegal migration since Russian citizens used to comprise a larger part of illegal migrants in different periods.<sup>30</sup> Nonetheless, this does not serve as sufficient grounds for a projection of the increase of illegal migration after the visa waiver comes true. According to the Migration Department, a visa free regime should not lead to the tangible growth of illegal migration since illegal migrants are usually smugglers,<sup>31</sup> whose activities the visa waiver is not anticipated to affect,<sup>32</sup> unless one theoretically correlates an increase of contraband with higher number of Russian residents entering Lithuania. However, flows of smuggling towards the EU, and first of all towards Lithuania, depend on different levels of prices and living standards which are likely the most important factors increasing cross-border illegal trade and contraband.

Official statistics illustrate that although a number of Lithuanian-Russian border violations varied insignificantly (annually 155 an average), still in 2008-2010 the rate of violations observably grew.<sup>33</sup> Furthermore, the figure of suspected 'wanted' Russian citizens detained at the frontier fluctuated (from 2 in 1995 to 138 in 2001); however in 2006-2010 these tendencies were on the rise and might disclose the probability of an increased crime rate.<sup>34</sup>

<sup>28</sup> Interview with Aleksandr Valentij, Senior specialist, International Cooperation Board, the Police Department under the Ministry of the Interior, 2011 February 9. Visa waiver facilitates border crossing procedure since e.g. Russian citizens entering Lithuania will not have to carry a visa. Visa free regime would thus induce Russian citizens living close to the state border to come to Lithuania with aims, for instance, to bring along cheaper trade items or organise smuggling channels for excise goods.

<sup>29</sup> Interview with Antanas Turčinai, Head of the Division of Aliens' Affairs, the Migration Department under the Ministry of the Interior, 2011 January 27.

<sup>30</sup> Interview with Alvydas Pumputis, Senior specialist Border Control Division, Board of Activity Planning, the State Border Guard Service under the Ministry of the Interior, 2011 January 27.

<sup>31</sup> According to approximate estimate the prevention of illegal Russian cigarette imports in 2010 amounted 45 million Litas.

<sup>32</sup> Interview with Antanas Turčinai, Head of the Division of Aliens' Affairs, the Migration Department under the Ministry of the Interior, 2011 February 7.

<sup>33</sup> The State Border Guard Service under the Ministry of the Interior, *Užfiksuoti valstybės sienos pažeidimai*, Vilnius, 2010, <[http://www.pasienis.lt/lit/Uzfiksuoti\\_valstybes\\_sienos\\_pazeidimai/142/1](http://www.pasienis.lt/lit/Uzfiksuoti_valstybes_sienos_pazeidimai/142/1)>, 29 01 2011

<sup>34</sup> The State Border Guard Service under the Ministry of the Interior, *Lietuvos pasienyje sulaiyktyti įtariamai ieškoti asmenys*, Vilnius, 2010, <[http://www.pasienis.lt/lit/Lietuvos\\_pasienyje\\_sulaiyktyti\\_itariamai\\_i/146/](http://www.pasienis.lt/lit/Lietuvos_pasienyje_sulaiyktyti_itariamai_i/146/)>, 29 01 2011

Another important element related to potential risks of growing crime rates in both the EU and Lithuania is a problem of forgery of travel documents and absence of biometric identification systems and document security in Russia.<sup>35</sup> These problems and the required management of their negative impact for the internal security of Lithuania could invoke larger than usually financial costs.

The illegal transportation of excise goods through the Lithuanian-Russian border constitutes another problem. Statistical data indicates that in 1997-2010 the largest share of tobacco smuggling came from Russia, thereby considerably surpassing the contraband scale from other neighbouring countries.<sup>36</sup> In the meantime, tendencies of alcohol smuggling vary greatly in the same period, though the extent of alcohol contraband from Russia is significantly lesser compared to tobacco smuggling.<sup>37</sup>

One more important facet in the migration processes is the activity of the Lithuanian asylum institution. Russian citizens constitute the largest share of asylum seekers in Lithuania: in 1997-2004 annual average of such Russian citizens reached 60 percent among all asylum seekers, and during the period of 2005-2009 this number increased to 74 percent. The latest annual figures show that in 2009 Russian citizens represented 'traditionally' the largest part among asylum seekers (54 percent), but most of these claims are related to the Chechnyans (about 48 percent of all applicants and 88 percent of Russian citizens' requests). Comparing this to the 2008 data, the total number of asylum applications decreased.<sup>38</sup>

The data related to requests for asylum of Russian citizens discloses a decrease of such flows in 2009, but this trend must be assessed with caution, as these flows have risen in some countries of the EU (especially without the external borders of the Union or belonging to the Schengen area, i.e., Belgium, Germany, the Netherlands, Sweden, Luxembourg, Austria).<sup>39</sup>

The introduction of the aforementioned visa free regime could increase incentives of the Russian citizens to remain longer in the territory of the EU, hoping to gain a refugee status. Official statistics shows that in 1997-2004 Lithuania granted such status to 16 citizens of the Russian Federation, and this percentage constitutes 20 percent of total annual number of newly confirmed refugees.<sup>40</sup> This number has increased more than twice during a period of 2005-2009, as 37

<sup>35</sup> Interview with Alvydas Pumputis (Footnote 30).

<sup>36</sup> State Border Guard Service under the Ministry of the Interior, *Lietuvos pasienyje sulaikyta tabako kontrabanda*, Vilnius, 2010, <[http://www.pasienis.lt/lit/Lietuvos\\_pasienyje\\_sulaikyta\\_tabako\\_gami/140](http://www.pasienis.lt/lit/Lietuvos_pasienyje_sulaikyta_tabako_gami/140)>, 29 01 2011

<sup>37</sup> State Border Guard Service under the Ministry of the Interior, *Sulaikyta alkoholio kontrabanda*, Vilnius, 2010, <<http://www.pasienis.lt/lit/IMG/139>>, 29 01 2011

<sup>38</sup> Interview with Antanas Turčinai, 2011 January 27. (Footnote 28)

<sup>39</sup> Ibid.

<sup>40</sup> „2004 m. Migracijos metraštis“, (Footnote 26), p. 69

Russian citizens were recognized as refugees; this shows the highest total number of refugees (60 percent).<sup>41</sup> One could predict that the introduction of a visa waiver could lead to an increase of asylum applications, since even within the current visa regime citizens of the Russian Federation constitute the largest part of the asylum seekers.

Taking into consideration current tendencies of migration and asylum requests, as well as forecasts of the Migration Department, one could predict that increasing numbers of illegal migrants and asylum seekers would in turn increase the workload of responsible civil servants. Moreover, taking into account the importance of Dublin II Regulation, there is a risk that Lithuania will be liable for assuming responsibility for asylum applications in other EU Member States<sup>42</sup> and take over Russian asylum seekers who have crossed Lithuanian border and travelled to other EU countries.<sup>43</sup> Such cases would reveal growing demand for human resources, accompanied by additional financial costs.<sup>44</sup>

## 2.2 Impact of Visa Waiver for Systems of State Border Control and Customs

A possible visa waiver might also affect systems of state border control and customs. One of the arguments for claiming continuous EU financial assistance is Lithuania's responsibility for part of the EU external border. The visa free regime would affect activities of the State Border Guard Service which ensures border protection, control of passengers, vehicles and migration, refugee registration and performance of the Customs Department which is responsible for the control of passengers, inhabitants at the frontier, transportation means and carried goods.<sup>45</sup>

The EU-Russian visa waiver is anticipated to significantly increase the flows of passengers, vehicles and goods to the EU through the Lithuanian state border. The visa free regime abolishes visa costs and therefore more people with a lower income are expected to arrive to Lithuania with the aim to profit from

<sup>41</sup> „2009 m. Migracijos metraštis“, (Footnote 27), p. 85

<sup>42</sup> In 2009 The Migration Department adopted 222 decisions to assume responsibility for the examination of asylum requests submitted in other EU member states. (according to 2003 February 18 Regulation of the Council No. 343/2003). Nearly half of these decisions (107) were adopted because of the requests from the Russian citizens.

<sup>43</sup> Interview with Antanas Turčin, 2011 January 27 (Footnote 29)

<sup>44</sup> Ibid.

<sup>45</sup> The Government approved of the Regulations of the State Border Guard Service under the Ministry of the Interior, on February 22, 2001. No. 194, <[http://www3.lrs.lt/pls/inter3/dokpaieska.showdoc\\_l?p\\_id=163112](http://www3.lrs.lt/pls/inter3/dokpaieska.showdoc_l?p_id=163112)>, 28 01 2011

illegal trade. Different excise duty policies and price levels for goods in Lithuania and the Kaliningrad region is conducive to higher risks of illegal trade of legally brought in items though it is not easy to foresee exact growth of people and goods entering Lithuania.<sup>46</sup> Besides, the increased flows of people will amplify risks of contraband and therefore the state budget will suffer. For instance, the customs prevented illegal Russian cigarette imports worth 45 million Litas in 2010.

The rise of transport and people entering Lithuania from the Kaliningrad region could increase the workload for control officers and the duration of inspections at the border. The visa waiver would eliminate the first integrated state border management filter at consular institutions which conduct border policy in third, transitional countries and countries of origin by controlling entrants to Lithuania.<sup>47</sup> Therefore, the efficient management of potentially increased flows of passengers, vehicles, goods and screening at the border would call for the expansion of human and financial resources, infrastructure and upgraded means for traveller, transport and good inspection.

Lately, factual throughput at the state border crossing checkpoints has exceeded the projections and in the case of a visa waiver the workload at the border would definitely rise. Therefore, there is a need to increase the number of people working in this field. The State Border Guard Service will need at least 215 additional jobs.<sup>48</sup> The Customs Department considers it next to impossible to exactly calculate the future growth of human resources due to the lack of data on the number people required at the customs institutions in different state border checkpoints.<sup>49</sup>

However, it is worth calling attention to the fact that the Community Customs Code does not apply transit procedure to goods carried by persons. Under the existing law, persons travelling to/from the Kaliningrad region should declare transportable items to free circulation procedure and pay statutory fees. This situation is contrary to Russian intentions, so this issue must be addressed and regulated during the negotiation process of visa free regime.<sup>50</sup>

The EC ear-marked 108 million Litas for the Kaliningrad Special Transit Programme as part of the EU External Border Fund for the period of 2007-2013

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<sup>46</sup> Interview with Audrius Pauliukevičius, Head of Border Control Division, Board of Activity Planning of Headquarters, the State Border Guard Service under the Ministry of the Interior, 2011 February 10.

<sup>47</sup> Interview with Alvydas Pumputis (Footnote 30).

<sup>48</sup> Interview with Audrius Pauliukevičius (Footnote 46).

<sup>49</sup> In order to exert efficient control of persons and transport means, 21 customs officers are supposed to be employed in one border control checkpoint. Interview with Jonas Mi kinis, Deputy director general, the Customs Department under the Ministry of Finance, 2011 February 11.

<sup>50</sup> Interview with Jonas Mi kinis, Deputy director general, the Customs Department under the Ministry of Finance, 2011 February 19.

aiming to ensure the implementation of the EU *acquis* regulating the transit between the Kaliningrad region and the rest of the Russian Federation.<sup>51</sup> With regard to the aforementioned EU External Border Fund, Lithuania receives 48 million Euro from the Kaliningrad Special Transit Programme (16 million Euro per year) during a period of 2011-2013. The absorption of those funds allocated for the last year of this period could be implemented until the 30<sup>th</sup> of June 2015. The quite rapid introduction of the visa free regime would raise an important question of the absorption of the remaining financial aid. Some of these EU-funded projects are continuous, so the lack of adequate implementation would bring unnecessary costs.<sup>52</sup>

Another relevant aspect of the impact of the introduction of visa free travel on the State Border Guard Service and on the system of Lithuanian Customs includes the modernization of the Lithuanian border control system. There is a need for the transformation of border crossing checkpoints and related infrastructure as well as for the increase in both projected and operational throughput capacity.<sup>53</sup> In order to solve the problem of throughput, one must pay attention to certain aspects. First of all, the installation of proper infrastructure for the increase of material capacities (such as installing sites or expanding a number of road lanes in some territories of border crossing checkpoints) could ensure better queuing conditions on the Lithuanian side of the state border. It is also important to ensure the interconnection of the Lithuanian Customs and State Border Guard Service as well as the principles of control organization. The level of throughput of border control checkpoints could be increased by accelerating modernization of the Russian border control infrastructure.<sup>54</sup>

The visa waiver may be related to a few important challenges for Lithuanian internal security: one could predict a general increase of crime, the intensification of activity of organized crime groups, growing possibilities of terrorism and human trafficking. Due to Lithuania's geographic position, the country would face higher risk for drug trafficking (from Kaliningrad to the rest of the Russian Federation) as

<sup>51</sup> Central Project Management Agency, *Specialioji tranzito schema 2007-2013 m.*, 2011, <<http://www.cpvva.lt/specialioji-tranzito-schema/>>, 28 01 2011

<sup>52</sup> Lithuanian Ministry of Interior, *Assessment of the Impact of Visa Waiver between the EU and Russia*, 2010 November (Footnote 6).

<sup>53</sup> Interview with Alvydas Pumputis (Footnote 30).

<sup>54</sup> Panemunė-Sovetsk and Ramoniškės-Pagraničnij state border crossing checkpoints can serve as examples, since infrastructure on the Russian side does not match the quality of the Lithuanian: differences of modernisation are clearly visible. Interview with Algirdas Blaškevičius, Head of Construction Division, the Directorate of Border Crossing Infrastructure under the Ministry of Transport and Communications 2011 January 27.

a transit country.<sup>55</sup> These estimates are supported by the data from the Europol's initiated Russian Organized Crime Threat Assessment Methodology (ROCTA). They indicate a noticeable shift from violent acts committed by Russian citizens to financial crimes. Organized crime groups in Russia might have indirect impact on security maintenance in the European Union.<sup>56</sup> Besides, Lithuanian Police and its Internal Security Department have recently taken over some functions of counterterrorism management, but additional resources for these particular functions has not been allocated.<sup>57</sup>

The aforementioned extent of growth-prone migration might potentially increase crime rates: now Russian citizens comprise the largest share (more than 25 percent among all the suspects) among foreigners registered at pre-trial institutions and charged with criminal activities.<sup>58</sup> Thefts, violations of traffic rules and various frauds dominate criminal activity among those foreigners, yet hard and very hard offences comprise a great share too.

Taking into account the previously named threats, the visa waiver would require additional human and financial resources for the activities of criminal and public police. The management of legal and maximal time of Russian citizens spent in Lithuania is expected to increase the workload for officials dealing with migration at public police subdivisions, investigators from divisions on prevention (local inspectors) and police patrols. Moreover, a probable increase of the turnover of illegal goods and illegal work could raise the workload of prevention subdivisions and inspectors of customs affairs.

In the meantime the activity organisation of criminal police would focus on the neutralisation of potential terrorist threats – this also requires additional human and financial expenditures.<sup>59</sup> According to the preliminary estimate at the Police Department, the visa waiver would require 22 additional jobs for criminal police and 22 for public police for efficient functioning.<sup>60</sup>

Another important aspect in activities of customs and police is a potential demand for IT development, maintenance and upgrade. The visa waiver might increase flows of passengers, vehicles and goods and thus the renewal of technological infrastructure (first of all the development of the Police Information System (POLIS) would enhance a more efficient control of the arrival and length of stay

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<sup>55</sup> Interview with Audronė Sviklaitė, Head of International Cooperation Board, the Police Department under the Ministry of the Interior, 2011 January 31.

<sup>56</sup> Ibid.

<sup>57</sup> Interview with Audronė Sviklaitė, Head of International Cooperation Board, the Police Department under the Ministry of the Interior, 2011 February 6.

<sup>58</sup> Interview with Audronė Sviklaitė, (Footnote 55).

<sup>59</sup> Ibid.

<sup>60</sup> Interview with Aleksandr Valentij, 2011 February 9 (Footnote 28)

of Russian citizens. There is also the need to build up compatibility of police and customs information systems in order to exchange information.

The upcoming visa free regime will also require a new high quality legal base, so that it would induce more efficient cooperation between Lithuanian and Russian officials. A bilateral Lithuanian-Russian agreement on the fight against organised crime was not signed, although Lithuania submitted a draft version in 2001. Such an agreement would ensure a more efficient and simple exchange of different pieces of information. On the basis of this agreement there is also a demand for concluding another inter-institutional agreement on a lower level of ministries of the interior and finances. This would assist in direct collaboration with corresponding law enforcement and customs institutions in the Kaliningrad region and would facilitate a management of increased flows of migration, crime, vehicles and goods after the visa waiver.

There is no agreement between the European law enforcement agency (Europol) and respective Russian institutions either, which would allow conducting joint research and creating conditions for the exchange of personal data and better protection of such data in Russia.<sup>61</sup>

### 3. General Financial Costs of Visa Waiver for Lithuania

The evaluation of the total financial burden for Lithuania is based on critically assessed data provided by the Lithuanian institutions. However, the overall assessment is still preliminary, as it is rather complicated to predict the accurate effects of all relevant factors, as well as to sum up exact costs associated with the introduction of the visa waiver. The analysis will first establish financial resources that would be lost in case the current visa scheme is abolished.

It is important to note that the EU External Border Fund at the Special Transit Programme earmarked about 108 million Euro in the Financial perspective of 2007-2013. If the visa waiver is introduced, Lithuania would annually lose an average about 55.2 million Litass. The introduction of a visa free regime would deprive Lithuania of visa fees (currently – 35 Euros for a visa for Russian citizens). As in 2008-2009 Russian citizens were given 122,062 visas, the overall revenue constituted 14.8 million Litass.<sup>62</sup>

Another part of costs is related to the maintenance and renovation of the

<sup>61</sup> Interview with Jonas Mi kinis, Deputy director general, the Customs Department under the Ministry of Finance, 2011 January 26.

<sup>62</sup> Interview with Rimgaudas Lo ys, Head of Schengen Division, Consular Department, Foreign Ministry, 2011 January 24.

Special Transit Programme equipment acquired from the EU funds. The abolition of the aforementioned scheme would imply that all the expenses related to the maintenance of this equipment would be imposed on Lithuania.<sup>63</sup> Moreover, the state would lose a share of the EU funds, which were earmarked by the fifth protocol in the Lithuania's EU Accession Treaty.<sup>64</sup>

In 2010 there were 102 consular officers at the Ministry of Foreign Affairs recruited under the Special Kaliningrad Transit Programme which granted 7.6 million Lit. Simultaneously there were 184 employees at the State Border Guard Service and the funds for their activities constituted approximately 7.2 million Lit. Nearly 2.3 million Lit. were allocated to this Service in order to cover their extra administrative and technical, as well as repatriation costs. The introduction of the visa waiver would mean that Lithuania's budget would not only lose the EU financial support, but it would have to sack about 70 persons at the Ministry of Foreign Affairs and the State Border Guard Service - their salaries were covered by the Special Kaliningrad Transit Programme. If the new visa free regime came into force in 2013, Lithuania would lose about 16 million Lit., since special funds under the aforementioned Transit Programme will be approved by the European Commission until the 1<sup>st</sup> of November in 2012.<sup>65</sup>

As previously mentioned, the introduction of the visa waiver would imply the abolished control of travellers in consular offices—some of these functions would go over to the border crossing checkpoints. An immediate demand for increased human resources for the management of passenger flows, as well as ensuring high quality and an adequate rate of control will require approximately 10.75 million Lit. a year.<sup>66</sup>

The problem of throughput at border crossing checkpoints is also related to the infrastructural reform of these particular checkpoints in Russia. Furthermore, there would be a possible demand to build additional parking lots for vehicles at the border. Although most of the border crossing checkpoints are relatively new, the introduction of the visa free regime may create a need for the upgrade of infrastructure at the border with the Kaliningrad region as well as for higher number of broader parking lots and the upgrade of the IT infrastructure.<sup>67</sup> The planning

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<sup>63</sup> Interview with Olegas Skinderskis, Director of International Cooperation Department, the Ministry of the Interior, 2011 January 28.

<sup>64</sup> Protocol No. 5. „Dėl asmenų saugomos tranzito tarp Kaliningrado srities ir kitų Rusijos Federacijos dalių“, <<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:12003T/PRO/05:LT:HTML>>, 07 02 2011

<sup>65</sup> Interview with Daiva Racevičienė, Head of EU Aid Management Division, the Ministry of the Interior, 2011 February 7.

<sup>66</sup> Interview with Audrius Pauliukevičius (Footnote 46).

<sup>67</sup> Interview with Algirdas Blaškevičius, Head of Construction Division, the Directorate of Border Crossing Infrastructure under the Ministry of Transport and Communication, 2011 February 7.



and installation of additional infrastructure for parking lots for cars and cargo vehicles at Panemunė and Kybartai border control checkpoints would cost about 4 million and 3 million Litas respectively; Ramoniškės border crossing checkpoint would be modernised by implementing a second phase of construction, that is, by creating conditions for cargo vehicle traffic, thus, installing additional traffic lanes with corresponding infrastructure. This would require about 6 million Litas. The cost of a parking-lot with the accompanying infrastructure at the border crossing checkpoint is approximately 4 million Litas. One must notice preliminary costs since precise calculation is possible only after the planning work had been carried out.<sup>68</sup>

In addition, the improvement of infrastructure and hygiene standards at Panemunė-Sovetsk border crossing checkpoint demands a new bridge over the river Nemunas with corresponding infrastructure. The costs of communication infrastructure (road development) in order to improve border the Lithuanian-Russian crossing might reach approximately 45 million Litas. The Lithuanian authorities expect to receive 35 million Litas from the Lithuanian-Polish-Russian cross-border cooperation programme at the European Neighbourhood and Partnership Instrument in case Poland and the EC give their consent, since Russia, financially responsible for the construction of the future bridge over the Nemunas, supports the acquisition of funds from the aforementioned programme.<sup>69</sup>

The visa waiver would also require the modernisation and expansion of infrastructure and screening equipment at state border crossing checkpoints. Customs offices at the external EU border in Lithuania (Kaunas and Klaipėda territorial customs offices and offices in Kybartai, Panemunė, Nida and Ramoniškės) need technical means for the control of goods. According to a preliminary estimate value of a standard equipment at one office is around 0.6 million Litas; therefore, costs for the upgrade and technological adequacy of such customs offices would comprise about 2.4 million Litas.

Another aspect of strengthening activities of customs offices is the acquisition of roentgen control equipment for the screening of vehicles and goods.<sup>70</sup> Two stationary/transferable systems at Panemunė and Kybartai offices would cost about 14 million Litas and could be financed from the Lithuanian-Polish-Russian cross-border cooperation programme at the European Neighbourhood and Partnership Instrument given a positive evaluation of an application in the first

<sup>68</sup> Interview with Algirdas Blaškevičius, Head of Construction Division, the Directorate of Border Crossing Infrastructure under the Ministry of Transport and Communication, 2011 February 10.

<sup>69</sup> Interview with Šarūnas Baublys, Director of Road and Civil Aviation Department under the Ministry of Transport and Communications, 2011 February 10.

<sup>70</sup> Interview with Jonas Miškinis (Footnote 49)

half of 2011. The remaining customs offices would receive four pieces of roentgen control equipment (2 at customs road offices and 2 at customs railway offices) worth about 40 million Litas. Annual costs of system maintenance comprise 0.2 million Litas.<sup>71</sup> In addition, the implementation of a better customs control requires additional human resources, new inspection equipment and vehicles for customs service mobile groups.<sup>72</sup>

The visa free regime would also most likely require the enlargement of human resources in the areas of the management of migration and asylum. According to State Border Guard officers a higher number people in charge is necessary in order to control the functioning of the visa free regime inside the country, especially in cases of re-admission of illegal migrants and other law-breaking Russian citizens to their homeland. In such a case the support from the European Return Fund should increase.<sup>73</sup> It is important to note that this fund earmarked almost 5 million Euro for Lithuania for 2008-2013 period<sup>74</sup>, so this financial aid is anticipated at least to double.<sup>75</sup>

113 Russian citizens applied for asylum while only 68 of those requests were granted in 2010.<sup>76</sup> One asylum application costs about 3,000 Litas and the integration of a person who receives asylum costs approximately 1,500 Litas. The aggregation of the aforementioned sums shows that in 2010 these costs constituted about 340.000 Litas whereas the integration costs were 100.000 Litas. Although the Migration Department has not provided forecasts, according to the Police Department, in similar vein one could anticipate the increase of the number of migrants and asylum applications. Therefore, costs for the asylum system might reach approximately one million Litas. The maintenance of a foreigner in Pabradė Foreigners' Registration Centre costs 50 Litas a day. In 2010 there were 69 citizens from the Russian Federation in this Centre. The total number of days amounted 5634, so the final sum of these costs constituted about 282.000 Litas.

According to the Police Department, there would be a demand for additional

<sup>71</sup> Interview with Šarūnas Ramanauskas, Deputy Head of Statistical analysis division, the Department of Customs, 2011 February 10.

<sup>72</sup> Additional costs for the mobile customs groups consist of salary fund for newly employed people (658 500 Litas), uniforms (60 000 Litas), new vehicles for patrol and cynological functions (850 000 Litas), new customs inspection equipment (1 050 000 Litas).

<sup>73</sup> Interview with Alvydas Pumputis (Footnote 30).

<sup>74</sup> Central Project Management Agency, *Europos gražinimo fondas 2008-2013 m.*, 2011, <<http://www.cpva.lt/europos-grazinimo-fondas/>>, 31 01 2011

<sup>75</sup> Interview with Audrius Pauliukevičius (Footnote 46).

<sup>76</sup> Interview with Antanas Turčinai, 2011 February 7 (Footnote 32).

human and financial resources for the police functions too.<sup>77</sup> The maintenance of new Criminal Police officers would annually cost nearly 1.026.200 Litas. In order to achieve an adequate level of activity of those newly created jobs, one must consider additional costs: official uniforms – 78.284 Litas, the installation of offices – 132.000 Litas; 4 additional vehicles and their maintenance – 440.000 Litas.

The visa waiver is very important for the Lithuanian Police in financial terms. The end of the Special Kaliningrad Transit Programme would result in a loss of financial support from the External Border Fund, which would reduce police funding by 10 million Litas.<sup>78</sup> In this case Lithuania will not carry out the obligations of this programme, let alone the need for finances to operate and maintain the equipment.<sup>79</sup> In terms of higher workload, the loss of financial support may inflict a negative impact on the management of security threats.

Preliminary estimates of the Board of Public Police reveal that the functions of public safety would entail additional human resources with annual costs of approximately 1.213.950 Litas. The maintenance of newly created jobs would ask for more funding: official uniforms – 118.384 Litas; the installation of workspace – 168.000 Litas; 15 vehicles and their maintenance – 660.000 Litas. One should combine the costs of the IT sector technical base upgrading (the upgrading of POLIS system costs 500.000 Litas) and the usage of Russian language transliteration in Lithuanian Police records and information systems, comprised of demographic data. Such updates could cost 100.000-1.000.000 Litas. If there is an additional need for specialized readers, the financial estimate increases to approximately 3-4 million Litas. An overall technological improvement of the police performance could be attributed to the need to acquire five biological, chemical and radioactive contamination detection devices as a preventive tool against terrorist attacks. Such equipment would cost about 350.000 Litas. Its relevance increases by considering growing likelihood of terrorist attacks in Lithuania.<sup>80</sup> Another area for potentially required increased financing is the police anti-terrorist operations unit “Aras”, which needs 2.36 million Litas worth technological equipment and means for the better elimination of security threats. This demand for higher financing is

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<sup>77</sup> That is to prevent, disclose and investigate criminal activities and other violations of law in fields of economy, business and finances, to strengthen control of illegal turnover of excise and other goods at territorial police offices at the Lithuanian-Russian border.

<sup>78</sup> Interview with Aleksandr Valentij, 2011 February 9 (note 28).

<sup>79</sup> Exploitation costs in 2010 were 1 218 000 Litas but they are expected to drop to 1 184 000 Litas in 2011. Interview with Aleksandr Valentij, Senior specialist, International Cooperation Board, the Police Department under the Ministry of the Interior, 2011 February 11.

<sup>80</sup> The main anticipated problem is a transportation, storage and usage of various types of explosives, including ‘dirty bombs’ with Chemical, Biological, Radiological and Nuclear elements for terrorist acts as well as cases of hostage kidnapping. Interview with Aleksandr Valentij, (Footnote 28).

connected not only with a potential visa waiver, but also with general needs to fight terrorism and overtaking part of unfinanced functions from the State Security Department.

In sum, preliminary total financial costs in case of a possible visa waiver consist of two parts. One part relates to possible financial losses due to reduced EU financing, especially a possible lack of future funding from the Special Kaliningrad transition programme and missing income from visa fees. General annual costs of this kind<sup>81</sup> would amount to approximately 70 million Litas and possibly more.<sup>82</sup> A second part of the financial burden can be characterised as possible expenditures (See Table 1).<sup>83</sup> These expenses can be divided into the annual ones consisting of costs related to maintenance, additional jobs and equipment and ‘*ad hoc*’ expenditures for infrastructure, acquisition of technologies and future projects. The financial assistance from the EU (mostly from Lithuanian-Polish-Russian cross-border cooperation programme at the European Neighbourhood and Partnership Instrument) would reduce costs of the aforementioned projects. Interviewed officials from the analysed institutions did not elaborate on financial compensatory sources, yet according to the representatives of the Police Department the EU financial mechanisms would be the most appropriate in this case.<sup>84</sup>

## Conclusions

The case study qualitatively and quantitatively assesses the impact of the potential visa waiver between the EU and Russia on the Lithuanian system of internal affairs and identifies the most important problems for the systems of state border control, migration, police and customs. The analysis of the political context reveals the ongoing process towards visa freedom. In Lithuania there is institutional and political consensus on the inevitability of this upcoming visa free regime, as well as on its progress measurement in Russia in line with the EU requirements and non-attachment of the EU to a fixed timetable and deadlines. The visa waiver

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<sup>81</sup> Annual income from the Special Transit Programme and collected fees for visas.

<sup>82</sup> In case one adds up prevented harm from illegally imported Russian cigarettes (45 million Litas in 2010) the total sum grows to 115 million Litas. Additional costs may come from losses of the national budget due to missing income from sales of illegally imported and sold fuel, alcohol and food products from the Kaliningrad region.

<sup>83</sup> Sums presented in the table can be larger than Lithuania might anticipate for the analysed areas for the 2014-2020 EU financial perspective. Therefore, these figures can be considered as a preliminary assessment of institutional future needs which may be adjusted according to political reasons.

<sup>84</sup> Interview with Aleksandr Valentij, Senior specialist, International Cooperation Board, the Police Department under the Ministry of the Interior, 2011 February 19.

regime has general EU support; however, visa free introduction will proceed only with Russian “homework” (i.e. the withdrawal of registration for the EU citizens at the police and introduction of biometric passports). There are two groups of countries in the EU with regard to the speed of visa waiver. One is both cautious and sceptical and consists of the Baltics, Nordic states, new EU members from Central and Eastern Europe, Austria, the United Kingdom and the Netherlands. Lithuania’s opposition to an early visa free regime is normatively reasonable, but, at the same time, it is not politically achievable, since the introduction of visa waiver depends on the country’s progress given existent political will. Another group, Southern European and the bigger states, support visa regime liberalisation and earlier visa freedom comes from bigger countries.

Conclusions and recommendations of this limited-scope case study focus on future perspectives which are methodologically difficult to accurately assess. Taking into consideration forecast in the social sciences, one must consider specific factors and their impact in certain situations. There might be still left unobserved additional factors in the complex social milieu – they are not additionally included due to limitations of the scope of this analysis.

While assessing the impact of the visa free regime on legal and illegal migration, it is possible to suggest that the simplified border crossing procedures could enhance mutual migration rates, but rates of legal migration of citizens of the Russian Federation to Lithuania, as final or intermediate destination, is anticipated to grow approximately 2-3 times. Data about future levels of illegal migration varies, yet one could not say for certain that there is a real background for the substantial increase of illegal migration rates.

However, Lithuania is likely to face a higher number of applications for a refugee status in the case of visa waiver. In a combination with higher rates of immigrants these demands could be related to the rising workload of responsible civil servants. Besides, there is a growing risk for Lithuania to take over both responsibilities for asylum applications from other member states of the EU and asylum seekers who entered Lithuania.

The future visa free regime is also related to the abolition of the Special Kaliningrad Transit Programme and accompanying funds. The introduction of the visa waiver and subsequent loss of “filters” in the Lithuanian consular offices could lead to higher rates of passengers, vehicles and goods crossing the Lithuanian-Russian border. The estimates reveal that human resources at the State Border Guard Service might increase by approximately 215 jobs.<sup>85</sup> In an attempt to provide adequate operational efficiency of the Lithuanian Customs, additio-

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<sup>85</sup> Interview with Audrius Pauliukevičius (Footnote 46).

nal human resources are also needed, but accurate data on the growth for these resources are lacking. According to officials from the Customs Department, 21 customs officers are expected to work at one border crossing checkpoint ensuring the effectiveness of customs control.

The internal security in case of the visa free regime would face a negative impact: one could notice an increase in overall crime rates, the intensification of activities of organized crime as well as increased threat of terrorism and human trafficking. Moreover, the rise of the Lithuanian-Russian border violations, arrests and illegal trafficking of goods may indicate the likelihood of criminal activity growth in the future too. These threats would require additional human (78 additional jobs) and financial resources.

The study has identified a need for new legal instruments which would assist in cooperation between Lithuanian and Russian and EU and Russian officials in the sphere of enhancing internal security.

In conclusion, one must again emphasize the costs of visa waiver. In sum, preliminary total financial costs entail potential financial losses because of absent EU financing and possibly ceased income from visa fees. Annual costs of this kind would comprise about 70 million Litas and perhaps even more, including missing state income from illegal sales of illegal and legal goods from foreign countries. Other costs are summarised in the table below. Finally, the exceptionality of the Kaliningrad region provides an additional aspect to consider. On the one hand, Lithuania politically is inclined towards granting this region more exclusiveness in movement and openness; on the other hand, the Lithuanian economy at the frontier might face additional economic pressures due to possible migration of people and goods from the Kaliningrad enclave and differences of economic development between Lithuania and the region.

Table 1. Financial Costs of Visa Waiver, Litās<sup>86\*</sup>

	Annual Costs	Additional Costs	Future Projects
<b>Costs According to Activities</b>			
<b>1. Organisation of Border Guard</b>			
1.1. Additional jobs at the State Border Guard Service	10 750 000		
1.2. Modernisation of border crossing checkpoints		17 000 000	
1.3. Construction of the bridge Panemunė-Sovetsk			45 000 000
<b>2. Organisation of Customs activities</b>			
2.1. Modernisation of customs offices		2 400 000	
2.2. Roentgen control systems	400 000 (1 200 000) <sup>1</sup>	14 000 000 <sup>2</sup>	40 000 000
2.3 Equipment for customs service mobile groups		1 900 000	
2.4 Additional jobs at customs service mobile groups	658 500		
2.5 Uniforms for officers		60 000	
<b>3. Organisation of police activities</b>			
3.1. Additional jobs at Criminal police	1 026 200	650 284	
3.2. Additional jobs at Public police	1 213 950	946 384	
3.3. Upgrade of IT equipment (POLIS) <sup>3</sup>		500 000	
3.4. Equipment for identification of biological, chemical and radioactive pollution		350 000	
3.6. Technical equipment for „Aras“		2 361 500	
3.7. Management of equipment of Special transit programme	1 184 000 <sup>4</sup>		
<b>4. Organisation of activities of asylum request systems</b>			
4.1. Procedures of asylum request	1 000 000 <sup>5</sup>		
4.2. Maintenance of foreigners at Foreigners' Registration Centre	282 000 <sup>6</sup>		
<b>5. Total</b>	<b>16 514 650</b> <b>(17 314 650)</b>	<b>40 168 168</b>	<b>85 000 000</b>

<sup>1</sup> This sum would be in case of six, not two, stationary roentgen control systems.

<sup>2</sup> A targeted resource of finance is the Lithuanian-Polish-Russian cross-border cooperation programme at the European Neighbourhood and Partnership Instrument (currently the Lithuanian institution submitted an application for the Joint technical secretariat at the Programme).

<sup>3</sup> For the sake of simplicity costs are calculated without additional expenditures which could amount from 100 000 to 4 million Litās.

<sup>4</sup> The calculation is based on estimate for 2011.

<sup>5</sup> The calculation is based on annual 2010 data on costs of investigation of asylum application and integration of persons with the asylum right.

<sup>6</sup> The calculation is based on annual data for 2010 on Maintenance of foreigners at Foreigners' Registration Centre.

<sup>86</sup> Source: Authors' Calculation

## Recommendations

This section offers possible solutions to the anticipated problems, as well as the management or mitigation of the identified challenges. However, in practice it is difficult to neutralize all these potential effects, because of the complexity of their nature and long-term social and economic consequences not only for the Lithuanian system of internal affairs, but also for the wider national or EU milieu. The study focused on costs of the potential visa free regime between the EU and Russia, whereas financial and other benefits of visa freedom were not considered. Yet, it is worth noting that the Ministry of Economy (in particular the Department of Tourism) is concerned about analysing the more positive side of such an agreement. This could be a task for future scholarly endeavours.

Politically and historically, the relationship between Lithuania and the Russian Federation has always been one of the most important issues on the domestic and foreign agendas in Lithuania. The asymmetry of power between a small and a big state, clashes of identity and different interpretation of the living memory, as well as energy dependence on Russia and its tangible shares in Lithuanian imports-exports structure call for the construction of relationship with Russia in an active mode, while using the EU framework for the search of partners and upload of Lithuanian interests.

There is a need to employ the existing and developing formats of co-operation with countries of similar interests, i.e., primarily with Baltic and Nordic neighbours, Poland, paying attention to the NB8 +1 (Baltic, Nordic countries and the United Kingdom) as well as more sceptical EU members towards this visa waiver. It is recommended to continue supporting the implementation of visa-related measures on the Russian side and measuring its progress and “homework”.

In the case of the upcoming 2014-2020 financial perspective, the Lithuanian authorities will provide reasonably calculated financial needs for this new programming period, focusing on administrative arrangements and human resources. It is important to outline compensatory measures and costs of re-entering the labour market for people who would lose jobs after the termination of the Special Kaliningrad Transit Programme. It is also recommended to strengthen the Lithuanian-Russian border control with financial and administrative measures, to enhance the functions of the Lithuanian authorities in charge of systems of customs, internal security and asylum, as well as to develop their mutual compatibility, especially in the field of information exchange.

One possible recommendation highlights the need to develop an inter-institutional action plan, which would provide specific guidelines focusing on threat



neutralization and prevention.<sup>87</sup> Moreover, action should be taken in creating adequate preventive measures in order to protect the system from individual abuses of asylum applications and, while exchanging information between agencies at the border, to prevent from subsequent border-crossers who have already applied for asylum or could continue their negative activities in the future.<sup>88</sup>

It is also worth developing bilateral cooperation on both sides of the Lithuanian-Russian border as well as between the EU and Russian authorities<sup>89</sup>, simultaneously enhancing mutual interest in the neutralization of negative consequences. One possible proposal could be related to the Russian obligation to implement simplified procedures for its citizens while returning to their homeland.<sup>90</sup> In addition, Lithuania should emphasise the need to strengthen mutual border throughput in order to achieve the EU-Russia visa free agreement and to avoid discrimination from the Russian side.

Finally, examples of good practice become relevant in the context of potential visa waiver. One of them is the Electronic System for Travel Authorization (ESTA), applied in the US.<sup>91</sup> The main idea of this system is to register in the automatic system persons who want to travel to the US, and then issue permits. The EU does not have a similar system; however, Lithuania could offer to analyse at various levels the possibility of introducing such a system in the case of looming visa waiver.

Finally, in an attempt to guarantee customs control of goods so that they do not enter the EU customs territory without control, it would be expedient to apply a special customs supervision regime for such goods. These means should be financed from the EU by continuing the Special transit programme (or an analogous scheme) and this question ought to be discussed and regulated at the EU level.

### *September 2011*

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<sup>87</sup> Interview with Audronė Sviklaitė, 2011 January 31 (Footnote 55)

<sup>88</sup> Ibid.

<sup>89</sup> For example, to conclude a bilateral agreement with Russian concerning the fight of organised crime. This legal instrument would guarantee a more efficient exchange of information; to conclude inter-institutional agreement on a lower level between ministries of the Interior and Finances, which would facilitate cooperation with respective law enforcement bodies in the Kaliningrad region after the visa waiver; to conclude an agreement between the European law enforcement agency (Europol) and corresponding Russian institutions which would enable to carry out joint investigations and pave the way for the exchange of personal data, simultaneously ensuring better protection of such data in Russia.

<sup>90</sup> Interview with Antanas Turčinas, 2011 January 27

<sup>91</sup> Interview with Olegas Skinderskis, Director of International Cooperation Department, the Ministry of the Interior, 2010 December 8.