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LATVIJAS ĀRPOLITIKAS INSTITŪTS

# LATVIAN FOREIGN AND SECURITY POLICY

YEARBOOK **2016**



The Latvian Institute of International Affairs (LIIA) continues to provide an annual assessment of Latvian foreign and security policy. The *Latvian Foreign and Security Policy Yearbook 2016* aims to contribute to the understanding of Latvia's foreign and security policy decisions and considerations, along with opportunities and concerns for 2016. During the 2015 Latvia assumed a six month presidency of the Council of the European Union, moving Latvia into the centre of European events. However, 2015 has been a very challenging year for the European Union, Transatlantic community and the world security in general, and Latvia in particular. The ongoing crises in the world will continue to pose threats to stability in the region and the world, therefore, it is crucial that Latvia makes the best possible foreign and security policy decisions in 2016. This publication is an effort of the Latvian Institute of International Affairs with support by Friedrich-Ebert-Stiftung.

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*The opinions expressed here are those of the authors and do not necessarily reflect the positions of the Latvian Institute of International Affairs or the Friedrich Ebert Stiftung or represent the opinion of any government authority or ministry.*

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# TABLE OF CONTENTS

## **INTRODUCTORY REMARKS**

Andris Sprūds .....5

## **LATVIA'S FOREIGN POLICY IN TIMES OF EXISTENTIAL CHALLENGES**

Imants Lieģis .....7

## **SAVING THE UNION: THE EU DIMENSION OF LATVIA'S FOREIGN POLICY 2016**

Kārlis Bukovskis..... 19

## **THE FIRST LATVIAN PRESIDENCY OF THE COUNCIL OF THE EUROPEAN UNION – EXPECTATIONS AND DELIVERABLES**

Māris Andžāns.....27

## **EASTERN PARTNERSHIP – LATVIA'S CONTRIBUTION**

Juris Poikāns ..... 36

## **PEACE, TRADE, AND EUROPEAN RESOURCES: LATVIA AND THE EASTERN PARTNERS IN 2015–2016**

Diāna Potjomkina..... 43

## **THE EUROPEAN EXIT GAMES OF 2016 – BREXIT AND GREXIT**

Aldis Austers ..... 59

## **LATVIA'S UKRAINE POLICY: THE UKRAINE CRISIS AND BILATERAL RELATIONS IN 2015**

Ilvija Bruģe.....71

## **HAS RUSSIA'S SYRIAN ADVENTURE MADE LATVIA SAFER?**

Jānis Kažociņš ..... 80

<b>THE ROLE OF CYBER DEFENCE IN HYBRID WARFARE CONDITIONS: PROPER WAY FOR LATVIA IN REDEFINITION OF DEFENCE AND EDUCATIONAL POLICY AREAS UNDER THE CHANGING SECURITY CIRCUMSTANCES</b> Mārtiņš Daugulis.....	89
<b>LATVIA'S PARTICIPATION IN INTERNATIONAL COUNTER-TERRORISM OPERATIONS TO PREVENT THE SPREAD OF IDEOLOGICALLY DRIVEN RADICAL ORGANISATIONS</b> Olafs Arnicāns.....	97
<b>LATVIA'S COOPERATION WITH DIASPORA IN 2015</b> Alise Krapāne.....	107
<b>GO NORDIC-BALTIC! REGIONAL CO-OPERATION AS A <i>SINE QUA NON</i> FOR LATVIA'S SECURITY</b> Anke Schmidt-Felzmann.....	117
<b>SECURITY CHALLENGES AND INTERESTS OF SMALL PERIPHERAL MEMBER STATES IN THE EU: BALTIC STATES IN THE DEBATES OVER A NEW PACT FOR EUROPE</b> Viljar Veebel & Illimar Ploom.....	129
<b>AUTHORS</b> .....	143

# INTRODUCTORY REMARKS

Andris Sprūds

The Latvian Institute of International Affairs continues to evaluate Latvian foreign and security policy. The year of 2015 has been a challenging, complex and invigorating year for Latvia's foreign policy makers and shapers. Latvia enthusiastically took over the presidency of the Council of the European Union. The presidency allowed Latvia to demonstrate its strong commitment to the values of the like-minded community, leadership in agenda setting and institutional readiness to manage the multifaceted European affairs. Latvia followed Lithuania's example in leading a successful presidency in the EU Council. Moreover, the NATO Centre of Excellence on Strategic Communication was opened in Riga. As a result, Latvia's capital became one of the hubs for political decision-making and intellectual thought exchange in the Euro-Atlantic Community in 2015.

However, the previous year clearly indicates those tests that will have to be dealt with in 2016. Latvia's EU presidency and willingness to build on its success came in juxtaposition with considerable challenges to the Euro-Atlantic community. The *Charlie Hebdo* attacks in Paris became a foretaste for a complicated year ending with even more tragic human loss in Paris and ensuing apprehension of vulnerability and insecurity among European societies. Terrorism has become the plague of the 21<sup>st</sup> century. Moreover, the protracted refugee crisis may have even stronger and longer-lasting repercussions for the future of the European developments. The political and economic sustainability of the traditional European project, which has been characterised by openness and tolerance, appears in a need to be reinvigorated and redefined.

Europe also continues to face the re-emergence of geopolitical ambitions and concerns. Russia's adventurism in Ukraine, annexation of the Crimea and continuous competition of integration projects in the neighbourhood has been a game changer. Now with a protracted conflict in Ukraine the "win-win" approach in a wider region is increasingly difficult to achieve and insecurity perceptions are omnipresent. Perceptions of engagement and expectations of wider regional

cooperative frameworks have apparently been replaced by growing mistrust, mutual deterrence strategies and great power rivalry. Latvia has continued to pursue its engagement strategy by leaving channels of dialogue with Russia open, promoting Europeanisation of Eastern Partnership countries, and strengthening cooperation with Central Asian states. However, lingering conflicts in the neighbourhood and the refugee crisis have reminded Latvia that reassurance, solidarity building and homeworks are continuous efforts in progress.

We believe and underline that foreign and security policy starts at home. The Euro-Atlantic area remains a community of the like-minded but the diversity of approaches may take its toll and must be managed. The Grexit has been avoided but the questions of long-term economic, social and institutional sustainability, global effectiveness and relevance, and ability to speak with a common voice remain. The discussion on the new Europe's Global Strategy is one of the relevant platforms in this search in 2016. NATO Warsaw Summit is another. Engaging with our global partners such as China is yet another. Latvia above all has to ensure its political, economic and social stability. Only then, the country will be able to take advantage of its full-fledged membership of Euro-Atlantic structures and pro-active foreign policy.

*Latvian Foreign and Security Policy Yearbook 2016* aims to contribute to the assessment and understanding of the Latvia's foreign and security policy challenges and opportunities in 2016. The publication scrutinises the developments and decisions in 2015 and endeavours to outline scenarios and recommendations for Latvia's foreign and security policy in 2016. The partnerships are always instrumental in achieving a successful result. *Yearbook 2016* is a manifestation of significance of partnerships as it benefited considerably from our Latvian and foreign expert willingness to share their insights and advice. Moreover, the long-lasting and generous support by the Friedrich-Ebert-Stiftung has been instrumental to a positive outcome of this publication. The Friedrich-Ebert-Stiftung has repeatedly demonstrated its leadership in promoting intellectual engagement and a thorough exchange of thoughts at a national level and beyond. This has been an indispensable contribution to an invigorating and informed debate among the decision-making and expert communities, and general public in Latvia. Last but not least, this publication benefits from a reader interested in understanding the challenges and prospects for Latvia to implement successfully its foreign and security policy in the demanding regional and international environment. As a previous year, 2016 is a year of numerous tasks, difficult decisions and windows of opportunities.

# LATVIA'S FOREIGN POLICY IN TIMES OF EXISTENTIAL CHALLENGES

Imants Lieģis

Latvians by their nature are isolationists. With a reputation of thriving in their individual homesteads (*viensēta*) in the countryside, the inhabitants are used to fending for themselves. But as the 17<sup>th</sup> century English metaphysical poet John Donne wrote, “No man is an island” and continued further, “If a clod be washed away by the sea, Europe is the less.”

Latvia's foreign policy generally keeps away from isolationism. History and geography demand seeking friends and allies. By 2004, less than fifteen years after regaining independence in 1991, the country was firmly embedded in the most important international organisations.

During 2015, Latvia's foreign policy started with both feet firmly tied to Europe because of Latvia's Presidency of the Council of the European Union (hereafter referred to as “the Presidency”). However, in the latter part of the year, there were signs of stumbling away from the European values, which had been enthusiastically embraced during the preceding two decades. Common sense ultimately prevailed. Moves towards more isolationism and away from mainstream Europe's united approach towards the refugee crisis of 2015 were rejected.

These two issues – the EU Presidency and the refugee crisis offered unique opportunities and challenges for Latvia's foreign policy. Whilst Latvia's role in the former helped to move the country from the (metaphorical) province into Europe's mainstream, the latter issue provoked comments of a Europe still divided along East–West lines. Gains emanating from a well-organised Presidency were almost scuppered by the pains involved in formulating a policy towards refugees. The Presidency brought Latvia closer to Europe and Europe closer to Latvia. The migration / refugee issue was already emerging during the Presidency, but hit the

agenda in a big way in the latter part of the year. Given the increasing talk of the refugee crisis not only threatening one of the EU's basic freedoms – the freedom of movement – but also threatening the existence of the EU itself, Latvia's foreign policy will continue to be challenged by this issue.

There are two other foreign policy items on the next year's agenda, which involve challenges that were also addressed in 2015 and deserve being mentioned in this overview. Firstly, the NATO Summit in July 2016. Although the Presidency combined with the need to deal with the refugee crisis drew attention away from defence and security issues, the next year's Summit will be held in Warsaw, giving it particular relevance for Latvia and our region. Secondly, Latvia's accession to the OECD is due to be finalised by mid-2016. Unless of course some internal political shenanigans slow things down.

## THE EU PRESIDENCY

The grindstone was the symbol chosen to represent Latvia in the EU during the Presidency. It helped associate ancient Latvian traditions with modernisation and innovation. So the juxtaposition of time with space was nicely combined to encourage a sense of movement towards mainstream Europe.

It should be recalled that Latvia's Presidency was the first to deal from start to finish with the Jean-Claude Juncker Commission, appointed in the autumn of 2014. Latvia's Commissioner Dombrovskis had been given the responsibility for the Euro currency and social dialogue, itself a reflection on being in the mainstream of EU integration.

Moreover, Latvia was to receive another "prize" from the Commission, which also illustrates an acceptance of the country as a contributor to the European project. For the first time, Commission President Juncker decided to appoint an outsider as one of the three Deputy Secretary Generals of the Commission. Beating a field of some 120 candidates, Latvia's Permanent Representative, Ilze Juhansone, was appointed Deputy Secretary General. The other two appointees were internal Commission promotions. This was also the first time a Latvian had been catapulted into such a high profile position in the Commission hierarchy. The exposure given to her during the Presidency when she chaired the Committee of Permanent Representatives (COREPER II) was probably a contributory factor to this success. But Juhansone's outstanding personal talents and qualities, along with her substantial experience of EU affairs, were probably deciding factors in the decision to select her for this important post.



No amount of pre-planning could determine when and why Latvia's leaders were to hit the limelight during the Presidency. Nevertheless, the highest profile event was always going to be the Eastern Partnership Summit held in Riga in May. Without addressing the issues of substance at the Summit, it should be noted that almost all Member State Heads of State and Government turned up, including the "big three" – Chancellor Angela Merkel, President François Hollande and Prime Minister David Cameron. The latter of course used the occasion, after a surprisingly successful re-election victory only a week or so beforehand, to make his first pitch to colleagues about BREXIT – the proposed referendum on whether the United Kingdom will remain a member of the EU.

Whilst images of Cameron's appearance in Riga may have been popular in the British media, there was one image from the Eastern Partnership Summit that probably stood out more than others. It certainly went viral on You Tube with over 2 million hits by June 2015. This was the recorded image of Commission President Juncker standing next to Latvia's Prime Minister Laimdota Straujuma waiting to greet Summit guests in the National Library of Latvia. He turns to Latvia's Prime Minister and says, "The Dictator is coming", and then welcomes Hungary's Prime Minister with a friendly slap on the cheek. Without going into arguments about the rights and wrongs of Juncker's behaviour, at least it placed Latvia's Prime Minister in the unexpected position of being part of a very popular video clip. One of the unintended consequences of the Summit that had otherwise aimed to avoid controversy.

The Eastern Partnership Summit must surely have been the highlight of that aspect of the EU Presidency that could be coined – "Europe comes to Latvia". By punching above its weight, there were some other elements which helped take Latvia into Europe's mainstream. They apply specifically to the speed with which results were achieved in the complex Brussels legislative process. This is a distinct Presidency responsibility. Firstly, the Juncker Investment Plan. After proposals were submitted by the Commission, they received Member States' approval and the legislation was then adopted by the European Parliament. It was not a given that this would happen during Latvia's Presidency. Secondly, Latvia literally in the last days of the Presidency secured the European Parliament's approval of data protection legislation. As *Financial Times* journalist Peter Spiegel pointed out when interviewed by Latvia's veteran European correspondent Ina Strazdiņa, "Brussels mainly evaluates how the Presidency manages to push ahead with legislation, and in this respect, Latvia was successful."<sup>1</sup>

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<sup>1</sup> Ina Strazdiņa, "Brisele: Latvijas prezidentūra bija viena no veiksmīgākajām," *Latvijas sabiedriskie mediji*, June 29, 2015, <http://www.lsm.lv/lv/raksts/latvija/zinas/brisele-latvijas-prezidentura-bija-viena-no-veiksmigakajam.a135555/>.

Although Latvia scored well on procedure and protocol, my sense was that political maturity and decisiveness was on occasions lacking. This was illustrated in particular during the handling of the debates in the European Parliament on Hungary, where there was an initial reluctance to attend and represent the European Council, followed by a reversal of this decision. Strazdiņa discusses this in the same article pointing out that Latvia's decision not to engage in detail in the debates on Hungary was justified on grounds that the question had not been discussed at the European Council level. Prime Minister Viktor Orbán certainly used his appearance at the Strasbourg Plenary session to play to his domestic audience. Political sensitivities amongst Member States over allegations about Hungary breaching European norms combined with divisions between European political groupings probably influenced Latvia's Presidency's cautious approach to this particular question.

Latvia's governing elite was forced to focus on and lead debates about EU issues during the Presidency. Whilst the learning curve for some line ministries may have been steeper than for others, no doubt there were benefits gained in the depth and breadth of their knowledge. The Presidency also managed to penetrate beyond Latvia's capital, Riga, given the reporting that seemed to emerge from the media in various regions of Latvia. In a view of the ongoing crises facing Europe in 2015, Latvia's Presidency was mutually beneficial in bringing Europe to Latvia and Latvia even closer to Europe.

## THE REFUGEE CRISIS

2015 saw a refugee flow into Europe the like of which had not been witnessed since the Second World War over half a century ago. The response caused political frictions not only among EU Member States. It also exposed chasms between political forces within Member States themselves. The EU Justice and Home Affairs Council in late September failed to reach consensus so that a decision about sharing the burden of distributing 120 000 refugees was pushed through by a qualified majority voting procedure, rarely invoked in the decision making process by Member States. This event was mirrored in Latvia. The Government decision to accept a voluntary quota of refugees was taken on a vote during which three Ministers from two of the three coalition parties voted against.<sup>2</sup>

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<sup>2</sup> "Valdība atbalsta brīvprātīgu papildu 526 bēgļu uzņemšanu," *Ir*, September 17, 2015, <http://www.ir.lv/2015/9/17/valdiba-atbalsta-brivpratigu-papildu-526-beglu-uznemsanu>.

A few days later the Parliament's European Affairs Committee only just secured a vote supporting the Government's position.

Nevertheless, the internal political contradictions did not have a large impact outside Latvia. Minister Edgars Rinkēvičs successfully pitched this question as being essentially one of solidarity – how could Latvia expect, on the one hand, our EU member country planes to patrol our air space, but, on the other, not contribute to support those same countries (Germany in particular) who sought help in dealing with the burden of refugees arriving in their countries? Hints were dropped in some member states that the EU funding received by newer member states could also be linked to solidarity. Perhaps the most crucial time was the Justice and Home Affairs Council meeting in Brussels on 21<sup>st</sup> September, which resulted in the qualified majority vote. With Finland abstaining, Hungary, the Czech Republic and Slovakia voted against accepting refugees.

The issue of solidarity indeed became a crucial part of the debate about mandatory / voluntary quotas of refugees being accepted to offload pressures on Germany as well as countries receiving large refugee flows such as Greece and Italy. Although not particularly discussed within the debates in Latvia, the EU Treaties in fact refer to solidarity precisely to cover the refugee crisis. To quote:

The Union and its member states shall act jointly in a spirit of solidarity if a member state is the object of a terrorist attack or the victim of a natural or man-made disaster. [To this effect,] the Union shall mobilise all instruments at its disposal, including the military resources made available by the member states.<sup>3</sup>

Given the large flow of refugees that re-directed their trek along the West Balkans route through Slovenia after Hungary closed off its “green border” with Croatia in October 2015, Slovenia sought solidarity in the provision of additional police forces to help control the flow of people. Latvia was quick to respond by sending 20 police officers.<sup>4</sup>

Even the terminology used to describe the crisis was divisive. One man's refugee was another man's migrant. In Hungary, the reference was to migrants and even towards referring to the crisis as a mass movement of people. A link between migrants and terrorism was already made by Prime Minister Orbán in January 2015 when he joined other leaders in a massive demonstration of support in Paris after the terrorist attacks on the satirical magazine *Charlie Hebdo*.

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<sup>3</sup> Antonio Missiroli, “After Paris: why (now) the Lisbon Treaty,” *EU Institute of Security Studies* 50, November 20, 2015, <http://www.iss.europa.eu/publications/detail/article/after-paris-why-now-the-lisbon-treaty/>.

<sup>4</sup> Toms Sadovskis, “Latvijas policisti devušies uz Slovēniju palīdzēt migrantu koordinēšanā,” *Ministry of Interior*, November 9, 2015, <http://www.iem.gov.lv/lat/aktualitates/jaunumi/?doc=30766>.

A plethora of rhetoric emerged which pointed towards failure to successfully handle the crisis resulting in: at worst the end of the EU; if not, the end of the Schengen zone rules allowing free movement of people. The terrorist attacks in Paris on 13<sup>th</sup> November inevitably made the debate even more toxic amid discussions about whether the flows of people during preceding months had included alleged terrorists. Increased attention has been paid to the securing of the EU external border. In parallel, several countries exercised their rights to introduce temporary border controls between some Schengen zone countries. This issue did not arise in the Baltic states where the focus was more on ensuring the EU external border security.

Latvia anticipated migration as an issue that would need to be addressed during the EU Presidency especially given that Latvia followed the Presidency of Italy, a country which hosted the arrival of thousands of refugees across the Mediterranean Sea. The Eastern Partnership priority was balanced by references to instability on Europe's Southern rim, not least through migratory pressure.

Although during 2015 Latvia managed to overcome internal political divisions over the voluntary acceptance of refugees, this complex issue is likely to remain on the agenda in 2016 thereby testing Latvia's willingness to uphold European values.

## DEFENCE AND SECURITY

2015 was a year between Summits. Wales in September 2014 resulted in NATO dealing head on with the new security situation following Russia's aggression in Ukraine six months earlier. The Readiness Action Plan, an increased NATO Response Force and spearhead force for very high readiness deployment were some of the measures meant for specific re-assurance of member countries located in the Eastern flank of the Alliance and viewed as being more vulnerable to further potential escapades by a volatile, unpredictable and revisionist Russian leadership. NATO had re-discovered its *raison d'être* with the move of focus from out of area operations to territorial defence.

Latvia had to be alert in ensuring that partners implemented decisions made by allied Heads of State and Government at the Wales Summit. Although the foreign policy radar was focusing more on the EU Presidency and the migration question, there was a sense that steady progress was being achieved in the defence and security areas. Given the wide extent of media coverage devoted to the question of a possible

attack by Russia on the Baltic states this should come as no surprise.<sup>5</sup> Host nation support, whereby Latvia needs to be able to effectively receive re-enforcements of both troops and equipment was being addressed. Aircraft is a case in point. Latvia was avoiding the argument about whether the Baltic Air Policing assets of our allies should be based at the Lielvārde Air Base in addition to the current base in Lithuania and the one being offered and partially used in Estonia. Instead, Latvia concentrated on ensuring that the Lielvārde Air Base is sufficiently advanced in its state of readiness to be able to host important air assets of our Allies that could not have landed there five years ago. During 2014, important infrastructure works were completed. In May 2015, six US Black Hawk helicopters with supporting Air Force personnel began a six-month tour of service at Lielvārde and were replaced on a rotational basis in November for the ensuing six-month period. They are part of a contingent of 450 US army personnel and 25 Black Hawk helicopters deployed in Europe as part of the exercise “Atlantic Resolve” to demonstrate US ongoing support to the collective defence of Allies in Europe. The operation covers Bulgaria, Romania, Poland and the Baltic states.

The Ādaži military base has also hosted since October 2015 US Abrams tanks, Bradley transporters and other support equipment and personnel.<sup>6</sup>

The issue of NATO Allies’ troop presence also stayed very much on the agenda during 2015. The question of British troops, albeit in relatively small numbers, being deployed to Latvia (in addition to US and German ones) received widespread media attention in October. This indicated the seriousness with which Latvia’s Allies were considering the defence of NATO territory.

The whole question of “boots on the ground” of course revolved around the necessity of permanence. In many respects, the semantics question was rightly downplayed by Latvia during the course of the year with a lessening of a fixation on the word “permanent”. There was a degree of understanding that our Allies were after all

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<sup>5</sup> See for some examples: “Sir John Sawers, ex-MI6 chief, warns of Russia ‘danger,’” *BBC*, February 28, 2015, <http://www.bbc.com/news/uk-31669195>; “Russia ‘danger’ to Latvia, Lithuania and Estonia – Fallon,” *BBC*, February 19, 2015, [www.bbc.com/news/uk-31528981](http://www.bbc.com/news/uk-31528981); “Guest post: will Russia make a play for Estonia, Latvia and Lithuania?,” *Financial Times*, March 23, 2015, <http://blogs.ft.com/beyond-brics/2015/03/23/guest-post-will-russia-make-a-play-for-estonia-latvia-and-lithuania/>; “Are the Baltics next on Putin’s list?” *Central European Policy Institute*, March 6, 2015, <http://www.cepolicy.org/publications/are-baltics-next-putins-list>; “If a NATO member comes under attack. Article of faith,” *The Economist*, August 3, 2015, <http://worldif.economist.com/article/3/what-if-a-nato-member-comes-under-attack-article-of-faith?fsrc=rss>.

<sup>6</sup> “Latvijas drošību arī turpmāko pusgadu stiprinās 70 ASV karavīri un seši helikopteri “Black Hawk”,” *LETA*, November 21, 2015, <http://leta.lv/news/latvia/6D437978-E258-425F-9C0B-87815F66601C>.

delivering the necessary “goods”, despite the surrounding rhetoric of whether these goods should stay on a permanent, continuous, long term or perpetual basis. Clearly, the fact of “re-assurance” was being displayed, along with an increasing resolve to illustrate a willingness and capability to act on the part of Latvia’s allies.

At the same time, together with other Allied countries, Latvia saw the setting up of a NATO Forces Integration Unit during the course of 2015. The aim of this network of command centres is to analyse the security situation and offer support to rapidly reinforce the region in the event of any emerging threat by handling the deployment of the Very High Readiness Joint Task Force.

As 2015 drew to a close with an unprecedented foreign and domestic media focus during the year on the possibility of Russia attacking NATO in the Baltic region by either conventional military or hybrid means, the gravity of Latvia’s potential vulnerability had certainly been acknowledged by policy makers. It had also been noticed by Allies, not least in Washington. The groundswell of opinion within NATO will therefore need to be consolidated at the 2016 Summit in Warsaw. Latvia had also begun to identify the need to move from re-assurance to defence and deterrence. Deterrence relies on the adversary believing that a country has sufficient defence capabilities as well as the political will to use them so that the cost of any aggression would outweigh the benefits. The push for increased capabilities therefore needs to proceed apace. Forward deployment and pre-positioning by a greater scope of Allies may well be more critical than exercises, even though there has rightfully been an increase in the number of regional exercises during the course of the year.

At the same time, in Latvia and elsewhere in the region, the issue of area access denial received more attention during 2015. No doubt, snap exercises and other Russian activities encouraged this development along with the expressed concerns that the very high capability of Russian forces gives them the potential capacity to impede the movement of NATO forces at sea and in the air.

Defence policy players in Latvia received a boost during 2015. Defence Minister Raimonds Vējonis was elected by Parliament as President, thus bringing his one and a half years’ experience at the helm of defence to the crucial position of the President and Supreme Commander of Latvia’s Armed Forces. His successor, Raimonds Bergmanis, has considerable experience both within the Armed Forces and Defence Ministry. The expertise of both the President and Defence Minister is supplemented by the Foreign Minister Rinkēvičs who spent over a decade as the State Secretary at the Ministry of Defence.

## THE ORGANISATION FOR ECONOMIC COOPERATION AND DEVELOPMENT

One of Latvia's Foreign Policy successes in 2014 was to receive an invitation to start accession negotiations to join the Organisation for Economic Cooperation and Development (OECD) by fending off Lithuania's attempt also to receive an invitation and beginning the process of belatedly joining Estonia, which has been a member since 2010. Upon joining, Latvia will become the 35<sup>th</sup> member of this organisation, which represents the most developed economies in the world. Very much based on peer review by other members, the OECD essentially promotes policies that improve economic and social well-being. By implementing policy recommendations, the accession process as a foreign policy tool therefore has a direct link with improving the well-being of Latvia's population.

Two particular areas of OECD review, which could hinder the prospect of accession in 2016, are worth mentioning. They are the issue of the governance of State Owned Enterprises (SOE), which was reviewed by the OECD in March, and the question of fighting foreign bribery where a report was issued in October 2015.<sup>7</sup> Both questions relate to challenges of good governance within Latvia, which in turn is an important factor when considering the security of the country.

The OECD has specific guidelines about the Corporate Governance of SOEs. The March 2015 review was very candid in its criticism about the need for Latvia to introduce boards of directors. To quote the review:

Latvia is one of the only developed economies in the world where SOEs generally have no boards of directors [...] unless this issue is effectively addressed, it would be difficult to conclude that Latvia's legislation and policies are in conformity with the SOE Guidelines.<sup>8</sup>

One of Latvia's top journalist's, Pauls Raudseps, writing in the weekly magazine *Ir*, even maintained that Latvia will not be able to join the OECD unless the chaos surrounding the governance of SOEs in Latvia is sorted out.<sup>9</sup> The article, entitled "Who's afraid of the OECD?", not only points to the fact that bad governance has cost Latvia millions of euros, but also highlights the negative stand towards this issue

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<sup>7</sup> "OECD Review of the Corporate Governance of State-Owned Enterprises. Latvia," *OECD*, 2015, <http://www.oecd.org/daf/ca/OECD-Review-Corporate-Governance-SOE-Latvia.pdf>; "Phase 2 Report On Implementing the OECD Anti-Bribery Convention In Latvia," *OECD*, October 2015, <http://www.oecd.org/corruption/anti-bribery/Latvia-Phase-2-Report-ENG.pdf>.

<sup>8</sup> "OECD Review of the Corporate Governance of State-Owned Enterprises. Latvia," *OECD*, 2015, <http://www.oecd.org/daf/ca/OECD-Review-Corporate-Governance-SOE-Latvia.pdf>, 97.

<sup>9</sup> Pauls Raudseps, "Kam no OECD bail?" *Ir* 44, November 5–11, 2015, 10.

taken by the leadership of one of the Government's coalition partners, the Greens and Farmers Union. At the time of writing (late November 2015) it remains unclear whether this issue has been resolved by the Government, or whether the accession process will be delayed, or, even worse, derailed.

Although a number of positive developments are noted in the OECD report on fighting foreign bribery, enforcement of legislation is highlighted as a weakness that, to quote the press release about the report, "heighten(s) the risk that proceeds of foreign bribery are laundered through Latvian banks."<sup>10</sup> Indeed, a recent article in *The Economist* on Moldova<sup>11</sup> makes reference to the fact that, according to a watchdog, the Organised Crime and Corruption Reporting Project, three Moldovan banks "were part of a scheme, which, in the seven years up to 2014, laundered \$20 billion of Russian money using a British shell company and a Latvian bank account". With the help of the OECD accession process, presumably such serious allegations can be clarified, if not refuted.

Ongoing problems surrounding Latvia's anti-corruption law enforcement agency (known in Latvian by its acronym KNAB) are also highlighted in the October report.

Just as the accession procedure for joining the EU gave important stimulus for successive Latvian governments to introduce and implement very wide but necessary legislative measures, it is to be hoped that the issues raised by the OECD during the course of 2015 will prompt the Government to adopt changes that will help people in Latvia. The alternative is described by Augusts Brigmanis, the leader of the Parliamentary group of the governing coalition partner, when he hints that Latvia can do without joining the OECD. In the same article mentioned in the journal *Ir*, he is quoted as saying [my translation] "Has anything terrible happened during these last 20 years, has some cataclysm taken place, as a result of our not being in the OECD?"

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<sup>10</sup> "Latvia's fight against foreign bribery overshadowed by enforcement weaknesses," *OECD*, October 21, 2015, <http://www.oecd.org/countries/latvia/latvia-s-fight-against-foreign-bribery-overshadowed-by-enforcement-weaknesses.htm>.

<sup>11</sup> "Moldova on the edge. Small enough to fail," *The Economist*, November 21, 2015, 29.



## RECOMMENDATIONS

Latvia's foreign policy during 2015 was dominated by the EU Presidency, Europe's refugee crisis and ongoing concerns about security and defence. The latter two issues, both existential in nature, will continue to present challenges in 2016, as will the question of Latvia accession to the OECD.

Given the way in which the refugee crisis has been portrayed as a potential existential threat for the EU, Latvia's policy during 2016 must remain firmly anchored in the mainstream Europe. This may mean detaching Latvia from what has been perceived by some as an increasingly belligerent Central European approach. This approach is illustrated, for example, by the decisions of both Slovakia and Hungary to challenge in the European Court the question of accepting quotas of refugees following the qualified majority vote, and may well be reflected in some form or another by all four Visegrad countries. Latvia should try to avoid landing in the Eastern classification of East–West divides that have begun to be mentioned more frequently on discussions over the refugee crisis. It goes without saying that Latvia should try to forge a common Baltic approach on this issue, which should be increasingly identified as being soundly within Northern, if not Western Europe. This challenge will of course fall mainly on the shoulders of the Prime Minister and the leading coalition party, *Vienotība*, where the role of Foreign Minister Rinkēvičs will no doubt remain solidly embedded in the European values.

Concerning defence and security issues, there will be a need to continue to push allies to focus on the defence of territory in the Eastern Flank, whilst not forgetting in parallel to offer support against the threats emanating from the South. The terrorist attacks on France on 13<sup>th</sup> November resulted in President Hollande declaring them to be “an act of war”. He turned to solidarity from his European partners and the Lisbon Treaty article 42.7 to seek support. Even before the Paris attack, Latvia was examining the possibility of sending a small number of troops to train Iraqi forces in the coalition fight against DAESH. Clearly, this issue and any other possible requests from France will need careful consideration by Latvia's policy makers early in 2016.

At the NATO Summit in Warsaw, Latvia should push for measures to enhance defence and deterrence such as a more robust forward positioning of troops and measures to prevent area access denial. These issues relate directly to the threat perception within the country, which remains real, if not immediate, and with overtones of being existential in nature. In the likelihood of a softening by some countries in the approach towards Russia because of mutual interests to defeat DAESH, Latvia will no doubt continue to insist on full implementation of the Minsk Agreements before giving concessions to Russia on sanctions. Russia's aggression

against Ukraine and events in Syria should continue to be treated as separate items on the agenda in relations with Russia. It will also be necessary to clearly distinguish between a return to “business as usual” with Russia, as opposed to endeavours to engage Russia in a dialogue where NATO’s vital interests are at stake.

Internal political consensus needs to be upheld to ensure that there is no derailment of Latvia’s accession to the OECD through failures to meet standards relating to the corporate governance of SOEs or tackling foreign bribery. Joining the OECD will be an important foreign policy achievement for 2016, which would again testify to Latvia’s determination to remain firmly entrenched in Europe.

There is of course little danger in Latvia leaving the EU, and hopefully no risk in the EU leaving Latvia. However, last year’s developments mean that nothing should be taken for granted about the EU business proceeding as normal. Especially given that if, much against the will of Latvia and most other EU member states, a BREXIT were to occur, we would indeed be witnessing in the words of John Donne, “a clod” being washed away and Europe definitely being “the less.”

# SAVING THE UNION: THE EU DIMENSION OF LATVIA'S FOREIGN POLICY 2016

Kārlis Bukovskis

Is *Latvia drifting away* from the European Union (EU)? This question arose quite logically when looking at the Latvian foreign policy in the period after the Latvian Presidency of the Council of the European Union. A strong and dedicated first semester during its first presidency seems to be changing to an unseen euro-fatigue among some of Latvian politicians. These trends are new for Latvia, but not new for the European project. *Populist euro-scepticism* has been spilling into mainstream politics for years. And now, in 2015, it is more visible that some politicians in the Latvian parliament, both from the coalition and opposition parties, are playing with fire. It was the sovereign debt crisis, the Grexit and especially the refugee crisis at the end of 2015 that accelerated the more often and more severe criticisms of the common plans for Europe.

The state institutions instead of politicians are becoming the main supporters of the European project in Latvia. It is not increasing country's self-awareness and self-respect. It is actually doing damage to the long nurtured image of Latvia as a pro-European country.

The "*wait-and-see-policy*" that has been traditionally followed by Latvia while defending its interests in the EU, has been diplomatically and strategically profitable. Waiting for the first reactions from other countries on the European Commissions' initiatives has allowed to preserve a rather positive image among the partners in Brussels and national capitals. This was especially a great asset during the first Latvian Presidency of the Council of the EU, allowing the country to have a first-rate presidency.<sup>12</sup> The policy to observe and react only in cases when the Latvian

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<sup>12</sup> Lezi, G., Blockmans, S. "Latvia's EU Presidency: Less is more," *CEPS Commentary*, July 3, 2015, [https://www.ceps.eu/system/files/Latvian\\_Presidency.pdf](https://www.ceps.eu/system/files/Latvian_Presidency.pdf).

interests are undermined has been a tactically well-developed set of instruments. It has allowed concentrating the human and lobbying resources of the small country with its small representation at the EU on the matters dear and essential for the Baltic country.

At the same time, the general public of Latvia has been growing more and more impatient with this approach. The public, not seeing the actual work behind the curtain, is looking for a firmer, more critical position of Latvia on the EU. Lack of in-depth explanation of the decisions on support for the EU policies; constant emphasis of the point that there is no other alternative for Latvia besides accepting the proposal; the often seen political scapegoating the European Commission by the less popular politicians; the negative and partially unjust arguments about destruction of the Latvian sugar industry and farming subsidies have resulted in the public domain being dominated by demands for turning against the EU.

The three *catalysts for populist euro-scepticism* in 2015, apparently were: the very Presidency itself, the third bailout package for Greece, and the refugee crisis. The Presidency was relatively little understood by the Latvian population, especially by the people who live outside Riga and its surrounding regions. Thus, for a large part of society the Presidency was associated with a high budgetary costs imposed on Latvia by the EU to organise bureaucratic festivities. This was also promoted by some state leaders,<sup>13</sup> politicians, journalists and experts. As a result, the society's understanding and appreciation of the Presidency and Latvia's membership in the EU was additionally damaged.

Right after the Latvian Presidency was over, the discussions on the third bailout package for Greece came. It was politically discussed as an immediate threat to Latvian national budget. The threat by many, including the public was perceived to be real because Latvia had become a Eurozone member state in 2014 and contributor to the European Stability Mechanism. Moreover, the Greek internal and external debate and political handling of the situation was met with a lack of empathy in the small country, which opted for a severe austerity programme as an economic crisis management policy.

The final aspect that allowed sceptics to criticise the European project and question its role as an indivisible part of the Latvian foreign and domestic policy was the migrant/refugee/asylum seeker crisis. In autumn 2015, the issue became hot also in the Latvian public discourse, when ministers and representatives of two of the three

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<sup>13</sup> I. Viksne, "Bērziņš apšaubā Latvijas ES prezidentūras lietderību," *Neatkarīgā Rīta Avīze*, November 6, 2013, <http://nra.lv/latvija/politika/105382-berzins-apsaubā-latvijas-es-prezidenturas-lietderību.htm>.

coalition government parties started openly criticising the adjusted plan, which required accommodation of 526 people in addition to the initially agreed 250 people. In spite of the free vote in the government and the positive decision on the issue, the admission plan itself was perceived as forced and unacceptable.<sup>14</sup>

These were the moments when society's demand for a stronger opinion of Latvia on the EU matters was *abused by politicians* to gain additional political support. The society's demand for a sturdier approach, for a more self-aware position was clearly misunderstood. Instead of offering alternatives, populist politicians turned to blunt criticism, rejection of proposals and simple nihilism. Irresponsible populism took the place of a pragmatic, although, what publically may have appeared to be an ill-informed and badly prepared diplomatic strategy. Latvia's traditional pro-Europeanism now seems to be substituted by a lack of trust in the European partners and *overrated sovereign-ism*.

These trends are *not even original*. There are visible external influences and trends present. Namely, Latvian politicians tend to be picking up ideas and approaches publically defended by other countries with another set of instruments or even radical parties. Not only the United Kingdom's planned referendum on membership in the EU and the argumentation by the UK Independence Party (UKIP) is the main source of arguments for some Latvian politicians. A relatively rationalised and even intellectual debate that the British Prime Minister David Cameron is trying to have in his own country has stirred up the euro-scepticism and distrust in the EU institutions also leaves an imprint on the Latvian political discourse. At the same time, the style and quality of the euro-sceptic argumentation more often is similar to the new political trends in the Visegrad countries.

The Hungarian Prime Minister Victor Orban and his statements that often tend to be outside the political correctness boundaries have been gaining popularity. His "illiberal democracy" approach, which ideologically can be more described as an economic protectionism policy, is appealing to many people and even politicians in other countries.

Similarly, an emphasis on individuality, national identity and political self-sufficiency is more visible also in Slovakia, the Czech Republic and now especially in Poland, after the November national elections. Law and Justice (PiS) are an example of a *misguided nationalism*. Unfortunately, the current trends of "Euro-bashing" are being borrowed not only from colleagues within the EU. The original source of a "stronger hand" and more emphasis on sovereignty in the global politics came from Russia.

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<sup>14</sup> "Latvia has most negative attitude towards refugees in EU", *The Baltic Times*, September 14, 2015, [http://www.baltictimes.com/latvia\\_has\\_most\\_negative\\_attitude\\_towards\\_refugees\\_in\\_eu/](http://www.baltictimes.com/latvia_has_most_negative_attitude_towards_refugees_in_eu/).

Orban's fascination with Vladimir Putin's politics has been repeatedly observed.<sup>15</sup> Russia's geostrategic interest in finding more of "illiberal" allies in Europe is also clearly understandable.

How to be now then? This is another question that stems from the current trends in Latvian politics. The way forward is more complex than it seems. It is easy to create stereotypes and oversimplifications, as also the Latvian 2015 foreign policy's EU dimension demonstrates. It is much more complicated to debunk those stereotypes. Now, the short-term interests and general disappointment of abuse of European solidarity caused by the Grexit discussions are weighing heavily on both pre- and post-EU-2004 enlargement countries. Solidarity, financial transfers from richer regions to poorer, the Schengen area<sup>16</sup> and the very existence of the EU is being questioned now. The recent reminder of the President of the European Parliament Martin Schultz that the EU could break up is not new.<sup>17</sup> At the same time, it is a vivid example of the current volatility of the European project: "No one can say whether the EU will still exist in this form in 10 years' time. If we want that then we need to fight very hard for it."<sup>18</sup> During the sovereign debt crisis period, the disintegration of the EU was widely discussed also in Latvia. But then, the argumentation lacked serious and well represented political leaders advocating the breaking up of the EU. Now it seems that there are too many protagonists of selfish nationalistic interests and the European disintegration. And the famous Edmund Burke's saying now comes to mind: "*All that is necessary for the triumph of evil is that good men do nothing.*"

It must be remembered that the *European project is not granted*. It must be cherished and nourished for it to keep providing the European peoples with the social and economic convergence that we have been experiencing. The hopes and idealism of the 1990s when with the breakup of the Soviet Union and the new geopolitical setting, the deepening of the European project seemed to be the ultimate necessity and wish have been fading away. And not only in the pre-EU2004 enlargement countries.

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<sup>15</sup> M. Day, T. Parfitt, "Vladimir Putin receives a warm welcome from Hungarian PM Viktor Orban," *The Telegraph*, February 17, 2015, <http://www.telegraph.co.uk/news/worldnews/vladimir-putin/11418959/Vladimir-Putin-receives-a-warm-welcome-from-Hungarian-PM-Viktor-Orban.html>.

<sup>16</sup> "ES ministri apsvērs uz diviem gadiem apturēt Šengenas zonas darbību," *LETA/ Delfi.lv*, December 3, 2015, <http://www.delfi.lv/news/arzemes/laikraksts-es-ministri-apsvers-uz-diviem-gadiem-apturet-sengenas-zonas-darbibu.d?id=46796851>.

<sup>17</sup> N. Simons, "Martin Schulz, European Parliament President, Warns David Cameron May 'Break-Up' European Union," *The Huffington Post UK*, January 28, 2013, [http://www.huffingtonpost.co.uk/2013/01/17/martin-schulz-european-pa\\_n\\_2494524.html](http://www.huffingtonpost.co.uk/2013/01/17/martin-schulz-european-pa_n_2494524.html).

<sup>18</sup> "European Parliament's Schulz: EU Is In Danger Of Falling Apart," *Reuters/ Breitbart*, December 8, 2015, <http://www.breitbart.com/london/2015/12/08/european-parliaments-schulz-eu-is-in-danger-of-falling-apart/>.

Something like an “EU-deepening fatigue” has evolved from the “EU-enlargement fatigue” as the institutional and structural innovations of the sovereign debt period have put the EU integration on a new level. The new setting in the Eurozone and even outside of it has not been fully embraced and mentally accepted throughout the EU. This has given rise to the unwanted radical elements in member states, as previously mentioned. There are two aspects to this – the European integration is no longer seen as an irrevocable process and the EU integration is no longer a clearly understandable process. If the first aspect is the responsibility of the member states, the second aspect lies in the responsibility of the European Commission and the European Parliament. The two EU institutions as the classical and most self-interested protagonists of the European project are responsible for communication with the society and choosing the right pace of integration for the current moment. In the current political environment, the European parliament and the European Commission should be very careful of antagonising the national governments, including the Latvian, as society can be more easily turned against the EU project by national politicians. But, the politicians, Latvian and those of other EU countries are responsible for *supporting the common good*, supporting the cohesion and political integration. European project has many flaws and most of them have been listed by academicians, experts, journalists and politicians themselves. The piecemeal engineering of the European project, the erosion of sovereignty by democratic means have its unintentional flaws. Therefore, those are the problems, reasons for distrust and intentional flaws, which must be fought in the EU.

Since 2015, Latvia is facing political decisions that have not been around since the mid-1990s. For about two decades, the small Baltic country was clear on its geopolitical positioning, clear on its needs and vulnerabilities. *Latvia has appealed for solidarity* while seeking economic convergence with the pre-EU2004 countries and arguing for equality in agricultural subsidies and last, but not least – security issues. It was just in 2014, when due to the conflict in Ukraine, the Baltic states were looking for the re-assurances of the Transatlantic and European partners. And it was in 2014 when the EU countries opted for sanctions against Russia, a peaceful instrument to stop the escalation of and a potential spill-over of the conflict. It was the President of the European Commission who during his State of the Union address to the European Parliament in September 2014 clearly stated that the EU is ready to do everything to defend the Baltic countries.<sup>19</sup> The political and emotional support that the Baltic states were seeking was given.

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<sup>19</sup> “Junkers: Mēs esam gatavi darīt visu, lai aizsargātu Baltijas valstis,” *Neatkarīgā Rīta Avīze*, September 9, 2014, <http://nra.lv/latvija/149984-junkers-mes-esam-gatavi-darit-visu-lai-aizsargatu-baltijas-valstis.htm>.

Now the solidarity question is on the table again, but this time Latvia is expected to be on the giving, not the receiving side. A strange and seldom experienced situation for Latvia. Latvian politicians are in a situation when they *have to be brave to defend the European project* and convince the Latvian public that solidarity must work in both ways to have the long-term interests in place. The long-term interests, which for Latvians mean geopolitical stability and hence the environment to prosper economically and culturally.

All the Latvian politicians must be courageous and defend the EU project as the geopolitical and economic alternatives for Latvia and its society are not clear. Existence outside the EU for the small country in a turbulent international environment would require significantly larger administrative, bureaucratic and political resources. The situation, in which the country's foreign policy has to be handled without the EU, can be easily inquired from the leaders, politicians and diplomats active before 2004. The solidarity is required and it must be followed, but no one can pressure anybody into liking it.

The *confusion* needs to be addressed as well. The confusion originates in the clash of the *values* that Latvia and its society should be going through. The acceptance of the Other, in an environment where internal security is being questioned because of the actions of radicals, is a complicated task. Parts of the Latvian society will need more time to absorb the new situation and codes of conduct. But liberal values and liberal principles have always been part of the Latvian culture and are clearly outlined also in the Latvian Constitution of 1922. Now they are being probed domestically and tested externally. The EU and its attractiveness, normative power, appealing nature of the living standards were the pull factors for the Eastern European countries, which helped getting away from the communist systems at an accelerated pace. Latvia has embraced the European values; at least one generation has grown up understanding the freedom and mind-set that the democratic and human rights principles include. Thus *a possibility of a larger exodus of young and educated professionals can be envisaged if Latvia's relations to the EU and the Western values are changed*. Latvia cannot allow the marginalised and the alienated to dominate the professional and social life of those in Latvia who are actively using the Four Freedoms – free movement of people, goods, services and capital.

What kind of foreign policy for 2016? Understanding Latvia's geopolitical framework and limitations, remembering the values and the principles are usually in hands of the society in general. But, that is the know-how and *professional duty of the diplomatic service*, the Foreign Affairs Committee and European Affairs Committee of the Latvian Parliament and of the expert community to identify and balance out dangerous tendencies. The Ministry of Foreign Affairs (MFA) traditionally has been



the front runner and main protagonist of the EU integration of Latvia. Therefore, its position and work as an active defender of the European values has been logical. This role is visible also in the Foreign Policy reports that the Latvian MFA publishes every year.

The 2014–2015 “Foreign Minister’s annual report on the progress and planned activities of the country’s foreign policy and European Union Affairs”<sup>20</sup> was dominated by plans for the Latvian Presidency of the Council of the EU. This was the central task for the Latvian administrative apparatus, not only the MFA in 2015. The next year’s plans will be the return to the “normal” functioning. Report will have to address the new realities of the EU. Short-sighted national interests are damaging the European unity more than we have experienced in the last three to four decades. The report of the minister should remind the Latvian population on the great value that the EU membership poses to Latvia. *The Latvian interests are indivisible from the EU interests.* During the Presidency Latvians proved once again their trustworthiness, and the small and relatively young country became an essential element in the function of the decision making process. These experiences, this new status should be elaborated and reminded to the parliamentarians, to the journalists and to the domestic population. The society should be reminded of how important the geopolitical role of the EU for Latvia is. The foreign policy of the country should be demonstrated as a continuation of national and European interests.

While presenting the report the Minister of Foreign Affairs is invested with power to remind the Latvian population that country is a part of the EU, and that the EU is the starting point of Latvia’s foreign policy. The narrative of the Latvian membership in the EU should be elaborated, it should be explained and it should be cemented. The EU needs to be defended nowadays, and *Latvia has all the reasons and motivations to become one of the leaders* in this. It is in Latvia’s national interests – not only in security interests, but also a matter of international prestige.

Moreover, this is yet another moment for Latvia to demonstrate its faith in the European project, the EU’s vitality, and secure the support of the Western partners, which have much longer experience of the European integration and are not willing to abandon it. It is clearly visible even in the approach of the old member states that have been traditionally rational about the European integration. More cohesion and more convergence are among the priorities of the upcoming Dutch Presidency

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<sup>20</sup> “Ārlietu ministra ikgadējais ziņojums par paveikto un iecerēto darbību valsts ārpolitikā un Eiropas Savienības jautājumos,” *Ministry of Foreign Affairs of the Republic of Latvia*, 2015, [http://www.mfa.gov.lv/images/zinojums\\_DRAFT\\_Preciz%D1%83ts\\_07\\_01.pdf](http://www.mfa.gov.lv/images/zinojums_DRAFT_Preciz%D1%83ts_07_01.pdf).

of the Council of the EU. More cohesion on the political and economic matters are essential for the European countries to continue their mutual integration.

The economic problems of the last seven years have now been substituted by the political problems. Will the EU have yet another “*lost decade*” in its integration? All the member states and the EU institutions understand the complexity of the current 28 country formation. All the countries recognise that the national interests tend to damage the coherence and simplicity of the European decision making. At the same time, all keep playing their personal game. The fears of multispeed Europe and the creeping “coalition of the willing” has become more realistic than before. Has the EU ran into a *true European crisis*? A political crisis that questions legitimacy and sustainability of the European project. Similar to the only European integration crisis that the organisation has experienced – the “empty chair crisis” of 1967. In the coming years, the EU may need another Luxembourg compromise to get itself out of the emerging deadlock.

As for Latvia, the continuation of the European project does not directly depend on Latvian choices. At the same time, continuation of Latvia’s long followed pro-integrationist policies is the logic that fits the country the best. Latvia has a possibility to continue modernising its foreign policy on the national level with a clear narrative and clear argumentation on the pro-European choices. The experience and knowledge accumulated during its first Presidency of the Council of the EU must allow the country to follow a more self-aware and more pro-active policies. The positive image that Latvia built for itself during the first six months of 2015 have been threatened by the politics of the second semester. We need a more national assertiveness for continued European integration, otherwise *we risk losing Europe*.

# THE FIRST LATVIAN PRESIDENCY OF THE COUNCIL OF THE EUROPEAN UNION – EXPECTATIONS AND DELIVERABLES

Māris Andžāns

Latvia's first presidency of the Council of the European Union (the Presidency) in the first half of 2015 came more than a decade after the country's accession to the EU in 2004. The preparation for and implementation of this task gained one of the central if not the most central spot both in the Latvian foreign and domestic policy. From a long-term perspective, the road towards the presidency can be well placed among other long-term national strategic objectives such as the accession to the EU and NATO in 2004 and joining the Eurozone in 2014. Given that Lithuania was the first of the Baltic states to chair the Council of the EU back in 2013 and other so-called "new EU member states" had chaired the Council previously, it was rather clear that for Latvia the role of the Presidency would not be an impracticable task. Nevertheless, questions remained on how successfully the Council will be chaired by a rather small and relatively unexperienced member state.

## EXPECTATIONS AND PRIORITIES

The first Latvian Presidency was to take place in a relatively uncertain environment – not only during the first months of the newly elected European Parliament and the European Commission, but also during the first months of the newly elected Latvian Parliament and government. If those factors were often quoted at the domestic level as possible challenges to a successful presidency (and stability of the government as a

necessity during the Presidency), then some other aspects beyond the control of any presidency and therefore significant determinant factors to the success of the Latvian Presidency were often under-discussed. Those factors are related to different formats of the Council of the EU, in which the priorities would have to be implemented (not all formats are chaired and led by the presidency). Among those aspects are: the status of the files inherited from the previous presidency (some files might be adopted before the Presidency, others may be inherited from the predecessor contrary to the expectations); the priorities and interests of other EU institutions (in particular, the European Commission holding the initiative rights for the EU legislation and the European Parliament as the co-legislator), other EU member states and other parties. The autonomy of any presidency is further limited by the formal role envisaged to it, namely that of the “honest and neutral broker”<sup>21</sup> and the necessity to permanently search for compromises in order to reach agreements during the limited timeframe available.<sup>22</sup> Finally, yet importantly, each presidency has to anticipate unexpected events and developments to happen – be it spread of diseases, natural disasters or deterioration of security situation in the EU or beyond its borders, etc.

Given the turbulent and multi-faceted environment in which any presidency has to operate, it is difficult and, to a certain extent, even risky to determine clear priorities as external players and factors can significantly alter the conditions for success. For example, there might be no active legal acts or initiatives in a given priority area (the previous presidency has taken significant steps to implement it; the European Commission has withdrawn a file and a new proposal is not yet published). But the Latvian institutions were rather clear in determining the “Competitive Europe”, the “Digital Europe” and the “Engaged Europe” as the overarching priorities.

However, as noted above, implementation of any priority depends on the actual situation at the beginning of the Presidency, and therefore at the time of determining those priorities it was not entirely clear on how those will be carried out in practice. The outset of the Latvian Presidency allowed to clearly determine how the priorities will be implemented by linking them to such main issues as: the expected proposal for the European Fund for Strategic Investments; the strengthening of the EU Single Market (the remaining Single Market Act II proposals); the European Energy

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<sup>21</sup> “The presidency of the Council of the EU,” *Council of the European Union*, July 9, 2015, <http://www.consilium.europa.eu/en/council-eu/presidency-council-eu/>.

<sup>22</sup> For a review of practical aspects including limitations of the presidencies, please see another article by the author: Māris Andžāns, “Practical Aspects of the EU Presidencies: the Latvian Presidency and its Digital Priority,” *Latvian Institute of International Affairs*, 2015, [http://www.liia.lv/site/docs/Web\\_izklajums\\_Maris\\_Andzans\\_final.pdf](http://www.liia.lv/site/docs/Web_izklajums_Maris_Andzans_final.pdf).

Union; the proposals on data protection; the “Network and Information Security” Directive proposal; the expected Digital Single Market Strategy for Europe; the “Telecommunications Single Market” Regulation proposal; the European Neighbourhood Policy with emphasis on the Eastern Partnership; strengthening of the transatlantic partnership; review of the EU Central Asia Strategy.<sup>23</sup>

The Latvian Prime Minister generally highlighted the Latvian priorities during her presentation in the European Parliament on 14 January 2015. The presentation received a full support from the European Commission on behalf of which in this context the investment, the digital and the energy related issues were underlined. Less united, but nonetheless generally supportive in its messages was the European Parliament. In the light of the then-recent terrorist attacks in Paris (January 2015), issues related to security were underlined along with other points related to social, economic and development issues. The members of the Parliament paid attention also to more concrete issues where the action from the Latvian Presidency was expected, such as: the proposal for the European Fund for Strategic Investments; the “European Passenger Name Records” Directive proposal; the data protection rules; the “Telecommunications Single Market” Regulation proposal; the European Energy Union; the Transatlantic Trade and Investment Partnership; the Eastern Partnership; the situation in Ukraine and its impact on relationship with Russia.<sup>24</sup>

From the national perspective, given the then-topical geopolitical context and the geographical location of Latvia, the third priority – “Engaged Europe” – with a particular emphasis on the further development of the Eastern Partnership and the resolution of the Ukraine–Russia conflict and the related issues, raised the highest expectations. Such issues as competitiveness and digitalisation in one form or another would probably be on the agenda of any member state that would chair the Council of the EU (especially due to the still uncompleted road to the economic recovery and the open and expected legal act proposals and initiatives, such as the then-expected proposal for the European Fund for Strategic Investments and the Digital Single Market Strategy for Europe). However, not every presidency would prioritise the eastern vector of the EU external policy. Being in the spotlight domestically, the “Engaged Europe”, and the Eastern Partnership in particular, naturally heightened the expectations for high level deliverables, possibly even

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<sup>23</sup> Based on: “The programme of the Latvian Presidency of the Council of the European Union, 1 January–30 June 2015,” *Latvian Presidency of the Council of the European Union*, [https://eu2015.lv/images/PRES\\_prog\\_2015\\_EN-final.pdf](https://eu2015.lv/images/PRES_prog_2015_EN-final.pdf), 4–6.

<sup>24</sup> Based on: “Debates, Wednesday, 14 January 2015, Strasbourg, Revised edition, 2. Programme of activities of the Latvian Presidency (debate),” *European Parliament*, <http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//TEXT+CRE+20150114+ITEM-002+DOC+XML+V0//EN&language=EN>.

beyond the limits of the available tools. In this respect, beyond the official level, the role of other actors and the limitations to the Presidency in the EU foreign affairs often was not sufficiently considered (e.g. the role of and the need of cooperation with the High Representative of the Union for Foreign Affairs and Security Policy and the European External Action Service).

As the upcoming Latvian Presidency was being prepared years in advance, it naturally received a significant public attention. Therefore, it had raised also certain practical and tangible expectations domestically – such as return of the investment from the preparation and implementation of the Presidency and revenue from the events scheduled to take place in Latvia. Expectations were further fuelled by the costs of the presidency, which were later estimated at EUR 45 million in direct expenditure and EUR 36 million in indirect expenditure.<sup>25</sup> Furthermore, the adequacy of the costs was often questioned not only by the society but also by different institutions and officials.

## FROM EXPECTATIONS TO DELIVERABLES

The Latvian Prime Minister during her speech, as the outgoing chair of the Council of the EU, in the European Parliament on 7 July 2015 summarised the main accomplishments of the Latvian Presidency. First, the European Fund for Strategic Investments; second, the European Energy Union; third, the Digital Single Market; fourth, migration; fifth, security; sixth, the Eastern Partnership (under this point also relationship with Ukraine, Russia and Central Asia was mentioned); and seventh, the Transatlantic Trade and Investment Partnership [*sic*]. Even though the reaction following the report from the Parliament cannot be generalised and, furthermore, the debate was overshadowed by the financial crisis in Greece, the general assessment of the Latvian Presidency was rather positive – both from the President of the European Commission (who even denoted the job of the presidency as “exemplary”) and the representatives of the largest political groups of the Parliament.<sup>26</sup>

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<sup>25</sup> “Tiešie Latvijas prezidentūras izdevumi 2013.–2015. gadam – 45 miljoni eiro,” *Delfi.lv*, September 1, 2015, [http://www.delfi.lv/bizness/budzets\\_un\\_nodokli/tiesie-latvijas-prezidenturas-izdevumi-2013-2015-gadam-45-miljoni-eiro.d?id=46402803](http://www.delfi.lv/bizness/budzets_un_nodokli/tiesie-latvijas-prezidenturas-izdevumi-2013-2015-gadam-45-miljoni-eiro.d?id=46402803).

<sup>26</sup> Based on: “Debates, Tuesday, 7 July 2015, Strasbourg, Revised edition, 3. Review of the Latvian Presidency (debate),” *European Parliament*, <http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//TEXT+CRE+20150707+ITEM-003+DOC+XML+V0//EN&language=EN#top>.

The assessment offered by the Prime Minister partly reflects the generally recognised highlights of the Presidency, especially regarding the first three points. These points as the main deliverables were also highlighted by the members of the European Parliament: the provisional agreement on the abolishment of the retail mobile roaming surcharges (the “Telecommunications Single Market” Regulation proposal), the European Fund for Strategic Investments, the European Energy Union and the “Data Protection Regulation” proposal received most of the positive remarks.<sup>27</sup>

Even though none of the above-mentioned accomplishments satisfied all of the parties involved, it is worth noting the often-used expression that the best compromise is the one that makes all parties equally dissatisfied. The end-result of any agreement significantly depends on the national positions of the EU member states and the position of the Parliament as both in the Parliament and the Council the majority can either agree or disagree with any compromise proposal. The European Fund for Strategic Investments has been criticised as falling short of the initial ambitious pledges given the relatively limited actual funding for guarantees (EUR 21 billion) compared to the expectations of raising investment to EUR 315 billion. Nevertheless, the fund is established and it will offer new opportunities for development in a number of spheres where previously attracting investment was difficult. The date of the abolishment of the retail mobile roaming surcharges (15 June 2017) fell short by one and a half years of the expectations of the Parliament and the bundled open internet rules were criticised by the digital rights groups as insufficient. However, the final agreement will ensure practical and tangible benefits to the Europeans – the retail mobile roaming charges across the EU while periodically travelling will be equivalent to the domestic charges and the first EU-wide open internet (known also as “net neutrality”) rules will be applicable.<sup>28</sup> The creation of the European Energy Union is still at the outset and the agreement in the Council on the “Data Protection Regulation” proposal still requires further negotiations with the Parliament. Nevertheless, both issues were brought significantly closer to the final solution – to establish a comprehensive common EU energy policy and to reform the obsolete data protection rules accordingly.

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<sup>27</sup> Based on: “Debates, Tuesday, 7 July 2015, Strasbourg, Revised edition, 3. Review of the Latvian Presidency (debate),” *European Parliament*, <http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//TEXT+CRE+20150707+ITEM-003+DOC+XML+V0//EN&language=EN#top>.

<sup>28</sup> For a review of the road towards the provisional agreement on the “Telecommunications Single Market” Regulation proposal, please see another article by the author: Māris Andžāns, “Practical Aspects of the EU Presidencies: the Latvian Presidency and its Digital Priority,” *Latvian Institute of International Affairs*, (2015), [http://www.liia.lv/site/docs/Web\\_izklajums\\_Maris\\_Andzans\\_final.pdf](http://www.liia.lv/site/docs/Web_izklajums_Maris_Andzans_final.pdf).

What regards the other four success blocks sketched by the Latvian Prime Minister – migration, security, the Eastern Partnership and the Transatlantic Trade and Investment Partnership – those have often been considered as more questionable if compared to the first three ones. The harshest criticism from one of the political groups of the Parliament, by which the Latvian Presidency was denoted as “an unmitigated unrivalled disaster”, can be regarded as a clear exaggeration; however, the arguments underpinning it, namely Russia’s impunity in Ukraine, the migration crisis and the financial crisis in Greece,<sup>29</sup> often did overshadow the accomplishments of the Latvian Presidency. All three of these issues belong to the “high-politics” and the first and the third one even more boldly belong to the issues overwhelmingly dependent of the EU great powers and Germany in particular (like the “Minsk II” negotiations in February 2015 obviously demonstrated where the German Chancellor along with the French President mediated the talks apart from other western powers and the EU institutions). Regarding the Ukraine–Russia conflict, it was important for Latvia to maintain a common EU position, including the extension of the economic sanctions on Russia and its occupied Crimean peninsula, and ensuring a new EU macro-financial support to Ukraine. These tasks were accomplished. However questions remain – could Latvia, given its particular interest in Ukraine–Russia conflict, have tried to engage more actively by employing its status of the Presidency and sought a more effective solution of the conflict.

The central external policy issue of the Presidency was expected to be the Eastern Partnership initiative and the fourth Eastern Partnership Summit in Riga in 21–22 May 2015 in particular. Expectations both in Latvia and in some of the Eastern Partnership partners, in Ukraine and Georgia in particular, were higher than the deliverables, especially regarding their desired visa-free regime with the EU (in the summit joint declaration on the progress of both partners was only “warmly welcomed”<sup>30</sup>). In practice, however, it was difficult to deliver much more, given the diverging and often limited interest of many EU member states, the variations in progress of the partners and the different levels of aspirations of the partners to engage with the EU in the light of an active counteraction from Russia. Most importantly, Latvia managed to prolong the Eastern Partnership initiative by underlining this issue in the EU agenda and hosting the well-attended Riga Summit to discuss and fix the status since the 2013 Vilnius Summit and to determine the next

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<sup>29</sup> Based on: “Debates, Tuesday, 7 July 2015, Strasbourg, Revised edition, 3. Review of the Latvian Presidency (debate),” *European Parliament*, <http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//TEXT+CRE+20150707+ITEM-003+DOC+XML+V0//EN&language=EN#top>.

<sup>30</sup> “Joint Declaration of the Eastern Partnership Summit (Riga, 21-22 May 2015),” *Council of the European Union*, [http://www.consilium.europa.eu/en/meetings/international-summit/2015/05/riga-declaration-220515-final\\_pdf/](http://www.consilium.europa.eu/en/meetings/international-summit/2015/05/riga-declaration-220515-final_pdf/), 9.



steps with a view to the next summit in 2017. Furthermore, the Eastern Partnership activities cannot be limited to the Summit solely – this along with several other related events such as ministerial meetings, conferences, seminars was only the most visible part. In addition, there was constant practical engagement with the partners.

Furthermore, it has to be noted that among the EU member states only a few have a particular interest in the eastern policy vector, therefore not every member state holding the Presidency would raise the profile of this issue the way Latvia did. The same can be attributed to another Latvian priority in the external policy – relationship with the Central Asian countries. Even though there were no bold and tangible results apart from the review of the EU Central Asia Strategy and reestablishment of the EU special representative for Central Asia and several individual and multilateral engagements, Central Asia returned to the EU agenda. Regarding another issue of the external dimension, the highly controversial Transatlantic Trade and Investment Partnership, merits of the Latvian Presidency cannot be evaluated at the same level as the previous ones. On behalf of the EU, the draft agreement is negotiated by the European Commission and still a significant part of the negotiations has to be completed. Nevertheless, the increase of transparency of the negotiating process can be marked as a positive development.

The growing migration to the EU cannot be considered as an unexpected issue on the agenda of the EU; however, the escalation of the issue surprised many. The overall response of the EU has been widely discussed and often criticised. In the light of the developments following the Latvian term, it is clear that the response of the EU has not been decisive and effective enough to tackle this issue. Decisions taken during the Latvian Presidency related to strengthening the FRONTEX agency, establishing the EUNAVFOR MED operation, and the relocation and resettlement of asylum seekers, can be considered as steps towards a solution. However, these and other steps have not been sufficient to respond to the growing problem. Therefore, the Latvian Presidency could have been more active in offering its own initiatives or in cooperation with the European Commission. Regarding other security and defence related issues, in addition to different statements and commitments, such points as strengthening the Europol (like proposing to set up the EU Internet Referral Unit and the EU Counter-Terrorism Centre), renewing the EU Internal Security Strategy, and taking further steps towards embedding the strategic communication and resistance to the “hybrid threats” in the EU agenda, have been notable, however, it is early to measure their efficiency.

The deliverables of the Latvian Presidency cannot be limited to the discussed issues only. Many other topics have received smaller public attention, nevertheless have been significant in the respective formats. Among those are: initiatives other

than those mentioned in the competitiveness field (like the provisional agreement on the modernisation of the EU trademark system) and in the digital sector (like the agreement with the Parliament on the main elements of the “Network and Information Security” Directive proposal); consumer protection (like the agreement on the “Package Travel” Directive proposal); transport (like the partly finalised “Fourth Railway Package”); employment (like the agreement on boosting funding to the “EU Youth Employment Initiative”); environment (like the agreement on the “Indirect Land Use Change” Directive proposal); agriculture and fisheries (like the progress achieved in negotiating the “Novel Foods” Regulation proposal); and initiatives in other policy areas.

Finally, in different areas, numerous texts such as Council conclusions, statements and declarations (12 such documents bearing the name of Riga<sup>31</sup>) were adopted, and external representation of the EU was ensured on certain occasions. In addition, different seminars, workshops, conferences and other events were organised, among them 197 Presidency-related meetings were held in Latvia.<sup>32</sup> On many other issues than those mentioned above, there were no clear deliverables even though progress was achieved. Importantly, such matters constitute an unmeasurable amount of work as not in all cases specific agreements and deliverables were possible due to different constraints. On some occasions the progress achieved was more resource consuming and more significant in the longer term than a formally completed file.

## CONCLUDING REMARKS

The Latvian Presidency took place at the beginning of a new EU institutional cycle and it was no exception from other presidencies as its operational environment was aggravated by different events and developments, such as the terrorist attacks in Paris in January 2015, the growing migration to the EU and the evolving financial crisis in Greece. Although in some of the areas more effort and results could have been expected, Latvia managed to perform well in its determined priority areas and thus to foster the EU’s competitiveness, digital development and external engagement. Most importantly, the Latvian Presidency managed to secure the agreement on the European Fund for Strategic Investments to boost investment. It managed to take bold steps towards further development of the digital single market with the

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<sup>31</sup> “Results of the Latvian Presidency of the Council of the European Union,” *Latvian Presidency of the Council of the European Union*, [https://eu2015.lv/images/news/EU2015LV\\_rezultati\\_lv.pdf](https://eu2015.lv/images/news/EU2015LV_rezultati_lv.pdf), 80.

<sup>32</sup> *Ibid*, 72.

agreements leading to the abolishment of the retail mobile roaming surcharges and reforming the data protection rules. Furthermore, Latvia succeeded in revitalising the eastern vector of the EU's external policy. Even though in some domains and migration in particular, there was certainly more space for progress, the formal role of the Presidency, the EU decision-making process and the role of the EU's great powers imposed its limitations and constraints. Furthermore, it is difficult to identify significant mistakes committed by the Latvian authorities as no major issues were neglected and the main objectives were generally reached.

Apart from the substantial issues, it is important to underline the directly unmeasurable effects of the Presidency. Being in the spotlight and managing the position of the Council of the EU over six months, Latvia raised its visibility among the EU institutions, other member states and stakeholders. The national public administration proved that it is capable of not only leading domestic policies but can also take the lead in framing and steering the EU policies. The experience gained raised the capacity of the public administration with possible positive effects on its ability to represent the national interests on the EU and global level.

# THE EASTERN PARTNERSHIP – LATVIA'S CONTRIBUTION

Juris Poikāns

The 4<sup>th</sup> Eastern Partnership Summit held in Riga on 21–22 May 2015 was one of the highlights of Latvia's first EU Presidency. It brought to the Latvian capital most of the 34 (28 EU member states and 6 partners – Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine) Heads of States or Governments reaching the highest representation ever seen in the Eastern Partnership Summit since its inception in 2009.

The Presidency besides the Summit was instrumental in organising three meetings on a ministerial level, namely, justice and home affairs, trade, digital economy thus strengthening the multilateral dimension of the Eastern Partnership. Several conferences in fields of civil society, media, business, youth, local government, health and others brought together thousands of experts with an aim to build further links between the EU and the Eastern Partnership states.

## WHY THE EASTERN PARTNERSHIP?

Latvia was thoroughly preparing to chair the Presidency of the Council of the European Union since 2013. Its priorities were identified during debates and public discussions among members of the government, scholars and scientists. The Eastern Partnership was a regular topic in these deliberations. In addition, Riga Graduate School of Law, in cooperation with the Latvian Ministry of Foreign Affairs and other partners, created a new and unique advanced programme. Training is aimed at public officials in the EU's Eastern Neighbourhood and Central Asia, open also for representatives of civil society and academia.

The objective of the programme is to provide a training that is useful with regard to the relations between the EU and its Eastern Neighbourhood, and to provide a knowledge transfer that is based on Latvia's experience as a member of the EU.

Latvia obviously had a comparative advantage to induce a momentum and assume leadership in the EU's relations *vis-à-vis* the Eastern Partnership states. Two eastern partners (Ukraine, Belarus) are important Latvia's trade partners outside the EU; and Belarus is a particularly crucial partner in cross-border co-operation. Moldova, Georgia and Ukraine are the key recipients of Latvia's development assistance, while relations with Armenia and Azerbaijan are characterised by a high level of mutual trust, regular political, diplomatic, cultural and economic ties. In addition, Latvia made a considerable effort to establish itself within the EU as an expert on this region. It could legitimately provide an added value to the efforts of the EU in building its Eastern neighbourhood as a zone of prosperity, peace and stability as reflected by the EU's official documents. The abovementioned arguments were central for choosing the Eastern Partnership as one of the priorities of the Latvian Presidency.

## HISTORICAL CONTEXT OF THE EASTERN PARTNERSHIP – BETWEEN VILNIUS AND RIGA

The EU's Eastern Partnership policy was created in 2009 with an aim to strengthen ties with its Eastern neighbours. Crucially, the Eastern Partnership was never directed against interests of any third state and especially, Russia. Three Eastern Partnership Summits were held before Riga – in Prague, Warsaw and Vilnius. The six partner states differed in their ambitions with regard to the EU. Belarus enjoyed a strategic partnership with Russia while Moldova and Georgia were seeking closer ties with the EU and even aspiring membership in a longer term. The EU suggested to the partner states a new legal framework in the form of an Association Agreement with a deep and comprehensive trade area as its integral part. It was up to the Partners to freely decide whether they accepted this proposal. The four of them – Armenia, Georgia, Moldova and Ukraine expressed an interest while the remaining two, Azerbaijan and Belarus, were not willing to commit themselves to closer ties with the EU.

During the preparation for the Vilnius Summit in 2013 it was expected that Ukraine would sign the Association Agreement during the Summit and Armenia, Georgia and Moldova would initiate it. The original plan, however, did not go

through. In September 2013, Armenia abruptly decided to abandon further negotiations on the Association Agreement opting for closer ties with the Eurasian Economic Union. Just a couple of weeks before the gathering in Vilnius Ukraine's then-President Viktor Yanukovich announced that he will not sign the agreement either.

The Russian Federation additionally was heating up its rhetoric towards the Eastern Partnership claiming that the policy had not taken into consideration Russia's interests in this part of Europe. For several years since 2009, Russia was holding a largely neutral stance towards the Eastern Partnership policy, and was even invited to become a part of this policy but refused. However, in 2013, Russia openly signalled its mistrust and a negative attitude.

The revolution of dignity in Kyiv brought down the Yanukovich government and established a new political reality. The protesters, while tired of rampant corruption, injustice and domestic political inefficiencies were clearly demanding a new path towards closer integration within the EU. Ukraine's difficulties were exploited by its northern neighbour resulting in the most visible breach of international security on the European continent since the end of the Second World War, namely, the annexation of a part of another sovereign country – the Crimea. In parallel, the conflict in Eastern Ukraine fed by Russia ensued threatens stability in the overall eastern and south eastern part of Ukraine. The EU reacted swiftly by establishing its principled line on the non-recognition policy of the illegal annexation of the Crimea and took a decision to provide considerable financial assistance to Ukraine.

The EU concluded the negotiations and signed the Association Agreements with Georgia, Moldova and Ukraine during the Greek Presidency. Another important boost for the Eastern Partnership policy came through in a form of the EU's decision to abolish visas for short-term travels to the Schengen area for Moldova's citizens, and thus strengthening people-to-people contacts.

## CHALLENGES FOR LATVIA'S PRESIDENCY AND SOLUTIONS

Latvia had several sets of challenges in relation to the Eastern Partnership. Firstly, the EU was divided within on how ambitious it wants to be with regard to the Eastern partners. It was clear from the onset that the issue of the EU membership perspective would be off the table as the overall political mood in the EU was not conducive to fulfilment of such an offer. Secondly, Russia had not changed its stance

on the Eastern Partnership and demanded additional talks on the economic effects of the Association Agreement signed between Ukraine and the EU. Russian officials stated that the EU had “imposed on its partners a wrong foreign policy narrative – either – or”, implying that those states who sign the Association Agreements with the EU should “abandon their traditional commercial ties with the Russian Federation”. Russia as a member of WTO, however, started to use the instrument of unjustified trade sanctions towards Ukraine and Moldova. Thirdly, the Eastern Partnership states’ differed in their ambitions towards the EU. Two of the partners, Armenia and Belarus, were a part of the Eurasian Economic Union. Three – Georgia, Moldova and Ukraine since Vilnius had become associated partners of the EU. Azerbaijan was increasingly willing to focus exclusively on the development of bilateral ties with the EU at the expense of the Eastern Partnership.

Latvia since the beginning of the Presidency was working hard to reach a consensus within the EU on the Eastern Partnership. It stressed a balanced approach on the importance of the overall European neighbourhood in both – Eastern and Southern directions. The Presidency was actively searching for a compromise solution on the text of the declaration of the Summit and urged a high-level participation at the Summit.

Together with its EU allies the Presidency sent a consistent message to the Russian Federation on the non-confrontational nature of the Eastern Partnership; and the wish to avoid further polarisation. The visit of the Minister of Foreign Affairs Edgars Rinkēvičs to Moscow in January 2015, and seminars organised with several Russian counterparts, in particular, the Russian International Affairs Council (*Российский совет по международным делам*) were meant to strengthen this notion. The Presidency and the EU took note and paid respect to the foreign policy of those partners willing to maintain and strengthen ties with the Russian Federation through membership in the Eurasian Economic Union. The Presidency and the EU, however, dismissed the possibility for any third state to influence the decisions of the EU with regard to its Eastern neighbours.

With regard to its Eastern partners, the Presidency together with the EU sought the development of individually tailored ties with every partner state based on their level of commitment and interest towards the EU. Latvia as the Presidency did its best to engage with Armenia, Azerbaijan and Belarus to identify the right and most effective form of co-operation with the EU. At the same time, the Presidency was willing to strengthen the multilateral dimension of the Eastern Partnership where appropriate. Latvia, for example, fully supported the initiative of Belarus to bring the issue of digital economy into the agenda of the Eastern Partnership.

The meeting on 21–22 May, in addition, took place in a complex environment with many different international developments: the fighting in Ukraine's East, Greek financial crisis, elections in the UK, unpredictable position of Russia and others. In these circumstances, the EU and the leaders of its Eastern partners had a difficult task to navigate through these hurdles.

## RIGA LEGACY

On the one hand, the Summit in Riga will be remembered as a sign of continuous commitment and interest of the EU and its Eastern partners in developing mutual ties. On the other hand, with the growing realisation that the process of approximation between the EU and the Eastern partners and, the consequent creation of a vision of the zone of stability and prosperity might take longer time than expected. The Summit resulted in a mutual understanding on the necessity to develop practical and realistic steps aimed at strengthening ties between the EU and the partners. These steps include further implementation of the reforms, developing connectivity between the two parties, and deepening the educational, environmental, economic and other types of ties.

The Summit's major achievement will remain its reconfirmation of the high importance the EU attaches to the Eastern Partnership as a specific dimension of the European Neighbourhood Policy. The EU remains committed to its initial goal of constructing its neighbourhood as a zone of peace, stability and prosperity. The Summit reaffirmed the sovereign right of each partner to freely choose the level of ambition and the goals in its relations with the EU. There will be no return to the spheres of influence on the European continent.

The EU expressed its unwavering commitment to the principles of territorial integrity, independence and sovereignty of all its partners. The participants of the Summit stressed that the Eastern Partnership is aimed at building a common area of shared democracy, prosperity and stability and is not directed against any third party.

The Summit reaffirmed the EU's interest to develop strengthened and differentiated relations between the EU and the six partners. While not mentioning the membership perspective for the partners, the Summit participants acknowledged the European aspirations and the European choice of the partners. It is important to note that a strong support for the implementation of the Association Agreements with



Georgia, Moldova and Ukraine was emphasised. First results of the implementation of the Agreements were noted with a degree of optimism.

The Summit welcomed a common understanding reached in relation to a future agreement with Armenia and the progress made in defining a stronger basis for an upgraded contractual framework for the EU–Azerbaijani bilateral relations. The progress in the EU–Belarus relations was mentioned, as well, including the progress achieved in visa facilitation / readmission negotiations and the establishment of the EU–Belarus mobility partnership. In addition, Belarus finally joined the Bologna Process and the European Higher Education Area signalling its wish to deepen ties in the field of education.

The Summit sent a strong signal to Georgia and Ukraine on their progress in the implementation of their visa liberalisation action plans with a view of establishing a visa free regime at a later stage.

## WAY FORWARD

The next Eastern Partnership Summit will take place in two years, as stated by the Declaration of the Summit. This period should allow us to further consolidate the achievements of the Eastern Partnership and establish new priorities. However, the EU has a global foreign policy agenda and the Eastern Partnership is just one of its priorities, and it is unreasonable to expect the same commitment to Europe’s Eastern neighbourhood from the next presidencies. While the Eastern Partnership over years has developed its own networks of multilateral co-operation, political attention from the EU will be essential for the overall success of the policy. Thus, it is important to build further consensus within the EU.

The EU is still in the process of learning about the complexities and challenges that the Eastern Partnership states are facing. It is important to continuously build on our expertise and knowledge in order to successfully move forward with the right and most effective approach toward the six states.

Obviously, the implementation of the Association Agreements with Georgia, Moldova and Ukraine will remain at the forefront of our plans for the next years. It will require massive resources and commitments on behalf of the three states. On this path, there will be many hurdles to overcome. The fight against corruption, improvements in the field of the rule of law and business environment will be daunting tasks for the three governments. The success of the Eastern Partnership

will be largely decided by the progress Georgia, Moldova and Ukraine will be ready to demonstrate. The support of the EU will be crucial in this regard. Without the EU's support, the three states run into risk of being unable to use the full potential of the Association Agreements thus questioning the credibility of the EU and the partners themselves. Decisive moves towards the establishment of a visa free regime with Georgia and Ukraine should be made.

The EU should also continue to develop ties with the remaining three countries. Finding a common basis for a future agreement with Armenia can be an interesting example of simultaneous accommodation of Armenia's membership in the Eurasian Economic Union and its ties with the EU. The EU should search for balanced relations with Azerbaijan involving the whole spectrum of relations in all fields. More dialogue and discussions are needed to reach further understanding with Baku on the modalities of future relationship. The Summit in Riga signalled a mutual interest of Belarus and the EU to deepen their ties. First important steps in the field of mobility have been taken, but further steps should follow. As regards progress in other fields, Belarus and the EU should strive to find a new legal basis between the two sides.

Russia obviously has interests in the Eastern Partnership states and they should be respected. However, the Eastern Partnership has never been and will never be directed against any third state, and the EU will not compete for influence in this area with any third state. However, the core principle of the EU relations with the Eastern partners should remain the same – every partner has the right to choose its level of engagement with the EU. The EU is equally interested that the Eastern Partnership states promote their traditional cultural, economic and other type of ties with the Russian Federation. The example of the Central Europe states clearly demonstrates that there is a scope of engagement with all neighbouring states.

The growing instability in Europe's South and East validates the conceptual aim of the EU to bring more stability and prosperity in its neighbourhood. The Eastern neighbourhood remains volatile and divided, with many challenges ahead. It is in our joint interest to overcome them. The initial concept of the EU remains as relevant as ever, and the Latvian EU Presidency has built another stone in fulfilling this vision.

# PEACE, TRADE, AND EUROPEAN RESOURCES: LATVIA AND THE EASTERN PARTNERS IN 2015–2016

Diāna Potjomkina

In 2015, Latvia gained unprecedented possibilities, and responsibilities, to move forward the Eastern Partnership (EaP) initiative, one of its main priorities and foreign policy niches. Latvian Presidency of the EU Council came at a difficult time, because of the unfolding military crisis in Ukraine, but, at the same time, Latvia along with other “new” EU members had strengthened its positions in internal EU negotiations – its long-time concerns about Russia’s interventionism in the Eastern Neighbourhood were finally heard and respected. This leads to changing EU priorities with regard to the EaP, which corresponded well to Latvia’s interests. As a result, while Latvia had limited opportunities to publicly voice its own concerns during its Presidency, the results of the Riga Eastern Partnership Summit fit its priorities well.

This paper looks at Latvia’s relationships with the Eastern Partnership through different lenses: Latvia’s own regional approach to the six countries, bilateral relations, as well as achievements during the Presidency in both realms. Overall, there has been substantial continuity with 2014 and several preceding years: in Latvia’s priorities, policies, strengths and shortcomings. Nevertheless, and despite of the challenging international circumstances, the year has been used well and the main task for Latvia in 2016 will be simple: to further capitalise on its “refreshed” ties with the neighbours.

## YEAR 2015: MULTILATERAL RELATIONS

Organising the EaP Summit in Riga was an agreeable responsibility: Latvia lobbied for the right to organise the event and, once this was conferred, invested notable

efforts in its preparation. This enthusiasm was much aided by similarities between Latvia's own and EU's general priorities. It should be stressed: Latvia was fortunate to assume the EU presidency at a time, when these interests converged. If we compare the year 2015 to 2009, when the EaP was formally inaugurated at the Prague Summit, we see that back then the EU adopted an unrealistic, idealistic approach not underpinned by tangible resources, while Latvia, heavily affected by the economic crisis, was focusing on defence of its bilateral economic interests in priority EaP countries, while its policy towards the others was not actively formulated. Latvia's policy was also more susceptible to pressure from large business groups interested in good relations with Russia. By 2015, the European Union institutions and major players realised that substantial changes to the policy are needed if they want to maintain basic stability and development in the Neighbourhood, and this would entail less focus on partner countries' unilateral approximation with the EU and more effort from the EU itself. As I wrote elsewhere,<sup>33</sup> the EU's policy started a "geopolitical turn", becoming more pragmatic and strategic at the same time. Latvia, meanwhile, reappraised both its interests and tactics. It was already rather pragmatic, but now, more focus was put on security issues, recognising Russia as a direct and imminent threat, and the government started to rely more on the EU's joint policies, instead of decrying alleged EU's limitations imposed on Latvia's national interests. To some extent, this was a way to gain credibility in the eyes of European partners, but a deeper Europeanisation of Latvia's policy – and better awareness of the situation in the Neighbourhood – evidently took place.

Subsequently, already in preparation for the Presidency, the Latvian national and the European positions on the European partnership became effectively bridged. As I indicated already in the previous Yearbook, by the end of 2014, a consensus emerged on the main elements of the future EaP: increased differentiation of the EU's policies, tailoring them better to partner countries' needs; stepping up economic cooperation with and assistance to the Neighbourhood; improving security cooperation; and more broadly, reviewing the implementation of the Eastern Partnership (including the new Association Agreements) with the aim to identify other opportunities for practical assistance on the EU's side.<sup>34</sup> In 2015, Latvian policy-makers continued to address these priorities not only in the European arena but also when dealing with purely Latvian audience. Foreign Minister's Annual Report of January 2015 again set

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<sup>33</sup> Diāna Potjomkina, "A More Geopolitical Eastern Partnership: U-Turn or 'The Lady's Not For Turning'?" *Latvian Institute of International Affairs*, 2015, <http://liia.lv/en/publications/a-more-geopolitical-eastern-partnership-u-turn-or/>.

<sup>34</sup> See: Diana Potjomkina, "Latvia and the Eastern Partnership: Moving towards 2015 Slowly but Surely" in *Latvian Foreign and Security Policy Yearbook 2015*, ed. Andris Spruds and Diana Potjomkina (Rīga: Latvian Institute of International Affairs, Friedrich Ebert Stiftung, 2015).

essentially the same goals: increased political and economic cooperation with all EaP countries, introducing a differentiation approach; in particular, individual offers for Armenia, Azerbaijan, and Belarus; progress on visa liberalisation with Georgia and Ukraine, and facilitation with Armenia; and “particular attention” to the security.<sup>35</sup> Notably, the Report explicitly recognised Russia as a threat to regional stability; previously, Latvia would rather use the “third country” euphemism.<sup>36</sup> Latvia also somewhat downscaled its rhetoric on human rights and democracy in proportion to other issues, although did not abandon this issue altogether. This reflected the overall EU dilemma: what we can achieve, how far to accommodate personal preferences of the six Eastern partners, and at what point we would forfeit the basic European values.

At the same time, Latvia became increasingly wary not only of the Eastern neighbours’ needs but also of their problems and failings. The importance of proceeding with reforms was constantly reiterated in meetings with all EaP countries, including the more advanced ones: Moldova, Georgia, and Ukraine. Latvia continued to support the perspective of membership for the EaP countries – according to the Minister’s report, “Although there are no plans for a new round of EU enlargement for the coming years, Latvia strongly supports a close political dialogue with all aspirants”<sup>37</sup> – but rarely stated so publicly. Even though Latvia did not experience a “Neighbourhood fatigue” like certain other EU members, a certain pessimism about what can realistically be achieved started to take hold.

Before coming to the results of Latvian national policies and the Latvian Presidency with regard to the EaP, a short survey of main factors affecting them is useful. Latvia’s attitudes and achievements were, and will likely continue, to be conditioned by the following:

- 1) Certain member states’ reluctance to boost engagement in the Eastern Neighbourhood. Latvia has been trying both to support the Southern states that have greater interest in the Mediterranean neighbours, and to convince the more sceptical EU states of the EaP’s importance. However, fears of possible disintegration and abandonment of the Partnership evidently were so tangible that they led the Foreign Minister Edgars Rinkēvičs to specifically point out that the EaP must survive “as a uniform platform.”<sup>38</sup> Similarly, after the Riga

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<sup>35</sup> “Annual Report by the Minister of Foreign Affairs on accomplishments and activities planned with respect to national foreign policy and the European Union, 2014–2015,” *Ministry of Foreign Affairs of the Republic of Latvia*, [http://www.mfa.gov.lv/images/zinojums\\_FINAL\\_FINAL\\_ENG.pdf](http://www.mfa.gov.lv/images/zinojums_FINAL_FINAL_ENG.pdf).

<sup>36</sup> Ibid.

<sup>37</sup> Ibid.

<sup>38</sup> Ibid.

Summit, the Ambassador at Large for the EaP Juris Poikāns specifically stressed continuation of the policy as the primary achievement.<sup>39</sup>

- 2) Fears of “provoking” Russia harbored by some member states and EU institutions. Even though the EU has finally reached consensus on recognising Russia as a threat, some players in the EU evidently assume that the EU itself has been too assertive, or that its actions could be considered as such. This attitude manifested itself, first and foremost, when discussing potential cooperation with the United States and supplies of weapons to Ukraine.<sup>40</sup> Russia, in turn, tried to weaken the common EU stance by exercising pressure over some EU members.
- 3) Similar fears on the side of the Eastern Partners themselves, especially in Armenia and Azerbaijan: recently, Russia’s behaviour towards these two countries became highly ambiguous.
- 4) Economic and social risks and fears posed, on the one hand, by the downslide in Russia, a major and in some cases the main trade partner and source of remittances for the EaP states, and, on the other hand, by the still weak effects of the DCFTAs.
- 5) Already mentioned shortcomings in partners’ own policies. The money laundering scandal in Moldova, persistent corruption problems in Ukraine, struggles for power in Georgia and overall slow pace of reforms undermine the member countries’ belief in the EaP as an efficient investment of scarce resources. (This is not a judgmental remark: many of these issues could have been prevented by greater EU engagement in the first place).
- 6) Limitations inherent to the role of the Presidency. Bruno Vandecasteele’s work provides an illuminating account of what can realistically be achieved by the Council chair, taking into account the role of the supranational EU institutions. He concludes that the greatest influence can be exerted on new policies, at the initial, agenda-setting stage.<sup>41</sup> Taking into account this factor, as well as the short timeframe of the Presidency, impossibility to change the EU’s multiannual budget framework and understandable limitations on nationally available funds, expectations inevitably must be kept realistic.

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<sup>39</sup> Николай Кабанов, “Нам удалось избежать потрясений,” *Вести сегодня*, July 10, 2015, <http://news.lv/Vesti-Segodnja/2015/07/10/nam-udalos-izbezhat-potryasenij>.

<sup>40</sup> For the latter, see e.g. Niklas I.M. Nováky, “Why so Soft? The European Union in Ukraine,” *Contemporary Security Policy*, Vol. 36, Issue 2 (2015), DOI:10.1080/13523260.2015.1061767.

<sup>41</sup> Bruno Vandecasteele, “Influence of the Lithuanian Presidency of the EU Council on EU Relations with Countries of the Eastern Partnership,” *Lithuanian Foreign Policy Review*, Issue 31 (2014), <http://connection.ebscohost.com/c/articles/98743688/influence-lithuanian-presidency-eu-council-eu-relations-countries-eastern-partnership>.

What were Latvia's policies towards EaP as a whole in the year 2015, and what did it manage to achieve in 2015 – as an EU Presidency and a nation state?

First, Latvia not only hosted the Riga Summit in May but also played a major role in developing a positive background and negotiating the final document. It addressed the more sceptical Mediterranean countries in countless bilateral and group meetings. It also established good rapport with the Eastern Partners, explaining them the reasoning behind the EU's decisions and convincing them to continue with reforms, and invested huge efforts in reaching consensus on the final Summit declaration. The summit negotiations demonstrated that there were substantial differences in opinion both among the EU member states and among the partners. According to the Foreign Minister, these inter-group conflicts were even more acute than differences between the EU and the EaP; for instance, Belarus and Armenia did not want to condemn the annexation of the Crimea.<sup>42</sup> In parallel, Latvia made attempts to inform and reconcile Russia with the EaP.

Latvia's input supported the new European consensus on the shape of the EaP that is manifest both in the declaration of the Riga Summit (reflecting position of the member states),<sup>43</sup> as well as in the November's Joint Communication on "Review of the European Neighbourhood Policy" that was jointly published by the European Commission and the High Representative.<sup>44</sup> The end-result corresponded well to Latvia's aims and interests, in which country included all priorities originally declared by Latvia. The principle of differentiation was officially introduced and largely replaced the notorious "more for more" favouring countries that first invest in reforms. The EU finally realised the importance of providing short-term support to the partner states in order to offset the cost of reforms, although it remains to be seen what resources can be mobilised for this purpose. Both documents have an increased focus on practical cooperation in such spheres as trade, transit, and energy –

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<sup>42</sup> Bens Latkovskis, "Edgars Rinkēvičs: "Diplomātija ir maratons"", *Neatkarīgā Rīta Avīze*, June 15, 2015, <http://nra.lv/politika/143160-edgars-rinkevics-diplomatija-ir-maratons.htm>. On Belarus and Armenia, see: "Riga Summit's final declaration: Belarus refused to condemn Crimea's annexation", *Хартыя'97*, May 22, 2015, <https://charter97.org/en/news/2015/5/22/152603/>.

<sup>43</sup> "Joint Declaration of the Eastern Partnership Summit (Riga, 21–22 May 2015)," *European Commission*, [www.consilium.europa.eu/en/meetings/international-summit/2015/05/riga-declaration-220515-final\\_pdf/](http://www.consilium.europa.eu/en/meetings/international-summit/2015/05/riga-declaration-220515-final_pdf/).

<sup>44</sup> European Commission and High Representative of the Union for Foreign Affairs and Security Policy, Joint Communication to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions: Review of the European Neighbourhood Policy (SWD(2015) 500 final). Brussels, 18.11.2015, JOIN(2015) 50 final, [http://eeas.europa.eu/enp/documents/2015/151118\\_joint-communication\\_review-of-the-enp\\_en.pdf](http://eeas.europa.eu/enp/documents/2015/151118_joint-communication_review-of-the-enp_en.pdf). See also other documents under "ENP Review: stronger partnerships for a stronger neighbourhood," *European Commission*, November 18, 2015, [http://eeas.europa.eu/top\\_stories/2015/181115\\_enp\\_review\\_en.htm](http://eeas.europa.eu/top_stories/2015/181115_enp_review_en.htm).

all of these highly interesting for Latvia. Moreover, the Riga Summit declaration contained an affirmation of “the sovereign right of each partner freely to choose the level of ambition and the goals to which it aspires in its relations with the European Union”<sup>45</sup> – as I wrote before, this wording is arguably the closest the EU leaders ever got to accepting some partners’ aspirations to membership. Of course, these positive achievements cannot be attributed solely to the Presidency’s work, but the outcomes of the Summit and the European Neighbourhood Policy Review are generally favourable for Latvia – especially taking into account the inhibiting factors mentioned before.

Second, Latvia actively tried to develop new approaches towards security issues. The EU’s weak role in guaranteeing regional security ultimately remained the main unresolved issue, as evidenced both by the Summit declaration and the Review. Although they admitted the need to strengthen cooperation with neighbours in this field, neither of these documents demonstrated any clear political commitment or outlined specific, effective measures. However, taking into account the security situation in the EaP and its own concerns, Latvia in 2015 invested sizeable efforts in developing a coherent policy on hybrid warfare and strategic communications both in multilateral venues by engaging both NATO and the EU, as well as nationally. Latvia focused on countering Russia’s propaganda through promoting a truly liberal media environment that would be free from aggressive manipulation or would at least provide quality alternatives. EaP countries are seen as a natural part of the broader European community that needs free media and new Russian-language resources not controlled by Russia’s state media and oligarchs loyal to the Putin’s regime.

Latvia’s strategy has been to tap on internationally available resources and create coalitions. Indeed, it prioritised cooperation between the EU and NATO on this issue,<sup>46</sup> although, by now, both organisations proceed with these issues separately. Latvian Presidency did achieve mentioning of this issue in the Riga Summit declaration, and it organised the first Eastern Partnership Media Conference as a side event. In the meantime, still during the Latvian Presidency, the European External Action Service (EEAS) elaborated a strategic communication action plan and formed a small eight experts’ task force; Latvian Ministry of Foreign Affairs delegated one of its diplomats to become part of the team. Furthermore, in addition to the NATO Strategic Communications Centre of Excellence located in Riga and accredited in 2014, Latvia set the goal to become a “regional center in promoting free and independent media environment and in training journalists.”<sup>47</sup> Namely, it

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<sup>45</sup> Joint Declaration of the Eastern Partnership Summit (Riga, 21–22 May 2015).

<sup>46</sup> Annual Report by the Minister of Foreign Affairs ..., 2014–2015.

<sup>47</sup> Ārlietu ministrija, “Ārlietu ministra Edgara Rinkēviča uzruna Saeimas ārpolitikas debatēs,” January 22, 2015, <http://www.mfa.gov.lv/aktualitates/zinas/runas-raksti-intervijas-prese/44355-arlietu-ministra-edgara-rinkevica-uzruna-saeimas-arpolitikas-debates-22-01-2015>.



is currently working on establishing a Media Excellence Centre run by journalists, media and NGOs, which would improve the quality of journalism in the Baltic and EaP countries.<sup>48</sup>

Another contribution by Latvia has been its support to strengthening Eastern Partners' energy independence, another area of common concern. Latvian Presidency started work on establishment of the European Energy Union (the so-called "Riga Process"), and the Riga Summit declaration treated energy cooperation at more than one page's length; a closer cooperation between the new Energy Union and the broader Energy Community that includes several EaP countries was agreed upon. The issue here is whether and how the EU will be able to cooperate with Armenia and Belarus – both states are heavily dependent on Russian energy supplies, and indeed Belarus is a major transit services provider important for the EU market, but they are not Energy Community members.

Third, in order to maximise the impact of the EaP policy, Latvia worked on expanding cooperation with international partners, including the US. In March 2014, the Foreign Minister voiced his idea of a Euro-Atlantic EaP. In 2015, Latvia as the EU Presidency attempted to move this initiative forward, most visibly by organising several public events and requesting the Atlantic Council, a major US think tank, to publish a briefing.<sup>49</sup> In principle, Latvia continued to support a close EU's cooperation with NATO and bilaterally with the US, including in the realm of the Common Security and Defence Policy and in the new European Security Strategy.<sup>50</sup> Unfortunately, due to the aforementioned scepticism of other European players towards cooperation with the US and NATO, these efforts did not bring results in the multilateral format. Latvia, however, continues to cooperate with the US bilaterally; for instance, the Department of State in 2015 started to co-sponsor the flagship training program for professionals from EaP and Central Asian states that has been initiated and supported by the Latvian Ministry of Foreign Affairs.

Fourth, the Latvian Presidency also continued to work for multilateral EU-EaP cooperation on economic and trade issues. Despite the fact that the total share of

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<sup>48</sup> "Edgars Rinkēvičs and U.S. Under Secretary of State Richard Stengel discuss strategic communications," *Ministry of Foreign Affairs of the Republic of Latvia*, September 28, 2015, <http://www.mfa.gov.lv/en/news/latest-news/48056-edgars-rinkevics-and-u-s-under-secretary-of-state-richard-stengel-discuss-strategic-communications>.

<sup>49</sup> See: Frances G. Burwell, "A Transatlantic approach to Europe's East: Relaunching the Eastern Partnership," *Atlantic Council Transatlantic Relations Program*, May 2015.

<sup>50</sup> "Ārlietu ministra Edgara Rinkēviča uzruna Saeimas ārpolitikas debatēs," January 22, 2015.

EaP countries in 2014 was only 3.06%,<sup>51</sup> and slightly fell compared to 2013. Latvian businesses are interested in these markets,<sup>52</sup> because of their large populations and potential to offset the negative impact of sanctions war with Russia. The Riga Summit declaration was concerned with implementation of the DCFTAs; moreover, a crucial decision to conclude a new, “lighter” agreement with Armenia, and possibly Azerbaijan, was reached.<sup>53</sup> An agreement on disbursing additional Macro-financial Assistance to Ukraine (loans of total amount EUR 1.8 billion) was also signed in Riga. However, it remains to be seen if the EU will be able to effectively support Eastern Partners in implementing the DCFTAs and new agreements, and what course of action will be chosen with regard to the Eurasian Economic Union.

To summarise briefly, Latvia in 2015 was active in promoting multilateral cooperation with the EaP, and did manage to give, or, at least, to support, some crucial innovations in the EU policy – both as a nation state and in its EU Presidency role. It also managed to avoid major disappointments and heavy bilateral pressure by Russia that marred the previous Baltic (Lithuanian) Presidency. Without the Latvian Presidency, the results of the Summit would be significantly weaker and might even threaten disintegration of the EaP policy. However, the external environment remained unfavourable, precluding efficient solutions on such issues as conventional and energy security and trade.

## YEAR 2015: BILATERAL RELATIONS

In 2015, like in several preceding years, Latvia mainly prioritised relations with Belarus – its main trade and investment partner among the EaP six<sup>54</sup> – and Ukraine, both a large economy and a politically important state. Latvia also continued to develop relations with the other four partners, although in these other cases it was mainly political support. I proceed with a brief survey of Latvia’s bilateral relations with all EaP partners.

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<sup>51</sup> Author’s calculations based on: “Latvijas tirdzniecības statistika,” *Ministry of Economics*, 2014, [https://www.em.gov.lv/lv/nozares\\_politika/starptautiska\\_sadarbiba/latvijas\\_tirdzniecibas\\_statistika/](https://www.em.gov.lv/lv/nozares_politika/starptautiska_sadarbiba/latvijas_tirdzniecibas_statistika/).

<sup>52</sup> See e.g. interview with the president of the Latvian Confederation of Employers: Didzis Melķis, “Jānovāc bremzes no dialoga ar austrumiem,” *Dienas Bizness*, May 21, 2015, [http://news.lv/Dienas\\_Bizness/2015/05/21/janovac-bremzes-no-dialoga-ar-austrumiem](http://news.lv/Dienas_Bizness/2015/05/21/janovac-bremzes-no-dialoga-ar-austrumiem).

<sup>53</sup> Joint Declaration of the Eastern Partnership Summit (Riga, 21-22 May 2015).

<sup>54</sup> Belarus accounted for 2% of Latvia’s external trade in 2014, see: Latvijas tirdzniecības statistika,” 2014.

*Belarus*, the only EaP state bordering Latvia, has been a long-standing priority. The Foreign Minister's report traditionally mentioned the need for Belarus to progress on issues of human rights and rule of law, but also expressed a wish to cooperate on practical issues from transport to education.<sup>55</sup> Meanwhile, the EU's attitude also started to change, at first thanks to Belarus's mediator's role in the Minsk talks and then because of liberation of Belarusian political prisoners (and despite the predictably rigged presidential elections in October). Accordingly, Latvia was willing and able both to engage the neighbour in closer cooperation with the EU, in its Presidency role and afterwards, and to develop bilateral links, first and foremost, in the spheres of trade and transit. These efforts were much aided by Belarus's seeming turn towards Europe and in particular decision to liberate political prisoners in August 2015, which was unreservedly supported by Latvia.

In preparations for the Riga Summit, Latvia tried to balance its own interest in expanding political cooperation with Belarus with the EU sanctions still in force. The role of the Presidency proved useful for developing contacts: in January, the State Secretary of the Latvian MFA visited Minsk, discussing both EU-Belarus and bilateral Latvia-Belarus relations. In February, the Foreign Minister also paid a visit and met not only his counterpart but also the President Alexander Lukashenko – the first visit at such level since the new wave of EU sanctions in 2010.<sup>56</sup> Several other visits at the ministerial level also took place over the year. Lukashenko did not come to the Riga Summit, but this should rather be explained by the EU sanctions that were still in force and not by his attitude toward Latvia. Latvia continued to support the EU-Belarus relations over the rest of the year.

In parallel, Latvia and Belarus continued to develop political ties, including interparliamentary cooperation (somewhat dubious initiative taking into account the absence of democratic elections in Belarus and the extremely weak influence of its legislature). Consultations on regional security were planned for the end of 2015.

Economic relations have also continued and even progressed. In December 2014, Latvia and Belarus signed an agreement on cooperation in transport and transit. In May 2015, at the EaP Business Forum, a long-awaited agreement was reached: the Belarusian Oil Company and owners of a terminal in the Riga Port agreed on future purchase of the terminal by Belarusians. Moreover, there have been speculations that by 2018, Belarus might acquire another port terminal – this time, for mineral

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<sup>55</sup> “Annual Report by the Minister of Foreign Affairs ...,” 2014 – 2015; “Ārlietu ministra Edgara Rinkēviča uzruna Saeimas ārpolitikas debatēs”, January 22, 2015.

<sup>56</sup> Bens Latkovskis, “Edgars Rinkēvičs: “Diplomātija ir maratons””.

fertilizers.<sup>57</sup> Transportation accounts for 42.5% of Latvia's trade in services with Belarus (both exports and imports, 2014), and Belarus is Latvia's second largest transit partner providing approximately 20% of all cargo.<sup>58</sup> This cooperation should be taken with a grain of salt, both because Belarusians proved themselves difficult negotiation partners and because Latvia's position in the transit business is severely endangered by the more assertive Lithuania. Nevertheless, 2015 brought certain positive developments.

In what regards trade in goods and other practical areas of cooperation, the progress in 2015 was less dramatic. Both countries continued their usual cooperation that was made easier at the end of the year, when the EU sanctions against Belarus were formally put on hold. Latvia and Belarus have good relations on the "low politics" level, e.g. in cooperation between municipalities, business forums and entrepreneurs' visits, transborder cooperation and joint border management (including on illegal immigration: unlike Russia, Belarus fulfilled its readmission duties and accepted migrants illegally trying to get from its territory into Latvia.<sup>59</sup>)

While Belarus was Latvia's main partner, *Ukraine* remained the main concern. Russia's military aggression towards this country mobilised Latvia's attention and, moreover, was closely linked to Latvia's own security in the public discourse; thus, in the Foreign Minister's report and on other occasions attack against Ukraine was identified as attack against Latvia and Europe at large.<sup>60</sup> In 2015, Latvia focused on providing Ukraine with political, security and technical support, while urging it to move forward with reforms.

Both as the EU Presidency and a nation-state, Latvia maintained Ukraine's territorial integrity on the EU agenda and defended sanctions against Russia until it fully complies with the Minsk agreements and returns the Crimea to Ukraine. Ability to agree on such sanctions is remarkable, taking into account Latvia's previously active economic cooperation with Russia and frequent political pressure exercised by pro-Russian businesses. Relations with Russia had been completely reappraised already by the beginning of the year,<sup>61</sup> not only by politicians but also by business

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<sup>57</sup> BALTNEWS.LV, "У Беларуси разыгрался аппетит: хотят купить еще один морской терминал," *Бизнес & Балтия*, June 1, 2015, [http://news.lv/Biznes\\_i\\_Baltija/2015/06/01/u-belarusi-razygralsya-appetit-hotyat-kupit-eshe-odin-morskoj-terminal](http://news.lv/Biznes_i_Baltija/2015/06/01/u-belarusi-razygralsya-appetit-hotyat-kupit-eshe-odin-morskoj-terminal).

<sup>58</sup> Author's calculations based on: "Latvijas Republikas un Baltkrievijas Republikas divpusējās attiecības," *Ministry of Foreign Affairs of the Republic of Latvia*, October 26, 2015, <http://www.mfa.gov.lv/arpolitika/divpusejas-attiecibas/latvijas-un-baltkrievijas-attiecibas>.

<sup>59</sup> Emīls Dreiblat, "Imigrācijas apkarošanā pasliktinās sadarbība," *Kurzemes Vārds*, October 15, 2015, <http://news.lv/Kurzemes-Vards/2015/10/15/imigracijas-apkarosana-pasliktinas-sadarbiba>.

<sup>60</sup> "Annual Report by the Minister of Foreign Affairs ...," 2014–2015.

<sup>61</sup> See also: "Annual Report by the Minister of Foreign Affairs ...," 2014–2015.

and wider society (73% inhabitants believed that Ukrainian crisis is one of the main events of the year;<sup>62</sup> 21% mentioned civil or other wars as a major threat for the EU, ranking Latvia among the top five most preoccupied EU states.<sup>63</sup>) No massive domestic opposition to the sanctions was visible. The Harmony Center, a systemic opposition party, was somewhat sceptical, but radical pro-Russia views were only voiced by marginal forces such as the Latvian Russian Union party, and by Russian TV channels.

Latvia chose not to provide lethal military aid to Ukraine, and is not planning to do so in the future. However, it did offer some limited security assistance, for instance, providing training and rehabilitation for Ukrainian soldiers, as well as contributing EUR 50 000 to the NATO Trust Fund.<sup>64</sup> Latvia was much more productive in increasing civilian support to Ukraine. Bilaterally, it delegated two experts to the EU Advisory Mission for Civilian Security Sector Reform Ukraine (EUAM Ukraine), nine experts under the OSCE Special Monitoring Mission to Ukraine, made several voluntary contributions to the OSCE mission, dedicated additional EUR 300 000 for supporting Ukraine beyond the initial development cooperation budget. Rehabilitation for Ukrainian children, support for training programmes and student exchanges, and several civil society projects should also be mentioned.<sup>65</sup> At the same time, Latvia continued to push its Ukrainian partners for reforms and was openly critical of the situation with corruption. At the EU level, Latvia brokered the abovementioned deal on extra loans.

Additionally, Latvia in 2015 continued to develop relations with Ukraine in other fields corresponding to its more immediate interests. Ukraine is not an important trade partner for Latvia (0.76% of total external trade in 2014<sup>66</sup>), but Latvia is an attractive destination for Ukrainian investors who have become increasingly active

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<sup>62</sup> "Iedzīvotāji uzskata – šogad svarīgākie notikumi ir Ukrainas krīze un elektrības tirgus atvēršana", *TVNET*, April 7, 2015, [http://www.tvnet.lv/zinas/viedokli/554767-iedzivotaji\\_uzskata\\_sogad\\_svarigakie\\_notikumi\\_ir\\_ukrainas\\_krize\\_un\\_elektribas\\_tirgus\\_atversana](http://www.tvnet.lv/zinas/viedokli/554767-iedzivotaji_uzskata_sogad_svarigakie_notikumi_ir_ukrainas_krize_un_elektribas_tirgus_atversana).

<sup>63</sup> "Special Eurobarometer 432: Europeans' Attitudes Towards Security," REPORT (fieldwork: March 2015, publication: April 2015), *European Commission*, [http://ec.europa.eu/public\\_opinion/archives/ebs/ebs\\_432\\_en.pdf](http://ec.europa.eu/public_opinion/archives/ebs/ebs_432_en.pdf).

<sup>64</sup> "Bruņoto spēku komandieris: Ukrainas Bruņotie spēki ir guvuši neatsveramu pieredzi, kuru arī mēs varēsim izmantot," *Sargs.lv*, July 26, 2015, <http://www.sargs.lv/Zinas/Latvija/2015/06/26-01.aspx#lastcomment>.

<sup>65</sup> "Latvijas atbalsts Ukrainai," *Ministry of Foreign Affairs of the Republic of Latvia*, July 31, 2015, <http://www.mfa.gov.lv/arpolitika/divpusejas-attiecibas/latvijas-un-ukrainas-attiecibas/palidziba-ukrainai>.

<sup>66</sup> "Latvijas tirdzniecības statistika", 2014.

since the conflict started.<sup>67</sup> Both countries also have shared interest in development of transportation and transit links. It remains to be seen whether Latvia will be able to use the close political contacts with Ukraine to maximise its economic benefits.

*Armenia*, by contrast, is not a major partner for Latvia, although preparations and execution of the Presidency led Latvia to pay greater attention to this country. Both as the EU Presidency and bilaterally Latvia supported a separate agreement with Armenia that would respect its commitments as a member of the Eurasian Economic Union (EEU) but promote its cooperation with the EU.<sup>68</sup> Latvia was interested in developing a political, security and business cooperation with Armenia, but this interest remained at the level of general statements – a general “toolkit” Latvia offers to most of its partners. Trade with Armenia grew by almost 160% in 2014 but still contributed only 0.02% to Latvia’s total external trade turnover; cooperation in investments is more significant but still keeps around 1%.<sup>69</sup> Combined with the Armenia’s EEU membership and geographical distance, this was not sufficient to mobilise Latvia’s attention.

*Azerbaijan* is also a minor trade partner for Latvia that only accounted for 0.11% of total trade in goods in 2014, and for less than 0.15% of investments flow;<sup>70</sup> however, it was considered a potentially much more interesting partner. In April, an Azerbaijani company with telling name “Silk Way Investment LV” signed agreement with the Riga Airport on developing logistics centre for cargo from Central Asia and Asia Minor, with investments planned at EUR 40 million<sup>71</sup> – “the largest EaP country’s infrastructure project” in Latvia to date.<sup>72</sup> Azerbaijan itself would be interested in becoming a transit hub – yet another link between Europe and Asia.<sup>73</sup> In 2015, the Investment and Development Agency of Latvia opened a representative office in the country – the third one in an EaP country after Belarus and Ukraine. Additionally, both Latvia and the EU are interested in Azerbaijani energy resources. Thus, Latvia’s policy towards Azerbaijan mirrored the one towards Belarus: issues with human

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<sup>67</sup> See e.g.: “LIAA: Ukrainas uzņēmēju interese par ieguldījumiem Latvijā manāmi pieaug,” *BNS*, November 27, 2014, <http://www.db.lv/citas-zinas/liaa-ukrainas-uznemeju-interese-par-ieguldijumiem-latvija-manami-pieaug-423788>.

<sup>68</sup> “Ārlietu ministra Edgara Rinkēviča uzruna Saeimas ārpolitikas debatēs”, January 22, 2015.

<sup>69</sup> “Latvijas tirdzniecības statistika”, 2014.

<sup>70</sup> *Ibid.*

<sup>71</sup> “Azerbaijan invested 40 million in construction of Riga airport,” *Azeri Daily*, April 6, 2014, <http://azeridaily.com/economy/6315>.

<sup>72</sup> “Valsts prezidents ar Azerbaidžānas ārlietu ministru pārrunā turpmāko sadarbību stratēģiskās partnerības ietvarā,” *Prezidenta preses dienests*, May 22, 2015, <http://www.mfa.gov.lv/azerbaijan/aktualitates/46637-valsts-prezidents-ar-azerbaidzanas-arlietu-ministru-parruna-turpmako-sadarbibu-strategiskas-partneribas-ietvara-prezidenta-preses-dienests>.

<sup>73</sup> “Valsts prezidents ar Azerbaidžānas ārlietu ministru pārrunā turpmāko...”, May 22, 2015.

rights and rule of law were addressed, but Latvia chose the less alienating tactic of democratisation through engagement.<sup>74</sup>

*Georgia* remained an important political partner for Latvia, thanks to its progress with reforms, interest in cooperation and general proactivity. Therefore, although relations with this Georgia's government seem to be slightly cooler than with the previous one, Latvia bilaterally and in the EU framework continued active political support to Georgia's territorial integrity (including through contributing experts to the EU Monitoring Mission), implementation of the DCFTA and the most painful issue – visa liberalisation. However, economic relations between countries remain weak, with Georgia being just the 56<sup>th</sup> trade partner of Latvia in 2014 (0.08%), with virtually nonexistent exchange of investments.<sup>75</sup> There were recent efforts to institutionalise economic relations, e.g. by creating an intergovernmental commission and a business cooperation council in 2014.

*Moldova* was also considered an important partner, but Latvia's relatively low interest in cooperation with this country was dictated both by the major backslide in Moldovan reforms and by continuously low level of bilateral economic interaction (only 0.09% to Latvia's total external trade<sup>76</sup>). In November, the Latvian Foreign Minister openly stated that Moldova needs a new government that would be truly committed to reforms.<sup>77</sup> Admittedly, an interesting initiative by Latvia was to support cooperation with the heavily pro-Russian region of Gagauzia on education, regional development and reforms.<sup>78</sup> If successful, this might become a way to stabilise potential conflict spots.

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<sup>74</sup> See: "Z. Kalniņa-Lukaševica: progresu cilvēktiesību jomā Azerbaidžānā vislabāk iespējams panākt dialoga ceļā," *Ministry of Foreign Affairs of the Republic of Latvia*, June 10, 2015, <http://www.mfa.gov.lv/aktualitates/zinas/46947-z-kalnina-lukasevica-progresu-cilvektiesibu-joma-azerbaidzana-iespejams-panakt-vienigi-dialoga-cela>.

<sup>75</sup> "Latvijas Republikas un Gruzijas divpusējās attiecības," *Ministry of Foreign Affairs of the Republic of Latvia*, November 6, 2015, <http://www.mfa.gov.lv/arpolitika/divpusejas-attiecibas/latvijas-un-gruzijas-attiecibas>. "Latvijas tirdzniecības statistika," 2014.

<sup>76</sup> "Latvijas tirdzniecības statistika," 2014.

<sup>77</sup> "Ārlietu ministrs Edgars Rinkēvičs mudina Moldovu turpināt Eiropas integrācijas ceļu," *Ministry of Foreign Affairs of the Republic of Latvia*, November 7, 2015, <http://www.mfa.gov.lv/aktualitates/zinas/48594-arlietu-ministrs-edgars-rinkevics-mudina-moldovu-turpinat-eiropas-integracijas-celu>.

<sup>78</sup> "Ārlietu ministrs: Latvija ir ieinteresēta attīstīt reģionālo sadarbību ar Gagauziju," *Ministry of Foreign Affairs of the Republic of Latvia*, October 16, 2015, <http://www.mfa.gov.lv/aktualitates/zinas/48308-arlietu-ministrs-latvija-ir-ieintereseta-attistit-regionalo-sadarbibu-ar-gagauziju>.

## CONCLUSIONS AND RECOMMENDATIONS FOR 2016

EaP is a natural political focus for Latvia, which has been wholeheartedly engaged in the region for many years. However, all relationships require investment, and until now, Latvia was not able to maintain the same level of engagement and expertise with all six partners. This was further dampened by the fact that, despite the EaP being considered a prospective market, Latvia's economic cooperation with the region has remained much below its potential – and in many cases manifestly underdeveloped. Economic development is a major albeit not the only priority in Latvia's foreign policy, and impacts its political relations with partners. Against this background, preparations for the Presidency and the Presidency year 2015 brought slow but generally favourable developments in Latvia-EaP relations. The Russian-Ukrainian war led the EU to fundamentally reassess its strategy towards the EaP in the direction already preferred by Latvia. Latvia's mediation helped to keep the EU's focus on the region and agree on the changes introduced in the Riga Summit declaration and the November Review. The final EU documents still suffer from numerous weaknesses, but the increased convergence between Latvian and the EU approaches is evident. Additionally, Latvian officials in their Presidency role gained valuable experience as they intensified exchange of visits even with less priority partners and became directly engaged in negotiating the joint EU policies.

Nevertheless, if Latvia wants the EaP to succeed, it cannot become complacent. Due to the lack of space, I only outline some key recommendations here, but the task of building Latvia's expertise and analysing partner countries in depth must be taken seriously:

- 1) Latvia has to use all available resources for lobbying its interests in the new European Global Strategy scheduled for June 2016. The November document ("Communication") quoted above was not the final EU consensus, but rather a blueprint for further action; it is in Latvia's interests to ensure that the important results achieved during its Presidency are codified and expanded in the Strategy and implementation documents.
- 2) In particular, it is in Latvia's core interests to make sure that the EU elaborates a clear action plan on stabilisation, economic and social assistance to the Neighbourhood as well as contingency planning. There have been positive rhetorical developments in 2015, but these require massive action. For most partner countries, the success of the EaP policy ultimately hinges not on their abstract support for European values but on tangible benefits from cooperation; the EU must make sure its policies have beneficial impact on the ground and are well communicated to the public. Resources for these goals must be mobilised



internationally and through offering credible backing to the EU's private sector whenever feasible.

- 3) In the realm of security, the EU must cardinally increase its efforts to find a solution for the Nagorno-Karabakh problem. The recent incident with Turkey downing a Russian military plane, which caused disproportional Russian reaction, overall Russia's engagement in the region, as well as the thaw in the EU-Iran relations can affect regional balance in unpredictable ways and potentially lead to a large-scale regional confrontation.
- 4) Cooperation with the US on the EaP should be kept on the agenda to the best of Latvia's ability. One of the major ways to justify it is the need to evaluate broader regional impact of the awaited Transatlantic Trade and Investment Partnership (TTIP) and to mitigate its possible side effects. No substantial assessments have been made to this author's knowledge. However, according to some authors, the EaP states that already have DCFTAs with the EU would win, although Turkey would rather suffer.<sup>79</sup> Taking into account Eastern Partners' issues with productivity and already high reform load, we cannot be optimistic about actual positive impact of the TTIP on this region.
- 5) Latvia should mobilise all available resources in order to acquire and hold the status of a regional press freedom hub – a promising niche for its foreign policy that also fits its own needs.
- 6) A somewhat lower EU's stress on democracy, rule of law and human rights should not be interpreted as a pretext for ignoring the "values" and delving into aggressive geopolitics. Until now, the Latvian government has recognised the importance of having stable and predictable neighbours; this long-term reasoning must not be sacrificed for the sake of "improved" relations with unsustainable regimes.
- 7) The new EU's focus on differentiation should not overshadow the need for partner countries to continue with reforms. Armenia, Azerbaijan and Belarus have long prioritised cooperation with the EU over integration and are not easy to influence or convince. However, Georgia, Moldova and Ukraine have been positioned as the EaP frontrunners and almost "exemplary students" and, as such, gained substantial EU support. If the EU wants to maintain own credibility, it must demand strong and unwavering commitment to European values from governments that have declared themselves as pro-European – otherwise, it risks

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<sup>79</sup> Erik Brattberg, "Toward a Transatlantic Renaissance? TTIP's Geopolitical Impact in a Multipolar World," *Foreign Policy Papers*, December 2015, <http://www.gmfus.org/publications/toward-transatlantic-renaissance-ttips-geopolitical-impact-multipolar-world>.

repetition of the Moldovan scenario, where the seemingly pro-European coalition was engaged in massive fraud.

- 8) In relations with Belarus, Latvia currently experiences harsh Lithuanian competition. China is carrying out a major investment programme in Belarus (USD 7 billion in direct investments plus promised USD 8 billion in side programme(s). According to press reports, by the end of 2015, it was inclined to choose Lithuania and not Latvia as its regional transit hub; Kazakhstan similarly preferred Lithuania.<sup>80</sup> While carefully assessing the political and economic impact of foreign transit, Latvia should nevertheless continue to lobby its own cooperation initiatives.
- 9) Security is also a major although underestimated threat in relations with Belarus. Contrary to the Western hopes, the new thaw in the EU-Belarus relations did not lead the latter to give up its close military cooperation with Russia; indeed, soon after Lukashenko's "re-election", news surfaced on a new Russian-Belarusian military organisation.<sup>81</sup>
- 10) In relations with Ukraine, Latvia should make sure that its current political and development support is sufficiently focused on specific regions and particular issues. This would allow it to gain credibility and strengthen its presence in the long term. The same applies to all other EaP states where Latvia carries out development projects.

Far from being an exhaustive list, these recommendations prove: if Latvia wants to capitalise on its Presidency achievements and the changed political climate in Europe, it must focus and build expertise on several priority issues. Taking and keeping the ownership of such issues as energy, security and media is crucial for maintaining own visibility and creativity both in the EU and in the EaP. Linking the EaP to broader regional security issues – including the situation in Middle East – can help in mobilising attention and resources on the European scale. Overall, now, at a time of certain "Eastern Partnership fatigue" in the broader EU, in Latvia itself, and in partner countries, it is especially important to focus on concrete and tailor-made deliverables.

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<sup>80</sup> Didzis Meļķis, "Ķīna ienāk caur Baltkrieviju," *Dienas Bizness*, May 20, 2015, [http://news.lv/Dienas\\_Bizness/2015/05/20/kina-ienak-caur-baltkrieviju](http://news.lv/Dienas_Bizness/2015/05/20/kina-ienak-caur-baltkrieviju). Андрей Анишин, "Литва разгромила Латвию в транзитной войне," *Бизнес & Балтия*, November 9, 2015, [http://news.lv/Dienas\\_Bizness/2015/05/20/kina-ienak-caur-baltkrieviju](http://news.lv/Dienas_Bizness/2015/05/20/kina-ienak-caur-baltkrieviju).

<sup>81</sup> "Россия и Беларусь создадут свое НАТО," *Бизнес & Балтия*, October 21, 2015, [http://news.lv/Biznes\\_i\\_Baltija/2015/10/21/rossiya-i-belarus-sozdadut-svoe-nato](http://news.lv/Biznes_i_Baltija/2015/10/21/rossiya-i-belarus-sozdadut-svoe-nato).

# THE EUROPEAN EXIT GAMES OF 2016 – BREXIT AND GREXIT

Aldis Austers

The European integration is supposed to bring estranged European nations and their people together in an ever closer union. The in-built mechanics (academics call it neo-functionalism) has a clear direction: away from nation-states towards post-national political constellation.

Since its establishment, the EU has expanded from six to 28 member states covering now the most part of the European continent. None of its member states has this far left the Union, albeit there have been two occasions when the so-called overseas territories left the then European Communities. This was Algeria in 1962, which was part of France, and Greenland in 1985, who was part of Danish Realm.

Until recently, a departure of a member state from the EU would have seemed an absurd idea, taking into account what the EU has delivered in terms of economic prosperity and political stability. Yet there are two member states whose participation in the Union is now being seriously questioned, albeit for different reasons. These are the United Kingdom (UK) and Greece. According to recently introduced Article 50 of the Treaty on the European Union (Treaty), any member state who wishes so may withdraw. It has to be announced to other member states, and the terms of secession and future relationships are to be agreed and included into a treaty. If no agreement is reached on such withdrawal treaty within two years, the membership obligations and rights should cease to apply to the country in question.

The UK and Greece have been awkward members of the Union. The UK had always insisted on its particular position *vis-a-vis* other member states and has continuously tormented the others with its free-market whims. Greece, on its hand, has pretended to be an integration oriented country, and has become part of both the Eurozone and Schengen border-free travel area. However, as it has turned out, it was just a facade, behind which nepotism, corruption and fraudulent accounting practices flourished

wrecking country's economy down to the point where its recovery and continued membership of the Eurozone are being increasingly seen as incompatible.

## ON BREXIT

David Cameron, the Prime Minister of the UK, had promised in 2013 to hold a referendum on Britain's EU membership in 2017 if he would be re-elected as Prime Minister of the United Kingdom after General Elections in May 2015. Cameron's Conservative Party won and now he is up to deliver on his pre-election pledges.

Cameron presents the current terms of the UK's membership in the EU as a menace to the national and economic security of the country, and, before calling on In-Out referendum, wants to renegotiate these terms of the membership.

The referenda are a rare happening in the politics of the Great Britain. According to Margaret Thatcher, the former Prime Minister (1979–1990), referenda are a “device of dictators and demagogues”. There have been only two nation wide referenda this far, and, what is more, the referenda in this country have a consultative character, as the parliament is the true “sovereign”.

Yet, the forthcoming referendum will not be the first one on the UK's EU membership. In 1975, the then Labour government under Harold Wilson called a referendum on the British membership in the European Economic Community (EEC). Like today, this referendum was also a result of pre-election pledges. The Labour Party had fears that the membership in the EEC would compromise their ability to implement the Labour's Manifesto. The Labour Party was split on the issue back then, while the Conservatives were in favour of the membership (actually, it was the Conservative government of Edward Heath who signed the Accession Treaty).

Today the roles have switched. The Labour Party is in favour of the membership, while Conservatives are deeply split. Several factors have contributed to this change. It seems that the referendum of 2017 like the one of 1975 will have less to do with the real concerns of people as with appeasement of feuding factions within the governing political parties, this time among the Tories.

## What does the United Kingdom request?

On 10 November 2015, the British Prime Minister David Cameron sent a letter to the President of the European Council Donald Tusk outlining the UK's demands for reforms in the EU, which, if agreed, would presumably ensure a positive outcome in the national referendum on UK's membership in the EU to be held by the end of 2017. The demands, titled "reform proposals," are grouped under four headlines:

- 1) *Economic governance and Eurozone.* Without a pretention to a veto right, the UK seeks the establishment of a safeguard mechanism, which would prevent the non-euro zone member states from being outvoted by the euro zone members on the matters of general concern thus preserving the integrity of the Single Market;
- 2) *Competitiveness.* While she supports the steps towards the EU's digital market, the Capital Markets Union and the recently announced EU's new trade strategy, the UK insists on further reduction of the EU regulatory burden on business and requests more progress on free movement of capital, goods and services;
- 3) *Sovereignty and subsidiarity.* In order to preserve the national sovereignty, the UK wants to be freed from the Treaty obligation to work towards an "ever closer union", to increase the role of national parliaments by giving them the right to veto the EU legislative proposals, and to introduce much clearer steps to ensure more effective application of the subsidiarity principle;
- 4) *Immigration.* The UK demands full respect by the EU authorities of the right given to the UK to choose whether or not to participate in JHA activities. The UK wants to curb immigration from forthcoming new member states and to restrict the access to its welfare benefits by the immigrants from the existing EU member states. Last but not least important, the UK requests that she is exempt from the jurisdiction of the Court of Justice of the European Union on immigration issues.

These demands merit a qualification. The first thing to underline is that Cameron is under time pressure. The referendum has to take place in 2017, and the agreement has to be reached before French presidential elections in April 2017. Cameron has requested his demands to be put on the agenda of December European Council. However, negotiations would take longer than one night, unless parties agree on cosmetic changes only. In fact, a quick agreement is not what Cameron wants – he sees these negotiations as a "big task" for him, therefore, he will need a show. Cameron also wants that the settlement is irreversible, hence enshrined in the Treaties, however, without doubts, the other member states will object to this, as it will subject them to tormenting ratification procedure with unforeseeable results.

Further on, one has to admit that these represent a vague reminiscent of what had been announced earlier, i.e., a fundamental redrafting of the EU. It seems that this indeed is a carefully-designed package to ensure that “sheep stays alive while wolf is full.” The former European Commissioner and Labour cabinet minister Peter Mandelson has put bluntly that these proposal are ““completely bogus and rather phoney set of demands and circumstances” designed to appease critics in his [Cameron’s] party.”<sup>82</sup>

“Will the EU be flexible enough to accommodate the concerns of its very different member states?” is the question raised by the Cameron himself.<sup>83</sup> It is rather difficult to imagine that the other member states would give onto something more substantial than requested this far by Cameron. The French and German leaders have already pointed out the unacceptability of a “cherry picking” and have reminded of the need of having more, not less, integration. On the other hand, the Euroscepticism is becoming more and more vociferous all over Europe, and even leaders of such traditional integrationist state as the Netherlands have admitted its wish to end the march to “ever closer union.” Yet, the consistency of Cameron’s demands has to be tested. The UK already enjoys a number of opt-outs, e.g., in respect to euro, border-control free travel, to application of Justice and Home Affairs legislation, including police and criminal justice matters, and on the European Charter of Fundamental Rights. However, with the acceptance of many EU immigrants on its ground, the justice and police co-operation has become indispensable. The same applies to the Single Market: it is impossible to have a successful market with liberated capital and service movements (both are at service to London City) but without free movement of people. This leads to serious imbalances and distortions within the common market.

In fact, if there was no wish to discriminate against the EU citizens from other member states, the UK could have a good degree of support from Victor Orban in Hungary, Jarosław Kaczyński in Poland and Miloš Zeman in the Czech Republic. Instead, Cameron will have to face the accusations for going against the very principles of the EU, and stand against other European leaders. It is not too difficult to see that immigration and the access to welfare benefits will be the most contentious issues in the forthcoming debate. Alas, this is where Cameron will want to deliver at most.

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<sup>82</sup> See: “David Cameron promises in/out referendum on EU,” *BBC*, January 23, 2013, <http://www.bbc.com/news/uk-politics-21148282>.

<sup>83</sup> “Cameron sketches out EU reform demands, stays quiet on timing,” *EurActiv*, November 10, 2015, <http://www.euractiv.com/sections/uk-europe/cameron-sketches-out-eu-reform-demands-stays-quiet-timing-319341>.

The issue of immigration deserves particular attention. Cameron claims that each year 300 000 immigrants arrive from other EU member states. According to him, the UK has become one of the fastest growing European countries, and it is projected to become the number one in terms of the size of population by 2050. The arrivals supposedly put pressure on local public services and drain public funding as 40% of the arriving EU citizens do not have a job, insists Cameron. However, the coin has another side, and the paradox is that, before the immigration wave from the Central and Eastern Europe, in 2006, it was calculated that between 2006 and 2050 the number of people at work per each senior citizen would fall from four to two in the UK, which would be a great concern to the sustainability of the social system.<sup>84</sup> Now the UK is the fastest growing European economy, and the foreign labour is part of this success. Last but not least, out of the UK's immigrant population with the EU citizenship, a half comes from the old member states, and inflow of people from the old member states continues to be considerable (see Table 1).

**Table 1. Population and immigration in the United Kingdom**

	Total	Foreign born	From EU27	From EU15
Population in 2013 (% of total)	63 905 297	7 923 272 (12.4%)	2 705 712 (4.2%)	1 400 942 (2.2%)
Immigration in 2012 (% of total)	526 046	456 156 (86.7%)	263 157* (50.0%)	76 796 (11.4%)

Source: Eurostat, (\*) including from Croatia

## What is behind the British Euroscepticism?

A number of factors help to understand the anti-Europeanism phenomenon in the UK. The first thing to note is the self-perception from the Victorian era of Britain as the “quintessentially liberal nation surrounded by illiberal Continental nations obsessed with uniformity”. In combination with Britain's prosperity and global power from that era, it resulted in strong superiority and isolationism syndromes, whose impression can still be felt.<sup>85</sup>

<sup>84</sup> Paul Taylor, *The End of European Integration: Anti-europeanism Examined*, (London: Routledge, 2008), 75.

<sup>85</sup> Georgios Varouxakis, “Mid-Atlantic Musings: The “Question of Europe” in British Intellectual Debates, 1961-2008,” in *European Stories: Intellectual Debates on Europe in National Contexts*, eds. Justine Lacroix and Kalypso Nicolaidis (Oxford: Oxford University Press, 2010), 148–155.

Further on, the conditions, which led to the British application for the membership in the EEC in 1962, have a role too. First, it was the dire state of the economic development in the UK compared to the economic advances in the EEC member states. Second, Britain had a deep anxiety about its place in the global power balance. It had just lost all of its former colonies, and had also realised that the Commonwealth was not much but a “club of friendship.” The Suez debacle of 1956 had added to this confusion. Third, it was her natural instinct for power balancing (and calls from the USA) that pulled strings towards rapprochement with the European continental powers France and Germany.

The legacy of Margret Thatcher, the British Prime Minister from 1979 to 1990, has also left a mark on how the Conservative politicians treat the EU. One has to remember that Thatcher herself had transformed from a Europhile into a strong Eurosceptic. Her Europe was mainly that of a common market, and all the rest was merely either extortion of the British public funds or “socialism through the backdoor.” Her authoritarian governance style and “a combative approach to policy development at home and abroad” discouraged dialogue with different minded British officials and arrested evolution of the “Community-friendly” attitudes within the civil service. Moreover, her nationalistic (Gaullist like) and sceptical discourse on Europe became the “defining frame of reference both within government and within the Conservative Party.”<sup>86</sup>

Lastly, the progression of the European integration processes since 1992 had also an impact on the UK. Although the Single European Act was celebrated by the Conservatives, the Maastricht and subsequent Treaties, which had initiated and furthered the political integration, had been a frustration to many among the Conservative ranks. For young rightist intellectuals, the EEC initially represented a modern approach to governance compared to “archaic” and “parochial” domestic politics. However, the immense bureaucratisation and expansion of the European domain invited second thoughts about Europe.<sup>87</sup>

### **Cameron’s factor**

David Cameron is considered a moderate Eurosceptic. What’s more, despite his outwardly energetic, passionate and showman style, he is believed also to be a

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<sup>86</sup> Hellen Wallace “Relations between the European Union and the British administration,” in *Adjusting to Europe: the Impact of the European Union on National Institutions and Policies*, eds. Yves Mény, Pierre Muller and Jean-Louis Quermonne (London : Routledge, 2002), 61–72.

<sup>87</sup> Ibid.



sensible pragmatist. However, his capacity to deliver on the European stage merits some caution. Cameron likes to present himself as a rigorous defender of the interests of the British people, and he also likes to demonstrate his non-lenience. He attributes to himself the introduction of a 1% cap (of the EU's GDP) on the EU's annual budget expenditures during the budgetary negotiations of 2013. Likewise, he takes pride for blocking the negotiations on Lisbon Treaty (on the issue of European Fundamental Rights Charter) and for taking Britain out of the Eurozone bailout mechanism.

Apparently, he means when he says that Britain views the EU as a means to an end, "Europe where necessary, national where possible." Wikipedia<sup>88</sup> presents his views on many foreign and domestic issues except on Europe, despite the fact that all listed policies carry a European dimension to some extent. Under his chairmanship of the Party, the Members of the European Parliament from the Conservative Party left the influential European Peoples' Party (EPP) group to go on and form an alliance with the odd anti-Europeanist parliamentarians from the Eastern Europe in 2006. A comment from Wilfried Martens, EPP leader and former Prime Minister of Belgium, is telling. In Martens' assessment "Cameron's campaign has been to take his party back to the centre in every policy area with one major exception: Europe. ... I can't understand his tactics. Merkel and Sarkozy will never accept his Euroscepticism."<sup>89</sup> Indeed, Cameron and other Conservative leaders have marginalised themselves from other European leaders, and have alienated others by their demands.

### **Would it be sensible if the United Kingdom left the EU?**

The outcome of any referenda is difficult to foresee. Even if Cameron succeeds to get from his European partners all what he wants, it would still not guarantee a positive result in 2017 referendum. It seems that the results from the negotiations would matter more to Cameron himself, as these would rather determine his personal not people's stance on the exit from the EU during the pre-referendum campaign.

Cameron is right by stating that the vote on the UK's membership in the EU will be the single most important decision on the UK's future in people's life-time. He invites those who intend to vote for departure to think carefully, because, he asserts that if the UK left the EU, it would be a one-way ticket. As reported by *The Economist*, according to the current polls, 20–25% of people would prefer to stay in, while another 35–40% has not decided. The UK government has little room for

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<sup>88</sup> See: "David Cameron," *Wikipedia*, December 5, 2015, [https://en.wikipedia.org/wiki/David\\_Cameron](https://en.wikipedia.org/wiki/David_Cameron)

<sup>89</sup> *Ibid.*

complacency. In the forthcoming referendum the contra campaign will be much better organised and financed than it was in 1975, claims *The Economist*.<sup>90</sup> Many popular newspapers will most likely campaign against. A significant number of businesses also have turned away from Europe. And it seems that the Labour Party will also be of little help because of the ambivalent stance of its current leader Jeremy Corbyn (he wants the UK out of NATO and did vote against the Lisbon Treaty).

What would happen if the UK indeed decided to leave? Economically, the global relevance of the UK has slightly diminished since 2004; however, in general, its weight has remained rather stable at around 4% of the global GDP with +/- 1% margin since the 1980s. The UK is the second largest economy in the EU (after Germany) and the fifth largest in the World. Naturally, the UK has developed close ties with other European economies. In 2014, out of total imports, 53% arrived from the other EU member states. As to exports, almost half or 48% go to Europe (down from 61% in 2009). The UK runs a trade deficit with the EU; however, if the net trade results with the Netherlands and Germany are excluded, the UK has a positive balance with the other EU member states. Machinery (30%), manufactured goods (22%), and chemicals (19%) dominate in British export to European markets. Last but not least, the services play increasingly significant role in the UK's external trade. Thus, in 2013, 35% of services went to the other EU partners, of which 17% were financial services and 30% other business related services.

Despite its reserved attitude towards integration, the UK has been an important player on the European stage. It has sponsored a number of valuable policy initiatives, in particular in relation to the Common Market, and it has been an active contributor to the European Common Security and Defence Policy. Moreover, Britain's attitude has been less hypocritical, and its pragmatism has helped to balance out German and French pressures on numerous occasions. The UK has also been rather disciplined in transposition and implementation of the EU legal acts. What is more, despite the detached relations at the top level, Britain has had a considerable leverage over the EU institutions because of its well qualified civil servants working for those institutions.

Without doubt, after the departure the UK economically will survive without the EU, as will the EU. However, the exit will create substantial political and reputational risks. The British political elite may not like this argument, but the political significance of the UK will diminish because of the lost leverage over the EU decision making (look at Norway!), and it is naïve to dream to rehabilitate the

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<sup>90</sup> "The reluctant European. Special Report: Britain and Europe," *The Economist* (October 17<sup>th</sup>-23<sup>rd</sup>, 2015), 3-6.

UK to a great power status. On contrary, the departure from the EU would make pro-European Scotland's and, who knows, maybe also Northern Ireland's and Wales' strives for independence more resolute, thus leading if not to a dissolution then at least to devolvement of the UK.

## ON GREXIT

The term "Grexit" is attributed to the possible withdrawal of Greece from the Eurozone whose member state she is since 2001. There has been a lot of talk on this Grexit since 2012, but particularly intense became in 2015, albeit without any official statements. As a member state of the Eurozone, Greece cannot devalue under economic distress, she endures since 2007. Instead, its banks and other financial institutions have had access to the emergency funding of the European Central Bank. However, this access to emergency funding is conditional – Greece is forbidden to default on its debt and it has to follow instructions prescribed by the economic adjustment programme.

The state presidents in Greece have mostly ceremonial functions. However, according to the Greek constitution, if the parliament fails to elect the president, snap elections have to be called. This is what happened in Greece at the end of 2014. Since then the Greek politics and, most disappointingly, the economy have been in full disarray. It was particular sad, because in 2014, after many years of deferred reforms and economic misery, the Greek economy started to show signs of recovery – the growth was back, unemployment was falling and public debt diminishing. Before elections were called, Greece was about to receive the final bailout tranche in the amount of EUR 1.8 billion and was about to close its Second Economic Adjustment Programme, which would have reopened the way for borrowings in the private money market.

Yet, Greek radical lefts and, most importantly, people had other plans in mind. The traditional parties of the centre left (PASOK) and the centre right (New Democracy) who had ruled Greece in turns since 1974, lost to SYRIZA, a coalition of the radical-left parties. Since these January 2015 snap elections dramatic twists and political somersaults have taken place in Greece one after other. It has been like in a drama series with a good doze of suspension: Greek people had to go to ballot boxes three times within the span of nine months.

SYRIZA under the chairmanship of Alexis Tsipras had campaigned against austerity and reforms, and had insisted on the write-off of Greek debts, for which they

blame wrong policy prescriptions by the international donors. After the elections, Tsipras-led new government cancelled all the previous reform efforts and requested renegotiating the terms of the Greek adjustment programme, which, as expected, resulted in a severe spat with donors, in particular from Europe, and frozen flows of bailout funding.

There is a general rule that decisions on fiscal nature should not be decided by a popular vote. In Greece, this was exactly the opposite what happened. Fearing a sovereign default, Tsipras government ultimately conceded to the terms of donors in June, but only to call a prompt referendum on these very terms. The referendum took place in July and, as expected, people said no to bailout agreement. This destabilised the local banking system and led to introduction of the capital controls and extended bank holidays, which still have not been repealed.

Now, instead of earlier forecasted growth of 3.7% in 2016, the economy has slipped back into the recession, and the growth may not return until 2017. These are very bad news for Greek people as they have already endured eight years of economic depression. From the peak in 2007, Greece has already lost close to 30% of its economy. Unemployment is soaring, and the country's public debt is projected to reach 199.7% by 2017.

According to IMF, Greece is insolvent and will need a debt relief of 1/3 of its current EUR 323 billion public debt. However, the European partners have been adamant in their refusal to accept the write-off of the Greek debts. This is not only because it would impose huge costs on the ECB<sup>91</sup> and other debt holders, but essentially because it is against the EU rules prohibiting the relief of other member states debts. The previous rounds of Greek debt restructuring involved either a hair-cut on debt held exclusively by private sector (in 2011), or extensions of debt maturity and lowering interest rates (in 2012). The European donors, instead, in a style of "pretend-and-delay," offered another, the third, bailout package in August: more emergency loans in exchange for yet another series of drastic austerity measures.

Greece was left with a stark choice between acceptance of the new terms of austerity (with a full liability on its debts) in exchange for a foreign emergency funding, on the one hand, and refusal to follow the path of fiscal consolidation and being sealed off from the external funding, on the other hand. Under the second scenario, Greece would be forced to introduce its own currency, because without one, it would be unable to continue pay-outs of pensions and salaries in public sector, and its

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<sup>91</sup> Despite their junk status, the ECB has been buying up the Greek government securities and other commercial papers under the market distress programmes, and the ECB, along with the European Stability Mechanism, are the major holders of the Greek public debt instruments.

economy would completely collapse under severe shortage of liquidity. However, by introducing its own currency Greece would effectively push herself out of the Eurozone.

Yet, legally Greece cannot be expelled from the Eurozone, nor can it prompt a unilateral withdrawal for practical reasons. A withdrawal from euro would not only entail creating a new currency, but also a detachment from the euro wholesale and retail payment systems, a reestablishment of national reserves, which will have to be repatriated from the ECB's capital, and other activities. The exit is possible but it will have to be negotiated, which takes time. In the meantime, the country would suffer from a capital flight and a deposit run. Tsipras has understood these practical limitations; therefore, it was his decision to ultimately comply with the rules. The irony is that the terms of the Third Economic Adjustment Programme, agreed in August, are much harsher than those of the previous programme whom he and his party members had so vehemently opposed.

The leftist ideology, in fact, has had a hefty sway over the Greek society since long time. After removal of the dictatorship and restoration of democracy in 1974, the left claimed to be carriers of a “higher moral ground and ideological hegemony over Greek society”.<sup>92</sup> The elevated sympathies for the left are compounded by a strong so called “siege mentality”: a feeling of inferiority to Western culture and underestimated importance of Greece to this very Western culture. When Greece was accepted as a member of the European Communities in 1981, there was a hope that this membership would bring a political stability and strengthen democracy in southern Europe, which actually happened. However, strong anti-European currents remained, and appeasement was sustained through generous disbursements of the European funds. Yet, the quality of governance suffered, and corruption, nepotism and other ills beset the government. Thus, the phenomenon of the ascent to power by the populist SYRIZA, and its repeated success in the second snap elections of 2015, which took place on 20 September, have to be measured against this historical background. It seems that the frustration about the old and corrupt political elite was so extensive, that the Greek society stood ready to endure sustained economic seizures – in the form of the third bailout package – but to get rid of the old elite.

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<sup>92</sup> George Pagoulatas and Xenophon A. Yataganas, “Europe Othered, Europe Enlisted, Europe Possessed: Greek Public Intellectuals and the European Union,” in *European Stories: Intellectual Debates on Europe in National Contexts*, eds. Justine Lacroix and Kalypso Nicolaïdis (Oxford: Oxford University Press, 2010), 183–202.

## WHAT IS ALL OF THIS TO LATVIA?

2016 promises to be as entertaining as the last year. The European debate will gain more momentum in the UK and Latvian leadership can expect new invitations to tea drinking events with David Cameron, as he would rally support for reformed British relationships with the EU. In fact, the UK has had no particular feeling about Latvia or about the Central-Eastern Europe, in general. However, it was the UK who firmly stood behind the 2004 enlargement, albeit for its own reasons. Besides, the alienation of the UK from the European core will weaken the clout of smaller member states over Germany and France in particular and the European affairs in general. This British absence would considerably reduce the space for political manoeuvring, because the more divergent are the interests of large member states, the more pivotal the smaller member states become. What is more, the Latvian government may like the idea of restrictions on migration (it would stop bleeding of the nation); however, it has to treat with serious caution the idea of a “more market and competition” in Europe. Economy wise Latvia is a peripheral country, and as such will not be able to compete with large European economies at par under ultra-liberal market conditions.

As to Greece, Latvia should not be expecting miracles. The Greek public debt is unsustainable, and the sooner it will be dealt with, the better for the whole European economy, including Latvia, even if this write-off will cost some fortune to Latvia. Greece will not leave the Eurozone, at least not in the nearest future; therefore, Greece could be a good partner in making the Eurozone a better place for small open peripheral economies, in particular if Alexis Tsipras manages to make Greek politics cleaner.

# LATVIA'S UKRAINE POLICY: THE UKRAINE CRISIS AND BILATERAL RELATIONS IN 2015

Ilvija Brūge

Ukraine has traditionally been one of Latvia's foreign policy priorities; however, since annexation of the Crimea in March 2014 and beginning of conflict in Donbas, it has been *the* priority. Already in January 2014, in his report<sup>93</sup> to the Latvian Parliament on Latvia's foreign policy priorities, the Minister of Foreign Affairs Edgars Rinkēvičs stressed Latvia's interests and role in Ukraine's democratisation and integration in the EU structures. Latvia's interest in stabilisation of Ukraine and promotion of its reforms through the EU structures has been discussed in other articles of this book in the context of Eastern Partnership. Hence, I will focus mainly on Latvia's security policy and bilateral relations with Ukraine.

Following Russia's engagement in the conflict in Donbass, stabilisation of the situation in Ukraine is the primary security policy issue for Latvia. Traditionally, Latvia has tried to take a moderate stance towards Russia, and often to its own benefit has avoided criticising the latter. However, since the conflict in Ukraine begun, Latvian state officials have been very outspoken about the situation both locally and in multilateral forums. In his 2015 speech during the foreign policy debate in the Parliament, Rinkēvičs' rhetoric was very clear and straightforward showing undivided solidarity to Ukraine and support for its European passage. Latvia's bilateral relations with Ukraine have also peaked since 2014, especially in diplomatic contacts and development aid. Hence, the main spheres that need to be considered when evaluating success and future commitments of Latvia's relations with Ukraine are Latvia's role in the conflict resolution and bilateral relations.

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<sup>93</sup> "Ārlietu ministra Edgara Rinkēviča runa Saeimas ārpolitikas debatēs," *Ministry of Foreign Affairs of the Republic of Latvia*, January 23, 2014, <http://www.mfa.gov.lv/component/content/article/441-runas/35421-arlietu-ministra-edgara-rinkevica-runa-saeimas-arpolitikas-debates-25985-lv>.

## THE UKRAINE CRISIS

The first half of 2015, the crisis in Ukraine was the main issue in Latvia's foreign policy. According to a poll from April 2015 prepared by the Latvian News Agency LNT and public research centre TNS, issue by 73% of the Latvian society the crisis in Ukraine was considered by far the most important.<sup>94</sup> This sense was also reflected in the Latvian foreign policy planning.

In his speech in January 2015 Rinkēvičs openly named the annexation of the Crimea, Russia's military involvement and aggression in Eastern Ukraine, and the breach of the international order and principles as challenges to Latvia, Europe and the world. Consequently, Latvia unambiguously sided with Ukraine in its conflict with Russia. According to the Minister, only a complete implementation of the Minsk Agreements, restoration of the Ukraine-Russia border and Ukraine's territorial integrity, withdrawal of Russian weaponry, military personnel and support for separatists, as well as liberation of war prisoners are necessary preconditions for stabilisation of the situation.<sup>95</sup> Such stance was strongly supported also by policy makers and policy experts.<sup>96</sup>

In international forums Latvia has been one of the most avid supporters of Ukraine and critics of Russia. Already back on 25 September 2014, Latvia expressed its solidarity with Ukraine in the highest level. The then-President of Latvia Andris Bērziņš, at the 69<sup>th</sup> session of the United Nations (UN) General Assembly voiced Latvia's critique towards Russia's actions in Ukraine:

The Russian aggression against Ukraine had defied the basic principles of the United Nations, uprooting the foundation of the international system. Those actions could only be defined as a threat to global peace and security and, as such, the illegal annexation of Crimea by that country should not be recognized and must be condemned. The Russian Federation had a vital role to play in security and stability in Europe and thus should be "part of the solution, not part of the problem".<sup>97</sup>

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<sup>94</sup> "Iedzīvotājprāt šogad svarīgākie notikumi ir Ukrainas krīze, eiropas vērtības kriešanās un pāreja uz brīvo elektrības tirgu," *TNS Latvia*, April 7, 2015, <http://www.tns.lv/?lang=lv&fullarticle=true&category=showuid&id=4769>.

<sup>95</sup> "Ārlietu ministra Edgara Rinkēviča uzruna Saeimas ārpolitikas debatēs," *Ministry of Foreign Affairs of the Republic of Latvia*, January 22, 2015, <http://www.mfa.gov.lv/aktualitates/zinas/runas-raksti-intervijas-prese/44355-arlietu-ministra-edgara-rinkevica-uzruna-saeimas-arpolitikas-debates-22-01-2015>.

<sup>96</sup> Interviews with various state representatives and policy experts during November 2015.

<sup>97</sup> "Latvia. His Excellency Andris Bērziņš, President. Summary," *United Nations*, September 25, 2014, <http://www.un.org/en/ga/69/meetings/gadebate/25sep/latvia.shtml>.



Latvia openly held Russia responsible for downing of the flight MH17<sup>98</sup> and violation of its own international treaties and commitments, as well as for extreme propaganda measures. The President called for an immediate withdrawal of Russian troops from Ukraine and ban on arms sales to separatist groups.<sup>99</sup>

The new President of Latvia Raimonds Vējonis<sup>100</sup> reconfirmed Latvia's unchanging support to Ukraine on the 70<sup>th</sup> session of the United Nations General Assembly on 30 September 2015. He openly named Russia an aggressor and accused it of obstruction of justice by blocking the UN Security Council from investigating the crash of the flight MH17:

The conflict in eastern Ukraine has cost the lives of thousands and led to the suffering of millions of innocent victims. Russia must stop all forms of support to separatists and use its influence to make them adhere to the Minsk agreements. Full implementation of the Minsk agreements by all parties is essential. The international community, including the UN General Assembly, supports Ukraine and its territorial integrity. The illegal annexation of Crimea and Sevastopol by Russia will not be recognized.<sup>101</sup>

Furthermore, Vējonis also criticised the UN for the lack of firm and timely action to terminate the crisis in Ukraine.<sup>102</sup> Similar stance has been voiced in other international forums. Latvia's rhetoric on the crisis in Ukraine is probably the most forthright Latvia has ever been in its foreign policy. Despite the fact that later in the year the world's and Europe's attention was hijacked by the financial crisis in Greece and the war in Syria, Latvia remained one of the leaders pushing for the action regarding the conflict resolution in Ukraine.

Perhaps the most evident and practical form of demonstrating Latvia's solidarity towards Ukraine was the imposition of sanctions on Russia. According to a member

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<sup>98</sup> Malaysian Airlines flight was on its way from Amsterdam to Kuala Lumpur on 17 July 2014 when it crashed. According to the Dutch Safety Board investigation, MH17 crashed after being hit by a Russian-made Buk missile over eastern Ukraine.

<sup>99</sup> Linda Eltmane, "Paiders: Latvija atbalsta Ukrainu tikai pienākuma dēļ," *Bizness un Baltija*, October 28, 2015, <http://bb.vesti.lv/news/paiders-latvija-atbalsta-ukrainu-tikai-pienakuma-del?6646>.

<sup>100</sup> Vējonis took the office on 8 July 2015.

<sup>101</sup> "Statement of H.E. Mr Raimonds Vējonis, President of Latvia, at the 70th session of the United Nations General Assembly," *Ministry of Foreign Affairs of the Republic of Latvia*, October 1, 2015, <http://www.mfa.gov.lv/en/news/latest-news/speeches-and-interviews/48114-statement-of-h-e-mr-raimonds-vejonis-president-of-latvia-at-the-70th-session-of-the-united-nations-general-chancery-of-the-president>.

<sup>102</sup> "President Vējonis criticised UN for lack of timely and decisive action," *The Baltic Times*, October 1, 2015, [http://www.baltictimes.com/president\\_vejonis\\_criticised\\_un\\_for\\_lack\\_of\\_timely\\_and\\_decisive\\_action/](http://www.baltictimes.com/president_vejonis_criticised_un_for_lack_of_timely_and_decisive_action/).

of the Latvian Parliament,<sup>103</sup> Latvia played a role of “an honest broker”, and continued the policy it started in 2014, insisting on its interests. On a political level Latvia has a very clear stance on this issue and continues to insist on an unconditional implementation of the Minsk Agreements prior to lifting or decreasing the sanction regime on Russia. Despite the negative impact that the sanctions against Russia (and Russia’s counter-sanctions) have left on Latvian businesses, on a political level alternatives are not even considered or discussed.

Furthermore, several members of the Latvian parliament, functionaries and policy analysts, agree<sup>104</sup> that the sanctions on the Crimea will not be lifted until the peninsula is returned to Ukraine, and pre-2014 Ukrainian border is reinstated. This seems to have developed in a non-compromise foreign policy stance and there are no speculations about any potential negotiations on this matter. In truth, for Latvia any compromise would equal to stepping away from its own regional security, which would threaten Latvia’s position internationally, while diminishing the already low public trust level in state institutions and politicians. According to some members of the parliament, even the Harmony Centre, a typically pro-Kremlin party, has been reticent on its comments on lifting the sanctions. From the Latvian perspective, Russia has destroyed the post-Cold War order and compromises with it are impossible.<sup>105</sup>

Throughout 2015, Latvia was actively engaged in providing assistance to Ukraine not only by publicly voicing its support in various international forums but also by practical military help. The most noticeable are the following two international missions:

- 1) Latvia sent its personnel to Ukraine within the OSCE Special Monitoring Mission in 2014. In March 2015, the mission mandate was extended until 31 March 2016. Currently, nine people represent Latvia in the mission – four people in Luhansk, four in Donetsk and one expert in Kiev. Financially, Latvian government contributed EUR 43 860 as the voluntary payment to the mission.
- 2) On 10 March 2015, Cabinet of Ministers approved participation of three civilian experts to the EU Advisory Mission for Civilian Security Sector Reform Ukraine (EUAM Ukraine). EUAM Ukraine commenced on 1 December 2014 and is set to be finished on 1 December 2016. It aims to provide strategic advice to Ukraine’s central and regional law-enforcement agencies on civilian security sector reforms

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<sup>103</sup> Interviews with various state representatives and policy experts during November 2015.

<sup>104</sup> Ibid.

<sup>105</sup> Ibid.

and their implementation. In March/April 2015, the government appointed a political advisor (for one-year term) and an advisor on civil society matters (for two-year term) to the mission.<sup>106</sup>

Additionally, Latvia appointed a permanent military attaché to Ukraine; contributed EUR 50 000 to the NATO C4 trust fund; provided training on neutralisation of undetonated ammunition; offered the help of chaplains and psychologists; ensured medical and rehabilitation services to soldiers; provided English courses to Ukrainian military personnel; offered a post-conflict assistance, etc. Importantly, Latvia has not provided weapons to Ukraine and has no intentions to do so, as the foreign policy priority is crisis solution by stopping the military conflict not by further enticing it.<sup>107</sup>

## BILATERAL RELATIONS

### Political relations

If we consider the diplomatic contacts between Latvia and Ukraine prior to the crisis, it is evident that it has forced the two countries into ever closer cooperation. Both, the Parliament of Latvia and the Parliament of Ukraine have established Parliamentary groups for bilateral cooperation. Furthermore, in 2013 and other previous years only two to three high level state visits took place between the two countries annually. In 2014 the number of visits had already increased to double digits and kept increasing in throughout 2015.<sup>108</sup>

In his visit to Ukraine on 2 October 2015, the Latvian President Vējonis once again voiced Latvia's support to Ukraine's sovereignty, territorial integrity and European integration.<sup>109</sup> None of this is a new trend in Ukraine–Latvia relations; however, it is important that Latvia maintains its strong and clear stance towards the crisis not

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<sup>106</sup> "Latvijas atbalsts Ukrainai," *Ministry of Foreign Affairs of the Republic of Latvia*, July 31, 2015, <http://www.mfa.gov.lv/arpolitika/divpusejas-attiecibas/latvijas-un-ukrainas-attiecibas/palidziba-ukrainai>.

<sup>107</sup> Interviews with various state representatives and policy experts during November 2015.

<sup>108</sup> "Latvijas Republikas un Ukrainas divpusējās attiecības," *Ministry of Foreign Affairs of the Republic of Latvia*, November 12, 2015, <http://www.mfa.gov.lv/arpolitika/divpusejas-attiecibas/latvijas-un-ukrainas-attiecibas#parlamentara>.

<sup>109</sup> "Valsts prezidents vizītē Ukrainā: Ukrainas stabilitāte un drošība ir nozīmīga visai ES," *Latvijas Valsts prezidenta kanceleja*, October 27, 2015, [http://www.president.lv/pk/content/?art\\_id=23523](http://www.president.lv/pk/content/?art_id=23523).

only for the sake of successful bilateral relations, but also for its own international image and geopolitical security. To put it in Juris Paiders' words:<sup>110</sup>

Latvia has specific duties and obligations towards any NATO member state, but Latvia has no mandatory obligations towards Ukraine. We do it because in Latvia there is a consensus – by supporting Ukraine, we express condemnation of any superpower that tries to enforce its will on a smaller and weaker state.<sup>111</sup>

Indeed, Latvia as a small state cannot stay neutral in the current geopolitical situation. Expressing solidarity is crucial in order to keep the world's attention from moving away from Russia's aspirations in the region. If the EU and NATO shy away from the Ukraine crisis, Donbass would turn into yet another frozen conflict zone that would impede any further political and economic developments in Latvia's Eastern neighbourhood. It would also demonstrate Russia that the former Soviet states are not able to cooperate and support each other and that its aggression can go unpunished.

Recently, there have been several initiatives from Latvia that have been aimed at moving the cooperation between the two countries further beyond the diplomatic and security level, and much closer cooperation has been reached on development aid issues. In August 2015, the Cabinet of Ministers of Latvia approved EUR 150 000 in development aid to Ukraine, in addition to EUR 150 000 envisaged for support of Ukraine through international organisations. The funds are envisaged for good governance projects with emphasis on fight against corruption, exchange of experience on agricultural and rural development, and regional cooperation, as well as provision of expertise on European integration.<sup>112</sup>

On 27 October 2015, the Latvian Minister of Agriculture Jānis Dūklavs signed an agreement for closer cooperation in agriculture. The agreement is aimed not only to increase agricultural trade between the countries, but also to provide Latvian expertise for Ukraine's reform process and integration in the EU structures.<sup>113</sup> On 6 November 2015, in a bilateral meeting between the Latvian then-Prime Minister

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<sup>110</sup> Author's translation from Latvian.

<sup>111</sup> Juris Paiders, "Kam vajag atbalstu provokatoriem," *Neatkarīgā Rīta Avīze*, October 28, 2015, <http://nra.lv/viedokli/juris-paiders-3/153947-kam-vajag-atbalstu-provokatoriem.htm>.

<sup>112</sup> "Ministru kabinets vienojas par attīstības sadarbības projektiem Ukrainā," *Ministry of Foreign Affairs of the Republic of Latvia*, August 4, 2015, <http://www.mfa.gov.lv/aktualitates/zinas/47530-ministru-kabinets-vienojas-par-attistibas-sadarbibas-projektiem-ukraina>. "Ukrainas lauksaimnieki izmantos Latvijas pieredzi," *Latvijas Lauku konsultāciju un izglītības centrs*, November 16, 2015, <http://new.lkk.lv/lv/nozares/lauku-attistiba/ukrainas-lauksaimnieki-izmantos-latvijas-pieredzi>.

<sup>113</sup> "Latvija un Ukraina paraksta vienošanos par sadarbību lauksaimniecībā," *Dienas Bizness*, October 27, 2015, <http://www.db.lv/razosana/lauksaimnieciba/latvija-un-ukraina-paraksta-vienosanos-par-sadarbibu-lauksaimnieciba-440231>.

Laimdota Straujuma and the Ukrainian Prime Minister Arseniy Yatsenyuk (who was also invited as a keynote speaker at the Riga Conference 2015), Straujuma expressed Latvia's interest in further economic cooperation, especially after Ukraine will join the Free Trade Agreement with the EU in 2016.<sup>114</sup> Currently, Ukraine is Latvia's seventh trading partner, and there is plenty of room for more economic engagement. This is especially crucial in circumstances where both Latvian and Ukrainian business and trade, especially in agricultural sector, suffer under the EU and Russia mutual sanction regimes. Hence, 2016 should definitely be a year for growing trade among the two countries.

## Humanitarian aid

Regarding the humanitarian aid, Latvia does not have a specific budget programme and funding is allocated on the *ad hoc* basis. However, in 2015 the Latvian government provided treatment to several war victims from Ukraine, medical supplies and equipment, as well as blankets and other emergency supplies. Such institutions as the Ministry of Defence have provided additional support from their budget.<sup>115</sup> At the time of writing this article, in December 2015 the Chaplain Service of the National Armed Forces delivered 14 tons of humanitarian aid to Ukraine. 12 tons were delivered to Odessa for the refugees from the Crimea and Donbass, while two tons to refugees that are settled in the surroundings of Kiev.<sup>116</sup>

Nevertheless, the most considerable factor about the humanitarian assistance to Ukraine has been the society's engagement. Perhaps the best known is the charity campaign "Children of the War",<sup>117</sup> which commenced in May 2015 and has been ongoing since then. In the charity concert on 6 July 2015 alone more than EUR 57 000 were donated to the Ukrainian children affected by the war. The central aim of the campaign is to host the Ukrainian children in Latvia and provide them with psychological and financial support after traumatic experiences of the war. Importantly, the patroness of the campaign is the Speaker of the Latvian Parliament, Ināra Mūrniece, which demonstrates Latvia's support to Ukraine both on the political and social domain.

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<sup>114</sup> Jūlija Greivule, "Straujuma cer paplašināt Ukrainas un Latvijas ekonomiskās attiecības," *Bizness un Baltija*, November 6, 2015, <http://bb.vesti.lv/news/straujuma-cer-paplasinat-ukrainas-un-latvijas-ekonomiskas-attiecibas?7077>.

<sup>115</sup> "Latvijas atbalsts Ukrainai," July 31, 2015.

<sup>116</sup> "Bruņotie spēki nogādā Kapelānu dienesta sarūpēto labdarības sūtījumu Ukrainai," *Sargs.lv*, December 9, 2015, [http://www.sargs.lv/Zinas/Dienesta\\_gaita/2015/12/09-02.aspx#lastcomment](http://www.sargs.lv/Zinas/Dienesta_gaita/2015/12/09-02.aspx#lastcomment).

<sup>117</sup> See more at: <http://karaberni.lv>.

Another Foundation that was set up was “Support Fund of victims of Ukraine conflict”,<sup>118</sup> which aims to provide the Ukrainian soldiers and civilians that have been affected by “Russian aggression in the Eastern Ukraine”.<sup>119</sup> By 31 July 2015 the fund had received EUR 27 000 in donations, which were spent on medical treatment of the victims of the war in Ukraine.<sup>120</sup> And again this foundation receives considerable support from the state. Among its most avid supporters are the Latvian Embassy in Ukraine and the Ukrainian Embassy in Latvia.

Although the state provided support is limited due to Latvia’s own limited resources, Ukraine has definitely been the top priority in 2015 humanitarian aid programmes. Furthermore, the society’s concern and solidarity with Ukrainians has resulted in unprecedented social activism and grassroots’ activities. It is highly likely that this trend will continue in 2016. The compassion and solidarity Latvian political elite and society has demonstrated towards Ukraine is not surprising. However, it is very contrasting to the attitudes towards the Syrian refugees. Although, it is clear that Latvians are familiar with Ukraine, and the two countries have shared history and close societal ties, the Latvian extremely contrasting reaction to Ukrainian and Syrian asylum seekers is somewhat surprising. Latvian reaction to the crisis in Ukraine improves Latvia’s international image as much as its attitude to the crisis in Syria worsens it.

## CONCLUSIONS AND RECOMMENDATIONS

Voicing strong support to Ukraine on the highest diplomatic and political levels is crucial and Latvia should remain active in international diplomatic settings in order to avoid Ukraine crisis being hijacked by the events in the Middle East and Russia’s involvement in Turkey. It is also for Latvia’s international image that it should be outspoken on matters that directly concern its geopolitical security. There is nothing worse for Latvia than being marginalised on such a crucial issue.

Provision of military assistance through international missions and training activities is a correct decision on Latvia’s part. So is the decision not to deliver military equipment to Ukraine. Arms supply would only impede Latvia’s own geopolitical situation and is unlikely to improve the situation in Ukraine. Even if we

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<sup>118</sup> See more at: <http://ukrainai.lv>.

<sup>119</sup> “About us,” *Support Fund of victims of Ukraine conflict*, accessed on November 29, 2015, <http://ukrainai.lv/about-us/>.

<sup>120</sup> “Latvijas atbalsts Ukrainai,” July 31, 2015.

were to assume that providing military equipment to the army would result in the resolution of the conflict, Latvia's contribution would not be sufficient to make an evident impact. Instead, it would give Russia another reason to claim that Latvia's policy towards it is hostile and endangers its military safety. Latvia should therefore hold to this resolution and provide support to Ukraine through other means.

There is no doubt that the EU's sanction regime has left an economic impact on Russia, but it is still a question whether it will result in considerable political changes in the country or crisis solution in Ukraine. Nevertheless, Latvia must continue expressing its undivided support to Ukraine and vote and lobby for further extension of sanctions in January 2016. Any alternative stance would impede Latvia's own security and political stability, as well as demonstrate the lack of consistency in the country's policy. Additionally, it would also give Russia a signal that it can continue its aggressive foreign policy in the post-Soviet area.

The work Latvia started on development aid and closer economic relations with Ukraine in 2015, should also be continued in 2016, especially with Ukraine joining the Free Trade Agreement. Such cooperation will increase the stability in Ukraine and promote its reform process, and provide Latvia with a potentially reliable trade partner in the EU's Eastern neighbourhood. With the EU's sanction regime on Russia and Russia's counter-sanctions, Latvia has to seek for diversification of its market and should participate in Ukraine's development while the niche is still free.

Latvia has made a great effort in providing humanitarian assistance to Ukraine throughout 2015, especially on a societal level. This should continue in 2016, not only because of close social ties among the two countries, and potential gains from Ukraine's development. These efforts should continue because it is the right thing to do and improve the image of Latvia and its society both locally and internationally.

# HAS RUSSIA'S SYRIAN ADVENTURE MADE LATVIA SAFER?

Jānis Kažociņš

In March 2014, Russia seized and then annexed the Ukrainian territory of the Crimea in a bloodless and masterfully executed military operation. This was quickly followed by an ill-considered and bloody adventure into Donbas. The two events left a profound effect on Latvian society. Quite recently in March 2013, Russia's President Vladimir Putin had told the Russian Military Historical Society at Novo-Ogaryovo that the Soviet Union had launched the Winter War with Finland in order to "correct mistakes" that had been made when Finland gained its independence in 1917. *"The border was just 20 kilometres from St Petersburg and that was a significantly major threat to a city of five million."*<sup>121</sup> In addition, Putin was known to consider the collapse of the Soviet Union as *"a major geopolitical disaster of the century."*<sup>122</sup> Together these facts and statements sent shivers throughout Latvian society and the conversations around many dinner tables in late-2014 concerned plans about what to do if Russia invaded Latvia and the other Baltic states of Estonia and Lithuania. Gradually these concerns diminished as NATO found a new lease on life, the presence of Allied forces on Baltic territory provided a level of reassurance, as did the categorical statements of solidarity from many Allied leaders, especially from President Obama.<sup>123</sup> Nevertheless, the relatively small Allied force presence even together with our own few and lightly

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<sup>121</sup> "Putin: Winter War aimed at correcting border "mistakes," *UUTISET*, March 15, 2013, [http://yle.fi/uutiset/putin\\_winter\\_war\\_aimed\\_at\\_correcting\\_border\\_mistakes/6539940](http://yle.fi/uutiset/putin_winter_war_aimed_at_correcting_border_mistakes/6539940).

<sup>122</sup> "Annual Address to the Federal Assembly of the Russian Federation," April 25, 2005, the Kremlin, Moscow.

<sup>123</sup> "... we will defend our NATO Allies, and that means every Ally. In this Alliance, there are no old members or new members, no junior partners or senior partners – there are just Allies, pure and simple. And we will defend the territorial integrity of every single Ally. ... I believe our Alliance should extend these defensive measures for as long as necessary. Because the defense of Tallinn and Riga and Vilnius is just as important as the defense of Berlin and Paris and London." Quoted from: "Remarks by President Obama to the People of Estonia," *The White House Office of the Press Secretary*, September 3, 2014.



armed military forces did not look like a convincing deterrent to a remilitarised Russia prepared to engage in serious military adventures.

## WHAT HAS CHANGED?

Since late 2014, it has become increasingly clear that there will be no military solution to the war in Ukraine. On the one hand, Russia has demonstrated a willingness to use sufficient troops to deny Ukraine a military victory. On the other, Russia at present appears unwilling to commit sufficient forces even to secure a land bridge to the Crimea, never mind pursuit of the Novorossiya chimera. More serious military operations would dispel the myth that the war in Donbas is being fought by brave local separatists supported by a few patriotic Russian volunteers. It would require the holding of ground in a hostile environment against a much more capable Ukrainian military. It would also lead to more Russian casualties, which, for the present, is a sensitive area for the Kremlin. Finally, more serious western sanctions would deal a further blow to the stagnating Russian economy.

However, neither can Putin withdraw because this would be seen as a betrayal of the patriotic Russians who have fought in Ukraine and would require a reversal of the information narrative so carefully developed, especially by Russian state television. Moreover, it would show a weak Putin – something which could be lethal to his hold on power. At the same time, a new theatre of operations became pressing and attractive: Syria.

Syria has been an ally of Russia since 1956. The Tartus naval base is essential for Russian power projection into the Mediterranean Sea and it, together with the Latakia air base were increasingly threatened by Syrian opposition forces. President Bashar al-Assad, in Russia's view, is the legal head of the Syrian state and therefore any attempt to remove him by force is seen as terrorism.<sup>124</sup> Involvement in the Syrian conflict also serves to underline Russia's return to the world stage as more than just a regional super-power: now all who want peace in the Middle East have to take account of Russia's involvement and views. Finally, Russia's involvement in the international war on terrorism would distract from the Ukrainian crisis. Therefore, in September 2015, the Russian Federation Council approved the use of Russian armed forces in Syria to fight militant groups at the

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<sup>124</sup> This ties in with the Kremlin's overriding fear of coloured revolutions, including a potential Russian one.

request of the Syrian President.

This required a serious expeditionary force of air, naval and ground elements. At the time of writing the original force of about 2000 men has grown to 4000<sup>125</sup> with 36 aircraft and 20 attack helicopters.<sup>126</sup> There are reports that special forces' soldiers have been withdrawn from Eastern Ukraine to deploy to Syria.<sup>127</sup> This would seem to be consistent with the reduction in fighting there.

Logistics plays a very important role in the heavily kinetic kind of warfare Russia is fighting in Syria. This is both expensive in terms of munitions used and in transport demands. It should be borne in mind that the round trip by sea from the Crimea to Tartus takes about 10 days. Delivering logistics by air is very expensive and so it is no surprise that IHS Jane's has calculated that the air strikes are costing Moscow up to USD 4 million per day and that bombing raids, supply runs, infrastructure and ground personnel, along with the salvos of cruise missiles fired into the conflict zone, have cost Russia USD 80 million – USD 115 million in the period September 30–October 20, 2015.<sup>128</sup> Of course, these additional costs do not help with the modernisation of the Russian armed forces, which was scheduled to be completed by 2020 but will certainly take longer.

## MIXED FEELINGS IN THE RUSSIAN GENERAL STAFF

Every army welcomes the opportunity to play with its newest toys. The Russians are no exception and have used the Syrian theatre to send messages to both friendly and less friendly neighbours about the strength that Russia disposes. For instance, most western commentators were surprised by the use of cruise missiles against Syrian targets. Certainly, the US may have reason to believe that of the 26 Kaliber missiles launched from Russia's Caspian flotilla (at a total cost as estimated by IHS Jayne's of USD 36 million<sup>129</sup>) 4 fell in Iran. However, they showed the serious level of technological achievement that the Russian armed forces have reached.

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<sup>125</sup> "Russia's Syria force grows to 4,000, U.S. officials say," *Reuters*, November 4, 2015, <http://www.reuters.com/article/us-mideast-crisis-russia-syria-idUSKCN0ST2G020151105>.

<sup>126</sup> *The Moscow Times*, October 20, 2015, quoting IHS Jane's figures.

<sup>127</sup> *The Wall Street Journal*, October 23, 2015.

<sup>128</sup> *The Moscow Times*, October 20, 2015.

<sup>129</sup> *Ibid.*

At the same time, every senior commander wants to know from his political master – what is the definition of success and what is the exit strategy? These are questions the Kremlin would find it difficult to answer. It is not by chance that western powers have gone to some lengths to avoid major military deployments in Syria and until recently a direct confrontation with Daesh (ISIS / ISIL). On 2 October, President Obama warned Russia that its bombing campaign against Syrian rebels will suck Moscow into a “quagmire”.<sup>130</sup>

At the time of writing, the level of combat casualties Russia has suffered is not clear. In any case, to expect Daesh and the Syrian opposition to meekly accept the Russian air offensive without retaliation would be overly optimistic. This became abundantly clear with the Russian admission that the airliner downed over the Sinai Peninsula on 31 October was an act of terrorism. This will make it more difficult for the Kremlin to justify the defence of Russia from afar if innocent Russian citizens are killed in retaliation.

The tragic attacks in Paris on 13 November serve to underline the domestic threat. When it comes to the number of Muslims in Russia, estimates vary from about 6% to 14% of the population (8–19 million) with the majority being Sunni and only about 5% Shia. According to *Aljazeera*, Moscow is thought to be home to at least 1.5 million Muslims out of an official population of 12.5 million.<sup>131</sup> Their reaction to, for instance, Archpriest Vsevolod Chaplin’s statement that Russia’s actions in Syria are part of a holy struggle against terrorism<sup>132</sup> can only be imagined. If Daesh or other Islamist groups are unable to defend themselves against attack from the air, it is not surprising that they will seek asymmetric responses such as attacking their enemies’ populations.

## CAPABILITIES AND INTENTIONS

Following the poor performance of Russia’s armed forces in the 2008 Georgian war, Russia has made great progress and accepted sacrifices in order to improve her military capabilities even while funding for health and education, never Russia’s top priorities, has been cut. The early results were to be seen in the qualitative improvement for instance in Exercise Zapad 2013 compared to Zapad 2009. Russia’s operation in the Crimea and her proven ability to project forces into the Middle East,

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<sup>130</sup> *Reuters*, October 3, 2015.

<sup>131</sup> Mansur Mirovalev, *Aljazeera*, July 22, 2015.

<sup>132</sup> Hazel Torres, *christiantoday.com*, October 2, 2015.

along with a renewing nuclear capability (involving the violation of the 1987 INF treaty, according to the US<sup>133</sup>) and strategic mobility all point towards a substantial improvement in military power.

It takes a long time to build military capabilities – yet intentions can change overnight. So, while Russia may have no immediate intention to use military force against the Baltic states, the capability to occupy them in a very short period and to cut them off from European and NATO support has not only been developed but has been practised during these two Zapad exercises. Russia's aims in the Baltic region are probably quite different from those in Ukraine. While in the latter case Russia wanted its younger brother (Ukraine) to be a loyal and reliable partner, the Balts are not Slavs and are seen to be different. In their case the ideal situation would be if they had governments which looked to Russian for foreign policy guidance but were still members of the EU and NATO. This aim can best be achieved through pursuit of soft power policies with a “hard edge”.

Of course, Russian military reforms are far from complete but they are sufficiently developed for Western planners to be concerned about Russian anti-access / area denial (A2AD) capabilities in connection with military support to the Baltic states. This is something which until recently was only mentioned in the context of China. The intention to use military force against the Baltics may not be there for the present. But as we have noted, if the capability has been created then, given a change of circumstances (such as a major outbreak of hostilities in the Pacific theatre) that can change very quickly.

Russia has demonstrated a willingness to use military force for political objectives and to make maximum political capital from frozen conflicts. Therefore, it is understandable that the Baltic states should view Russia's growing military strength and aggressive confidence with concern. When to this is added the growing capability to control sea and air routes around Europe, the importance of A2AD becomes even more clear.

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<sup>133</sup> *The New York Times*, Dec 1, 2015.

## WHAT TO EXPECT FROM PUTIN, THE OPPORTUNIST?

So, should we expect a different kind of attack from Russia, perhaps a repeat of the Donbas scenario in Estonia's Narva or Latvia's Latgale region? This is very unlikely because the Kremlin and the Russian General Staff will not repeat something, which has so obviously failed in Ukraine. While it has recently become unfashionable to talk of soft power when Russia is exercising hard power options so frequently it would be an error to ignore it, especially in countries bordering Russia. While *Russkiy mir*<sup>134</sup> has failed in Ukraine and RT does not seem to be making Russia any more attractive internationally, within the CIS and the Baltic states soft power still has a certain potential.

Soft power with a hard edge makes use of the common USSR history, the influence of Russian compatriots, Russian media (especially television), the language and the popularity of Russian culture, history and sport. But even with the massive investment in RT it is noteworthy that, according to Pew research, Russia is viewed more positively than negatively only in 3 countries: China, Vietnam and Ghana.<sup>135</sup> Russia also routinely uses economic levers to further her foreign policy. These include the weaponisation of information, energy, money, and corrupt practices thus attacking democratic societies from within.

In addition to all the traditional methods of soft, economic and hard power, Russia has also developed new generation, asymmetric or non-linear capabilities, which are usually called hybrid warfare methods in the West. The aim of these, sometimes referred to as the Gerasimov doctrine,<sup>136</sup> is to blur the line between war and peace; internal disorder and external aggression; conventional and nuclear conflict – the latter being especially dangerous. The essence of this doctrine is to do what is not expected. Therefore, there is no blueprint for future actions. The Crimea, Donbas are not necessarily models of future operations.

Putin's aim is to stay in power as long as possible. Given current economic circumstances and the resulting decline within Russia, this can best be achieved by pursuit of external enemies. Putin watched as the USSR was destroyed without a shot being fired. He would like to do the same to NATO and the EU. Russia's actions are unpredictable. Putin is an opportunist who has succeeded in surprising the West in the Crimea and now Syria. However, this perceived success and the

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<sup>134</sup> "The Russian world."

<sup>135</sup> "Russia, Putin Held in Low Regard around the World," Pew Research Center, August, 2015, <http://www.pewglobal.org/2015/08/05/russia-putin-held-in-low-regard-around-the-world/>.

<sup>136</sup> Named after the article by Russian Chief of the General Staff, Valery Gerasimov in *Military-Industrial Kurier*, February 27, 2013.

West's unwillingness to confront Russia increases the risk of miscalculation with far-reaching consequences.

## ARE WE SAFER?

As far as the Baltic states are concerned, Putin's attention appears to be elsewhere. But are we safer? There are two views concerning Russian current capabilities in the context of the Syrian adventure and while the Minsk accords have not been implemented in Ukraine. The first is that Russia has such overwhelming local conventional superiority that it could occupy the Baltic states whenever she had the desire to do so.<sup>137</sup> The alternative view is that Russia would be able to seize critical parts of the Baltic states but does not have suitable forces to garrison them within a hostile environment for any length of time. In addition, administering them would be problematic and probably beyond Russia's current capability. But most of all, the economic consequences of military conflict with NATO would be overwhelming for the ailing Russian economy, both in terms of serious sanctions and other direct and indirect costs.

At the same time, it has to be noted that the next 18 months will be a period of increased risk while President Obama thinks about his legacy and tries to avoid direct confrontation with Russia and then the new US president takes up his or her appointment. Nor should the prospect of Russia's own Duma and presidential elections be ignored. These may have a direct role in the shaping of Putin's opportunist foreign policies.

Events in Syria will also shape future Kremlin policy. To stay in power and to divert attention from internal problems, Putin needs external success. The beginning of the Syrian campaign brought short-term success but a lasting breakthrough seems as far away as ever. Hence, if Russia finds itself bogged down in Obama's quagmire, a new focus may be sought to turn Russian public attention from difficulties at home. Where that attention may next focus is difficult to predict but the scope for miscalculation increases with every new adventure.

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<sup>137</sup> *The Telegraph*, September 18, 2014.

## SO WHAT SHOULD WE DO?

The answer to this lies in deterrence: *Si vis pacem, para bellum*.<sup>138</sup> Deterrence must be both conventional and unconventional. We must prepare for the worst case scenarios and create conventional deterrence, which is politically, technologically and operationally credible. This is a tall order and one, which cannot be achieved with the current levels of defence spending in Europe. Europe must pull its weight and maintain its technological capability to interoperate with the US. In particular, it is necessary to be able to counter A2AD<sup>139</sup> in the North East European theatre of operations.

In terms of unconventional deterrence, this requires the development of resilience against propaganda, cyber attacks, subversion, armed infiltration and terrorist attacks. Asymmetric pressure should receive an asymmetric response. For instance, part of the answer to Russia's soft power projection may well be increased broadcasting of interesting programmes and genuinely objective news in the Russian language. We need to find new ways to manage crises and avoid miscalculations with Russia. The best hybrid defence is legitimate and effective governance. Here a clear definition of responsibilities becomes apparent: NATO can deal with the kinetic challenge while the EU must concentrate on providing an alternative form of government to Putinism both at home and within our region.

## WHAT CONCLUSIONS SHOULD WE DRAW?

We should identify what is our and what is Russia's centre of gravity.<sup>140</sup> In the Russian case, it could be political decision makers and influencers. But perhaps it is the Russian public and their attitudes on which so much attention is devoted by the Kremlin.

In our own case, unity and solidarity are central to our success in building a more predictable environment. We should fulfil our self-defence responsibilities towards

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<sup>138</sup> "If you want peace, prepare for war" adapted from a statement by Publius Flavius Vegetius Renatus's tract *De Re Militari*.

<sup>139</sup> Anti-access/area-denial.

<sup>140</sup> The definition of a CoG is: "the source of power that provides moral or physical strength, freedom of action, or will to act."

NATO, including Paragraph 3, while preparing for the collective defence capabilities of Paragraphs 4 and 5.<sup>141</sup>

We should also be looking at ways, in which we can help Russia to become a normal state after the Putin period is over. Of course, Putin may be followed by another autocrat but a kleptocratic regime is unlikely to resist change for very long in the 21<sup>st</sup> century. The opportunity to help Russia once again become a predictable, democratic partner is one we should not allow to pass. That means that we should be looking now for ways to assist Russia in her next transformation.

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<sup>141</sup> *Article 3*

In order more effectively to achieve the objectives of this Treaty, the Parties, separately and jointly, by means of continuous and effective self-help and mutual aid, will maintain and develop their individual and collective capacity to resist armed attack.

*Article 4*

The Parties will consult together whenever, in the opinion of any of them, the territorial integrity, political independence or security of any of the Parties is threatened.

*Article 5*

The Parties agree that an armed attack against one or more of them in Europe or North America shall be considered an attack against them all and consequently they agree that, if such an armed attack occurs, each of them, in exercise of the right of individual or collective self-defence recognised by Article 51 of the Charter of the United Nations, will assist the Party or Parties so attacked by taking forthwith, individually and in concert with the other Parties, such action as it deems necessary, including the use of armed force, to restore and maintain the security of the North Atlantic area.

Any such armed attack and all measures taken as a result thereof shall immediately be reported to the Security Council. Such measures shall be terminated when the Security Council has taken the measures necessary to restore and maintain international peace and security.



# THE ROLE OF CYBER DEFENCE IN HYBRID WARFARE CONDITIONS: PROPER WAY FOR LATVIA IN REDEFINITION OF DEFENCE AND EDUCATIONAL POLICY AREAS UNDER THE CHANGING SECURITY CIRCUMSTANCES

Mārtiņš Daugulis

The issue of cyber defence is on the agenda since creation of cyber-infrastructures. However, only since merging technologies of the 21<sup>st</sup> century and the hybrid-warfare methods, both cyber and hybrid are getting new meanings and forms and posing new challenges to the public and state security. It is not possible to completely understand the character of cyber defence without analysing motivations of actors within hybrid warfare, and means to express these motivations via new cyber communication channels are extremely expanded. Thus, counteractivities to cyber threats and hybrid warfare from state perspective are under pressure to be expanded and extended also. This means particularly now state and defence structures should review their politics and implementations “to be on the same page” with the new threats. Particularly important is the question on how to broaden abilities to defend – which means discussion on broadening defence skills, abilities and rights to other policies, because defence policy alone cannot cover all the fields that are under the threat. This discussion is introduced in the article taking into account the current cyber & hybrid threat potential, state reaction to them, and future prospects of political regulations, especially in Latvia.

## CURRENT UNDERSTANDING OF HYBRID WARFARE AND CYBER DEFENCE

Nowadays the term “hybrid warfare” is being extensively used to describe the complex strategy of Russia in the Ukraine crisis, usually as a combination of regular warfare with intelligence and diversion methods as well as information and cyber war. Considering terminology, hybrid warfare is nothing new, only now it is living through a renaissance – each time new conflicts are spreading in unconventional mode, we can speak of hybrid war and hybrid means in operational warfare.<sup>142</sup> The term came up in the US military documents around 2007–2009, in connection with the war in Iraq, Afghanistan and the 2006 conflict between Israel and the Hezbollah. The first to define it was Bill Nemeth in his work on Chechnya. He described hybrid warfare as “the contemporary form of guerrilla warfare” that “employs both modern technology and modern mobilization methods”.<sup>143</sup>

While in the beginning experts focused on the combination of regular and irregular warfare and elements of terrorism / criminality, in today’s use of the term, the information warfare aspect is emphasised. Alongside with increase of informational “partial” in hybrid warfare, NATO military committee precisely frames the blurred lines of definition in 2010: “A hybrid threat is one posed by any current or potential adversary, including state, non-state and terrorists, with the ability, whether demonstrated or likely, to simultaneously employ conventional and non-conventional means adaptively, in pursuit of their objectives.”<sup>144</sup> Useful clarification of hybrid threats is given by Nathan Freier who divides hybrid threat into four categories: irregular, traditional, catastrophic and disruptive, with cyber war and information warfare belonging to the last category.<sup>145</sup> Thomas Elkjer Nissen narrows division of cyber threats in three categories: espionage, subversion and sabotage.<sup>146</sup> Information warfare would most likely belong to the second category.

Christopher Bowers is adding an even more important dimension to the hybrid threat discourse, outlining that a hybrid threat organisation will almost certainly

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<sup>142</sup> Paul Goble, “Stalin Invented Hybrid War, Not Vladimir Putin, Archival Record Shows,” *The Interpreter*, 2014.

<sup>143</sup> Frank Hoffmann, “Hybrid Threats: Neither Omnipotent nor Unbeatable,” *ORBIS* 54 (Summer 2010): 441–455.

<sup>144</sup> Ann Roosevelt, “GAO Finds Hybrid Warfare Not Defined; DoD Says Not New Way of War,” *Defense Daily*, Vol. 27 No.52 (September 14, 2010).

<sup>145</sup> Nathan Freier, “The Defense Identity Crisis: It’s a Hybrid World,” *Parameters*, Vol. 39, No. 3 (2009).

<sup>146</sup> Thomas Elkjer Nissen, “Social Media, Strategic Narratives and Stratcom,” *The Three Swords Magazine* (2015).

draw its strength primarily from a specific racial, ethnic, religious, ideological, or similar cohesive group. For this cohesive cultural group to have a motive to engage in the conflict in the first place there must be some sort of pre-existing tension or disparity within that society, some “wrong” that they want to right. A degree of tension with other groups also serves the hybrid group’s purpose in maintaining its ideological underpinnings. This, in turn, will provide it with popular support, recruiting, propaganda, and sanctuary.<sup>147</sup> It is important to admit that the hybrid and cyber threats are asymmetrical – which means states have to broaden their “symmetrical” part of defence – both vertically (giving larger capacities to self-defence) and horizontally (re-delegate the defence capabilities to different state institutions). This is in line with Thomas Elkjer Nissen, who writes in his book about Internet media weaponisation: “Contemporary wars are (...) more about control of the population and the political decision-making process than about control over territory.”<sup>148</sup> Other analysts like Frank G. Hoffmann, addresses hybrid wars and multi-modal activities like operationally and technically directed and coordinated within the main battlespace to achieve synergistic effects in the physical *and* psychological dimensions of the conflict. This goes hand in hand with John McCuen’s definition of hybrid conflict as a full spectrum war with both physical and conceptual dimensions: the former a struggle against an armed enemy and the latter, a wider struggle for control and support of the combat zone’s indigenous population, the support of the home fronts of the intervening nations, and the support of the international community.<sup>149</sup>

Speaking more specifically on cyber defence, even in normative perspective the concept of cyber warfare and information warfare closely intertwines. Primarily cyber defence can be seen as a distinct kind of warfare, which aims to destroy the infrastructure of the enemy, nevertheless an aspect of information warfare is present at all times. So in fact, it is largely the choice of policy makers, how to perceive the cyber defence.<sup>150</sup> As a phenomena it is as a two faced coin – with infrastructure and informative sides; and narrowing the linguistics from every perspective is unnecessary waste of resources if it is possible to agree that perceptions of both sides are equally important. Nevertheless, it is important to understand that typically cyber defence as

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<sup>147</sup> Christopher Bowers, “Identifying Emerging Hybrid Adversaries,” *Parameters* Vol. 42, No. 1 (Spring 2012): 39–50.

<sup>148</sup> Thomas Elkjer Nissen, “Social Media, Strategic Narratives and Stratcom,” *The Three Swords Magazine* (2015): 8.

<sup>149</sup> John J. McCuen, “Hybrid Wars,” *Military Review* (March-April 2008): 108.

<sup>150</sup> Sascha-Dominik Bachmann, “Hybrid Threats, Cyber Warfare and NATO’s Comprehensive Approach for Countering 21st Century Threats – Mapping the New Frontier of Global Risk and Security Management,” *Amicus Curiae* 88 (Winter 2011): 24–27.

an infrastructure issue is covered quite well in the developed western states,<sup>151</sup> but the issue, which is particularly burning is the cyber defence as an informational threat. The Ukraine-Russia conflict as well as propaganda activities of Daesh, is an example of the internet environment's (and its users') practical vulnerability. Thus, evaluation of Latvia's policy movements towards the development of defence from informational part of cyber threats is in the core of this article.

## ROLE AND PLACE OF CYBER DEFENCE IN LATVIA'S DEFENCE POLICY DEVELOPMENT

There are several politically administrative activities in 2015 (partly also the end of 2014) with a purpose of clarification of defence policy under changing circumstances. Until 1 October 2016, the new State Defence Concept (hereinafter – SDC) has to be approved in Latvia and all corrections, trend-followings or new headlines are under discussion particularly for (and within) the new SDC. The Ministry of Defence of Latvia has taken an inclusive path in formation of SDC and in 2015 organised a chain of discussions with all included actors, which resulted also in policy recommendations for decision makers. Thus, views and recommendations of SDC discussions can be taken seriously to formulate the role and place of cyber defence in present understanding and future prospects of Latvia's policy.

The first discussion on SDC was held on 15 December 2014 in a form of a workshop in order to identify areas, which would certainly be discussed before any formulation of the new defence policy and SDC.<sup>152</sup>

Discussion was based on three questions:

1. Is there a change in the basic principles of national defence of Latvia in the new geopolitical circumstances?
2. What is the nature of the new threats and what are the available solutions required for the effective maintenance of the state and public security?
3. What possible changes should be included in the new SDC on a conceptual level?

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<sup>151</sup> Rebecca Goolsby, Lea Shanley, and Aaron Lovell, "On Cybersecurity, Crowdsourcing, and Social Cyber-Attack," *Policy Memo Series 1* (n.d.): 1–7.

<sup>152</sup> "How to defend Latvia: new National Defence Concept" (discussion, Ministry of Defence of Republic of Latvia/Latvian Institute of International Affairs, hotel "Alberts", Riga, Latvia, December 15, 2014).

As an end-result of the mentioned discussion, a couple of defence fields and issues with top priority were identified:

1. Geopolitical environment has changed and these changes are long-term. Threats are no longer “incognito” and are quite clear with very clear methods of *modus operandi*. Within those methods, hybrid approach and cyber propaganda are widely used, so Latvia has to be ready for those threats.
2. Issues of public education is equally present in the state tools of defence, or to put in the more simple words – self-defence has to be seen as an obligatory mode for public security development. Because hybrid cyber threats are addressing mainly society (cutting the state), within the society the self-defence skills have to be developed. This idea is not new – already private sector cyber consultancy recommends self-defence as a core skill within any attack<sup>153</sup> – the most important is the fact that the state has recognised this as a matter of policy for SDC, which is logically followed by defence laws, perceptions and activities.

Within the afore-mentioned first discussion on the new SDC, recommendations were also given to legislators:<sup>154</sup>

1. The existing SDC of Latvia is a high quality strategic document and the new NDC should be only “updated” under the changes of the security situation and the geopolitical context. The State Defence Concept has not changed basic principles; it needs new “accents” in its means of implementation.
2. Both for conventional and unconventional threats “deterrence” remains the main core element of Latvia’s defence politics. So the main issue is, how to maintain deterrence also in the new fields of hybrid threats.

Within this first discussion on the new SDC, several fields for further discussions were also clarified.<sup>155</sup> Firstly, issues of compulsory military service should be discussed, at least by increasing the level of civic defence. This point underlines the importance of ability of society to withstand even considering conventional threat issues. In some way, as it is formulated by Thorsten Hochwald, best defence for unconventional threats is conventional readiness and public awareness of this readiness. Putting into more simple words, strong values of the society are the best deterrent to external enemy.<sup>156</sup>

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<sup>153</sup> Mariarosa Taddeo, “Information Warfare: A Philosophical Perspective,” *Philosophy & Technology* Vol. 25, No. 1 (March 2012): 105–120.

<sup>154</sup> Discussion “How to defend Latvia...,” December 15, 2014.

<sup>155</sup> Ibid.

<sup>156</sup> Thorsten Hochwald, “How Do Social Media Affect Intra-State Conflicts Other Than War?” *The Quarterly Journal* Vol. 12, No. 3 (2013): 9–37.

Development of the self-defence in conventional area is a proper way to further society's development *versus* hybrid and cyber threats.

Secondly, a very clear message was given on education development. Public involvement in the security and defence matters closely overlaps with the issues of education and public awareness of common challenges of security and defence sectors. Society that is educated and aware of the fact of threat, modes and character of threats goes hand in hand with the previously-mentioned deterrence and self-defence principles.

Thirdly, targeted and precisely focused discussions on protection of virtual environment (both from infrastructure and informational perspective) should be implemented before accepting the new SDC. This point underlines importance of the "both faces" of cyber – not to blindly follow the wish to speak only on propaganda issues on internet, but also speak on clear actions on internet infrastructure issues, for instance, what is the action plan if the state loses internet approach, etc.

Fourthly, importance of the horizontal cooperation between governmental institutions is crucial. "Defence only for Defence Ministry" is not working anymore in the circumstances when hybrid threats can harm any field of society life and sabotage any state or public functions.

The above-mentioned issues introduced in a particular discussion, were further developed by the Ministry of Defence of Latvia in a more narrow and targeted discussions and workshops during 2015. The next most important one was the meeting on 9 April 2015, which was dedicated to cyber war and propaganda issues.<sup>157</sup>

The most important conclusions of this discussions were the following:

1. Cyber defence concept should be included as a legal term in the new SDC with a clear definition on what cyber attack means from the state legal perspective and what should be the proper reactions of the state.
2. Hybrid warfare concept should be included as a legal term in the new SDC – including subchapter in the new SDC with a clear understanding – how should the state react on hybri attack; what are the red lines for such recognition.
3. Society should be briefed on a regular basis on cyber threats, cyber attacks, and cyber-self-defence issues.

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<sup>157</sup> "Cyberattacks and Propaganda: the New Battlefield" (discussion, Ministry of Defence of Republic of Latvia/Latvian Institute of International Affairs, hotel "Ridzene", Riga, Latvia, April 9, 2015).

4. Propaganda as a deliberate misinformation in cyberspace should be prevented primarily ensuring free, accessible and objective information flow to general public (including Latvian and Russian speaking).
5. Critical thinking via school, university, lifelong learning systems on how to obtain the objective and reliable information should be developed independently from the activities of the Ministry of Defence.
6. In a case of a hybrid attack, private cyberspace and national security institutions need to have legal framework for interaction of state and private spheres. At the particular moment, the state is “at the edge” only forming the first regulations, despite knowing for sure that the first conflicts between public / private on virtual environment are in a very near future, maybe even ongoing. The first sign of development is forming of legal framework in cyber-criminal area (issue largely described by Uldis Ķinis, expert on cyber law, and representative of the Constitutional Court of Latvia).<sup>158</sup>

Ability to develop the offensive capabilities in the cyber field would be a solution with deterrence character. Taking into account that the defensive and offensive specifics of the development of cyber capabilities require high-quality work force, it would be a good investment also in the state’s economic development. At least the definition and possibilities of attracting the so-called “cyber talents” to Latvia’s cyber defence field should be discussed before accepting the new SDC.

## CONCLUSION

As it is seen in all the recommendations and the outlined core points for the new SDC, the factors of self-defence, education, deterrence, inter-institutional cooperation and provision of objective information are strongly overlapping, showing that (and this is quite rare) the state is absolutely on the right track in development of its cyber capabilities and skills from both the cyber-infrastructural and the cyber-informational perspective. The most important conclusion here is not to keep the defence running only within defence politics, but delegating a part of defence tasks to educational policy areas. What are the precise lines between the defensive and educational definitely will be an aspect of discussion until approval of the new SDC in legislation. But, evaluating how inclusively the SDC principles are formed, it is clear that the merging of policy areas in order to ensure the cyber

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<sup>158</sup> Uldis Ķinis, *Kibernoziedzība, kibernoziēgumi un jurisdikcija* (Rīga: Jumava, 2015).

defence and avoid hybrid threat will happen. This is a priority, because from the normative perspective “blending solutions for avoiding blended threats” is the only sure way. Deeper details on how it will happen will most probably be on the agenda in 2016. Luckily, there will be no more need to speak on basics, only on the mode of further implementations.



# LATVIA'S PARTICIPATION IN INTERNATIONAL COUNTER-TERRORISM OPERATIONS TO PREVENT THE SPREAD OF IDEOLOGICALLY DRIVEN RADICAL ORGANISATIONS

Olafs Arnicāns

In 2015, the world witnessed a continuous wave of terror attacks. Some of these attacks received world-wide media attention, amongst which the most prominent were: *Charlie Hebdo* attack in Paris, attack on police personnel in Philippines, Boko Haram insurgency in Nigeria and neighbouring countries, terror attacks in Syria, Egypt, Iraq and Yemen, and most recently, attacks in Beirut on 12 November, in Paris the day after, and in Mali a week later. Depending on the type of approach used to define terrorism and the information obtained, the total number of terror attacks in the world could add up to more than two hundred by November 2015. The number of casualties varies from none to more than a hundred per attack. The definition of terrorism is still an ongoing debate not only in the academic community but also amongst policy developers. Nonetheless, it seems clear to states and general public when a terrorist attack occurs and that concrete responses and actions must follow.

Latvia in its own territory has remained almost unburdened by terrorist attacks.<sup>159</sup> Nevertheless, Latvia has been part of counter-terrorism operations in NATO and EU missions since it became a member of the two institutions.<sup>160</sup> Most recent operations have been in Afghanistan (e.g. support mission Resolute Support) and

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<sup>159</sup> There have been two attacks recorded in Latvia. In 1998 and in 2000, both in Riga. In the first case there were no fatalities and in the latter case there was only one fatality.

<sup>160</sup> Latvia also participated in the Operation Iraqi Freedom (OIF) in Iraq from May 2003.

Mali (EUTM Mali). Since Latvia is a member of both organisations, it is clear that, even though it has not been directly affected by international terrorism itself, it has supported its fellow member states before and has to continue doing so in the future. However, what has Latvia's role been in counter-terrorism military operations? How should recent developments in Europe influence Latvia's role? This policy review will first analyse the key policy documents provided by the Ministry of Foreign Affairs of Latvia (MFA) in order to evaluate what have been the priorities in counter-terrorism activities in 2015. Second, an assessment will be provided of the activities done throughout the year. Third, noting the significance of the November Paris terrorist attacks, this article will look at the most recent developments after this event. Last, this policy review will offer some recommendations in the field of international counter-terrorism military cooperation strategies for Latvia in 2016.

## WHAT HAVE BEEN THE PRIORITIES?

The annual report of the Latvian Foreign Minister<sup>161</sup> outlines the key elements for the year's foreign policy planning. In this policy document under the heading "Security on a national, regional and international level", the fight against terrorism comes second after seeking to counter any threat posed by Russia due to its involvement in the conflict in Ukraine. Nonetheless, MFA strongly and clearly supports international cooperation to fight terrorism. Based on the report, the main threat emanates from the Islamic State of Iraq and the Levant (ISIL) in the Middle East. Yet, terrorist activities in such regions as Afghanistan, North Africa, the Horn of Africa, Europe, and also Canada and the US<sup>162</sup> also indicate that the threat of terrorism is on the rise on a global scale. The key aspect is the rise of foreign fighters from Western countries joining terrorist organisations and the threat of them returning to their home countries. This raises the security concern for all countries from which these foreign fighters originate, including Latvia.<sup>163</sup> Another priority in the MFA annual report is Latvia's participation in the US-led coalition in the fight

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<sup>161</sup> "Ārlietu ministra ikgadējais ziņojums par paveikto un iecerēto darbību valsts ārpolitikā un Eiropas Savienības jautājumos, 2014–2015," *Ministry of Foreign Affairs of the Republic of Latvia*, accessed on November 27, 2015, [http://www.mfa.gov.lv/images/zinojums\\_DRAFT\\_Preciz%D1%83ts\\_07\\_01.pdf](http://www.mfa.gov.lv/images/zinojums_DRAFT_Preciz%D1%83ts_07_01.pdf).

<sup>162</sup> It is arguable to place Canada and the US in the same list and category of having experienced the same type of terrorist attacks that has regions in the Middle East or North Africa. The issue with terrorist attacks in these two countries in 2014 have been from so-called 'lone-wolves' rather than large radicalized movements and organizations that operate in several regions worldwide.

<sup>163</sup> "Ārlietu ministra ikgadējais ziņojums par paveikto..." November 27, 2015.

against ISIL. Other important points follow on the terrorist activities in Eastern Ukraine and Latvia's role to raise awareness in the EU about this issue. The final three priorities discuss: the role Latvia takes in its support for and cooperation with NATO in Afghanistan; Latvia's leading role in the EU working group in the fight against terrorism; and promoting the EU–Central Asia dialogue when it comes to security and counter-terrorism.<sup>164</sup> Whilst these last issues are as important as the first one, due to its limitations this article only discusses the international cooperation aspects in military operations

Another government document worth mentioning is the National Security Concept (NSC) developed by the National Security Committee of the Parliament. The latest version of it was approved by the parliament on 26 November 2015. Though the previous concept approved in 2011, was still the main security document followed throughout 2015.

The document states that the threat of terrorist activities in Latvia is low, even though Latvia is part of the EU – Latvia is more prone to terrorist activities than if it were not a member. The main threat for Latvian nationals is in military missions abroad (e.g. Armed Forces taking part in NATO operations in Afghanistan).<sup>165</sup> The NSC 2011 states that, in order to prevent terrorist threats, Latvia has to perceive that fighting terrorism in the global regions where international terrorist organisations and terrorist training and planning against NATO and EU takes place is in its national security interest.<sup>166</sup> Therefore, as much as the capabilities allow, Latvia together with other NATO and EU member states has to participate in international peace-keeping operations to support other countries' abilities to control and govern their own territories, while at the same time preventing extremist ideologies and terrorist tendencies from spreading "outside the traditional terrorism risk regions in Asia and North Africa".<sup>167</sup>

International cooperation in counter-terrorism activities has to be based on improving the linkage between national security institutions, NATO and the EU. Latvia has to actively engage in European common counter-terrorism policy development to promote capabilities on preventing terrorist threats to EU countries. An important factor is that national security institutions have to cooperate with

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<sup>164</sup> "Ārlietu ministra ikgadējais ziņojums par paveikto...", November 27, 2015.

<sup>165</sup> "Nacionālās drošības koncepcija (informatīvā daļa)," *National Security Committee of the Parliament of the Republic of Latvia*, March 10, 2011, [http://www.mod.gov.lv/~media/AM/Par\\_aizsardzibas\\_nozari/Plani,%20koncepcijas/2011\\_nd.ashx](http://www.mod.gov.lv/~media/AM/Par_aizsardzibas_nozari/Plani,%20koncepcijas/2011_nd.ashx).

<sup>166</sup> *Ibid.*, paragraph, 3.6.

<sup>167</sup> *Ibid.*

security forces of other states as well. It is concerning that the latest NSC 2015<sup>168</sup> report has not changed since; when it comes to the national priorities to prevent terrorist threats on an international level, it rather concerning that nothing has changed since 2011. Despite the changes and developments in the last couple of years and the growing international concern and activity in the fight against terrorism, the new security concept has remained 'stuck in the past' without providing any up-to-date priorities.

From outlining the two policy documents and particularly what they have to say about international military cooperation against terrorist activities, it becomes clear that both the annual report of MFA and NSC are more general guidelines than actual strategies. This is particularly visible in the NSC. Therefore, an analysis providing pragmatic policy recommendations (taken from the MFA report) is needed.

## THOROUGH ANALYSIS OF 2015 POLICY PRIORITIES

As mentioned above, there are several priorities that MFA laid out in its annual report for 2015. The priorities that are of concern in this article are:

- 1) military cooperation to fight terrorism threats outside of Europe;
- 2) threats from ISIL (and other radical terrorist groups);
- 3) Latvia's participation in the US-led coalition against ISIL;
- 4) Latvia's assistance to the NATO's mission in Afghanistan.

The first and last points expand over various regions and different levels of engagement that Latvia has taken during 2015. Latvia's role in international military cooperation on the fight against terrorism is visible in three operations. First, in Afghanistan within the NATO support mission 'Resolute Support' since beginning of 2015 when the previous mission, International Security Assistance Force (ISAF) was terminated.<sup>169</sup> In late 2014, the parliament agreed to send 30 armed forces personnel with an advisory and instructor duties to the local state

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<sup>168</sup> "Nacionālās drošības koncepcija (informatīvā daļa)," *Latvijas Vestnesis*, November 26, 2015, <https://vestnesis.lv/op/2015/233.2>.

<sup>169</sup> "Dalība starptautiskajās misijās un operācijās," *Ministry of Foreign Affairs of the Republic of Latvia*, accessed on November 28, 2015, <http://www.mfa.gov.lv/arpolitika/drosibas-politika/drosibas-politikas-virzieni/daliba-starptautiskajas-operacijas>.

security forces. However, the NATO report in February 2015 shows the number to be 25 troops.<sup>170</sup> Moreover, Latvia offered financial contributions to the international joint partner fund for the support of Afghanistan's national defence and security forces until 2017.<sup>171</sup>

The second operation Latvia has been part of throughout 2015 is the European Union Training Mission in Mali (EUTM Mali). The mission started in 2013 and since then Latvia has contributed a handful of military personnel to it. In October 2015, seven National Armed Forces soldiers were present in the country.<sup>172</sup> The objective of the mission is to train and advise local armed forces who are fighting rebel and terrorist factions in Mali.<sup>173</sup> The mission is set to expire in May 2016.

The third international military cooperation, in which Latvia plays a role is the indirect and fairly limited assistance to the US-led coalition in the fight against ISIL in Syria and Iraq. In September 2014, Latvia, together with numerous countries worldwide, pledged its support to join the coalition forces to defeat ISIL.<sup>174</sup> Latvia initially pledged to provide humanitarian assistance to local civilians and enhance the assistance in the future. Few days later, Latvia approved a donation of EUR 50 000 to the United Nations High Commissioner for Refugees (UNHCR). At the beginning of November 2015, Latvia's Defence Minister Raimonds Bergmanis suggested that Latvia's contribution to the coalition against ISIL should be in a form of training troops in Latvia.<sup>175</sup> A few days later in a radio interview, Jānis Karlsbergs, Latvia's Undersecretary of State Policy Director of the Ministry of Defence, briefed that Latvia might send about ten military advisors to Iraq to train the local forces

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<sup>170</sup> "Resolute Support Mission (RSM): Key Facts and Figures," *NATO*, accessed on November 26, 2015, [http://www.nato.int/nato\\_static\\_fl2014/assets/pdf/pdf\\_2015\\_02/20150227\\_1502-RSM-Placemat.pdf](http://www.nato.int/nato_static_fl2014/assets/pdf/pdf_2015_02/20150227_1502-RSM-Placemat.pdf).

<sup>171</sup> "Dalība starptautiskajās misijās un operācijās," *Ministry of Foreign Affairs of the Republic of Latvia*, accessed November 28, 2015, <http://www.mfa.gov.lv/arpolitika/drosibas-politika/drosibas-politikas-virzieni/daliba-starptautiskajas-operacijas>.

<sup>172</sup> *The Ministry of Foreign Affairs of the Republic of Latvia*.

<sup>173</sup> "Mandate & Activities," *The EU Training Mission in Mali*, accessed November 28, 2015, <http://www.eutmmali.eu/about-eutm-mali/mandate-activities/>.

<sup>174</sup> "Baltic states join fight against Islamic state in Iraq, Syria," *The Baltic Times*, September 22, 2014, <http://www.baltictimes.com/news/articles/35571/>. "Latvia to Provide Assistance to Internally Displaced Persons in Iraq," *Ministry of Foreign Affairs of the Republic of Latvia*, October 8, 2015, <http://www.mfa.gov.lv/en/news/latest-news/39472-latvia-to-provide-assistance-to-internally-displaced-persons-in-iraq>.

<sup>175</sup> "Anti-Islamic State fighters could be trained in Latvia: Defense Minister," *Latvijas Sabiedriskie Mediji*, November 9, 2015, <http://www.lsm.lv/en/article/societ/society/anti-islamic-state-fighters-could-be-trained-in-latvia-defense-minister.a154095/>.

in the fight against ISIL.<sup>176</sup> It seems rather improbable for the Minister's suggestion to actually be implemented in Latvia. As suggested by Bergmanis, if the fighters were to actually fight in Syria, they would be coming from the moderate rebel groups that are opposing Syria's government and ISIL, which makes it difficult to assess the level of 'moderation' of these fighters. If they were to fight in Iraq, they could be both moderate rebels and Iraqi government soldiers. If they are not Iraqi government troops, it would mean that there is a need for an elaborate screening procedure and a preparatory process to assess, which rebel group members should be even considered to be sent to Latvia for training. Implementation of such procedures would increase the needed time and financial investment. In addition, part of the US' action in Syria was to initiate an elaborate USD 500 million programme to train moderate Syrian forces to fight ISIL. In late autumn 2015, this programme proved to be an embarrassing failure and was immediately halted.<sup>177</sup> Therefore, it seems less probable that the coalition and the US would take similar measures, of which Latvia could be part of, anytime soon. As for Karlsbergs' suggestion, training Iraqi troops might seem as a more plausible action, especially because Latvian forces have already participated in and are still participating in similar missions in Afghanistan and Mali.

## DEVELOPMENTS AFTER PARIS TERRORIST ATTACKS ON 13 NOVEMBER

The world was quick to respond and show solidarity as well as share grievance after the horrific events that took place in Paris on 13 November. As a member state of both NATO and the EU, France received pledge of support not only from the organisations themselves, but also from individual member states of the two international bodies. If France were to ask for any kind of assistance, the world would respond and support it.<sup>178</sup> For instance, Germany at first announced it would support

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<sup>176</sup> "Irākas armijas apmācībai cīņā pret Islāma valsti varētu nosūtīt līdz desmit Latvijas karavīriem," *Diena*, November 9, 2015, <http://www.diena.lv/latvija/zinas/irakas-armijas-apmacibai-cina-pret-islama-valsti-varetu-nosutit-lidz-desmit-latvijas-karaviriem-14118518>.

<sup>177</sup> "Obama Administration Ends Effort to Train Syrians to Combat ISIS," *The New York Times*, October 9, 2015, [http://www.nytimes.com/2015/10/10/world/middleeast/pentagon-program-islamic-state-syria.html?\\_r=0](http://www.nytimes.com/2015/10/10/world/middleeast/pentagon-program-islamic-state-syria.html?_r=0). "US has trained only 'four or five' Syrian fighters against Isis, top general testifies," *The Guardian*, September 16, 2015, <http://www.theguardian.com/us-news/2015/sep/16/us-military-syrian-isis-fighters>.

<sup>178</sup> "World leaders rally around France after attacks," *Al Jazeera*, November 14, 2015, <http://www.aljazeera.com/news/2015/11/world-leaders-rally-france-attacks-151114045734950.html>.

France to do more to fight terrorism<sup>179</sup> and just moments later vowed to send military assistance to France in Mali.<sup>180</sup> Moreover, the UK also favours a swift reaction against terrorism after the Paris attacks.<sup>181</sup> Latvia also promised to provide any kind of assistance needed to fight terrorism.<sup>182</sup> Yet, an important aspect to note in this matter is the joint statement made by the Baltic states on 20 November. The three countries announced that they would not join the coalition against ISIL if Russia was part of it.<sup>183</sup> While the firmest statement in this regard came from Lithuania's president Dalia Grybauskaitė,<sup>184</sup> the other two counterparts' statements were more reserved but also affirming. Nonetheless, such joint decision can be seen as a firm and concrete stance against Russia's involvement in Ukraine, which deserves its praise. However, if NATO or the EU does ask for assistance from the Baltic states in Syria and Iraq, it might make it difficult for the three states to keep their word and at the same time fulfil their duties.

On 17 November, just a few days after the attack, France announced that it would invoke the article 42.7 of the Treaty of the EU (TEU).<sup>185</sup> The so-called 'mutual defence clause' states that in case a "Member State is the victim of armed aggression on its territory, the other Member States shall have towards it an obligation of aid and assistance by all the means in their power [...]".<sup>186</sup> This was the first time this article was invoked and it raises several questions for the union and its member states

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<sup>179</sup> "Germany's Merkel vows more support for France after attacks," *Reuters*, November 25, 2015, <http://www.reuters.com/article/2015/11/25/us-france-shooting-merkel-idUSKBN0TE2J920151125>.

<sup>180</sup> "Germany to send 650 soldiers to Mali," *BBC*, November 25, 2015, <http://www.bbc.com/news/world-africa-34924231>.

<sup>181</sup> "Britain set to join air strikes against Isil in Syria before Christmas," *The Telegraph*, November 21, 2015, <http://www.telegraph.co.uk/news/worldnews/islamic-state/12010048/Britain-set-to-join-air-strikes-against-Isil-in-Syria-before-Christmas.html>.

<sup>182</sup> "Bergmanis Francijai sola Latvijas atbalstu ciņā ar terorismu," *Neatkarīgā Rīta Avīze*, November 19, 2015, <http://nra.lv/latvija/155978-bergmanis-francijai-sola-latvijas-atbalstu-cina-ar-terorismu.htm>. "Latvijas armija gatava palīdzēt Francijai ciņā ar ISIS, ja saņems šādu lūgumu," *Diena*, November 17, 2015, <http://www.diena.lv/latvija/zinas/latvijas-armija-gatava-palidzet-francijai-cina-ar-isis-ja-sanems-sadu-lugumu-14119590>.

<sup>183</sup> "Baltijas valstis nevēlas piedalīties koalīcijā ciņā pret «Daiš», ja tajā būs arī Krievija," *Latvijas Sabiedriskie Mediji*, November 21, 2015, <http://www.lsm.lv/lv/raksts/arzemes/zinas/baltijas-valstis-nevelas-piedalities-koalicija-cina-pret-dais-ja-taja-bus-ari-krievija.a155979/>.

<sup>184</sup> "Lithuania will not join anti-ISIS pact with Russia," *The Baltic Times*, November 23, 2015, [http://www.baltictimes.com/lithuania\\_will\\_not\\_join\\_anti-isis\\_pact\\_with\\_russia/](http://www.baltictimes.com/lithuania_will_not_join_anti-isis_pact_with_russia/).

<sup>185</sup> "France 'at war' inaugurates EU's mutual defence clause," *EurActiv*, November 17, 2015, <http://www.euractiv.com/sections/global-europe/france-war-inaugurates-eus-mutual-defence-clause-319531>.

<sup>186</sup> "The Lisbon Treaty and its implications for CFSP/CSDP," *European Parliament Directorate-General for External Policies, Policy Department*, 2010, [http://www.europarl.europa.eu/meetdocs/2009\\_2014/documents/afet/dv/201/201009/20100928lisbontreaty\\_cfsp-csdp\\_en.pdf](http://www.europarl.europa.eu/meetdocs/2009_2014/documents/afet/dv/201/201009/20100928lisbontreaty_cfsp-csdp_en.pdf): 7.

on what actually needs to be done. The article allows France to conduct bilateral agreements with other member states to agree on specific aspects of support and bypass having to deal with Brussels.<sup>187</sup> Important aspect here is that this call for assistance does not refer solely to the conflict in Syria and Iraq. As France's Defence Minister Jean-Yves Le Drian noted, the support for France is also needed in other regions, including, for instance, Mali.<sup>188</sup>

## RECOMMENDATIONS AND THOUGHTS FOR 2016

It is clear that the next year will bring new developments to the international fight against terrorism, particularly due to the November events in Paris. Because of this, Latvia will have to take a concrete stance and, what is more, come up with a concrete plan on what it will do to assist the fellow member states of the EU and NATO. Latvia's ideas on engaging in the conflict face several political and practical difficulties.

First, there is always a trade-off when a country is deciding whether to fight terrorism abroad. On the one hand, if it does, it becomes a higher risk target for the terrorist organisations' revenge attacks at home. On the other hand, if it does not, it might face criticism from the fellow partner states (for instance from France or from NATO and the EU in general).

Second, Latvia does not have the military capabilities or experience that would exceed sending a handful of military personnel as advisors to conflict areas. Surely, Latvia would not do that on its own so it would have to be part of a much larger coalition work (like, the joint coalition against ISIL led by the US). In this regard, it seems that Russia will also be part of the coalition. Therefore, if Latvia joined, it could lose its face in the international arena after having made the statement of not joining a campaign alongside Russia in late November (together with the other two Baltic states).

Though it seems that France's activation of the article 42.7 has opened a 'window of opportunity' for Latvia. In order to fulfil its duties towards other partner states and in the international fight against terrorism, Latvia with its limited capabilities in the

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<sup>187</sup> By contrast, article 222 of the Treaty on the Functioning of the EU (TFEU) would require the European Commission to play a role in the decision making process.

<sup>188</sup> "France requests European support in Syria, Iraq, Africa," *Reuters*, November 17, 2015, <http://in.reuters.com/article/2015/11/17/france-shooting-eu-defence-help-idINB5N13100220151117>.



field can choose to assist Europe (and France in particular) by maintaining and even increasing the military advisory role in Mali or other countries and regions in Africa where France is in need of assistance.<sup>189</sup> This way Latvia can continue to work in countries it already has experience in and by increasing the assistance there, and aid France to fight terrorism elsewhere. Of course, this means that Latvia's participation in the operation Resolute Support in Afghanistan has to continue. However, getting involved in new high-risk regions such as Syria or Iraq might not be the best choice for Latvia. This is due the heightened possibility of retaliatory attacks from terrorist organisations and because Latvia has no expertise in the conflict there. Even though the EUTM Mali is set to expire in 2016, it is unlikely that France's troops will leave the country by then as well.

Another aspect worth mentioning in regards to Latvia's priorities in the context of international cooperation to fight terrorism is the National Security Concept. As the title of the document suggests, it is a highly important policy brief on the country's priorities and plans towards its own security. Therefore, it might be wise for policy makers to invest in more thorough analysis and examination of the threats posed to Latvia and, equally important, how to comprehensively counter them.

## CONCLUSIONS

Throughout 2015, the world has been left in shock, fear and outrage after the numerous terrorist attacks committed in various regions around the globe. In Europe, there were attacks in Paris in January, in Copenhagen in February, and again in Paris in November. A range of steps has been taken and even more discussions have been conducted with an aim to make Europe a safer place in the member states themselves and abroad where terrorist organisations have laid their roots.

At the beginning of 2015, the MFA of Latvia prioritised several areas, on which it will focus throughout the year, particularly in the area of international cooperation to combat terrorism. The cooperation ranges from the fight against ISIL and other radical terrorist organisations abroad to engagement in a discussion on how to prevent terrorist operations in Central Asia. Though for the specific narrow scope

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<sup>189</sup> "Leading Role for France as Africa Battles Back," *The New York Times*, March 15, 2015, <http://www.nytimes.com/2015/03/16/world/africa/leading-role-for-france-as-africa-battles-back.html>. "France Pays Price for Front-Line Role From Syria to West Africa," *Bloomberg*, November 14, 2015, <http://www.bloomberg.com/news/articles/2015-11-14/france-pays-price-for-front-line-role-from-syria-to-west-africa>.

of this article, only military operations in counter-terrorism cooperation were analysed.

The three key areas are Latvia's involvement in NATO operation in Afghanistan, the EU mission in Mali and the US-led coalition against ISIL. The first two have been in place with advisory military personnel in the conflict areas. As for the third, the ways to contribute still remain an open discussion. With the 13 November attacks in Paris, this discussion has become much more lively not only within Latvia but also in the EU. The recommendation for 2016 have emerged from these developments. Noting Latvia's limited capabilities and expertise in the international military operations, the author of this article has argued that Latvia should not prioritise direct involvement in the conflict in Syria and Iraq. Instead, to show solidarity and support to France and the EU (as well as NATO), and to fulfil its duties under the article 42.7, Latvia should focus on and increase (to its capabilities) its support, firstly, in Mali, while maintaining its objectives in Afghanistan through the NATO mission. This should be done not in order to shy away from more complex issue of the fight against ISIL, but to prioritise what Latvia already knows best in the regions covered before. By doing so, Latvia can improve the knowledge and expertise it already has in cooperating through international military operations in the fight against terrorism. In addition, this expertise and knowledge should be supported also by more critical assessments of Latvia's activities in those missions, which seems to be missing in the policy debate.

# LATVIA'S COOPERATION WITH DIASPORA IN 2015

Alise Krapāne

In the light of the ever increasing number of Latvian nationals abroad, especially due to the intra-EU emigration flow over the past two decades, cooperation with diaspora has become one of the priorities in Latvian foreign policy. Over the last couple of years, new initiatives have been taken to advance the State cooperation with its expatriates, increasing the level of engagement from minimal to notable. For the first time in Latvia's history, a comprehensive diaspora policy is being developed. On the other hand, in many cases, diaspora itself is to be credited for taking the initiative to build bridges back to Latvia. Although the major diaspora study completed in 2015 indicates very high rates of expatriates' dissatisfaction with the performance and attitude of the government, the increased government activity may promote a sea-change in the relations with diaspora in the upcoming years. In 2016, there is a lot to be built on the platforms created so far. However, the focus is necessary not only on developing programmes, but even more so on improving communication and trust-building.

The goal of this chapter is to evaluate Latvia's diaspora policy trends and activities in 2015. The article looks at the profile of Latvia's nationals abroad and discusses the specific accomplishments and developments in state-diaspora cooperation in 2015. It also acknowledges the diaspora organisation efforts, in particular in the US, for advocating for Latvia's foreign and security issues to the US government. It concludes with outlining some trends and suggestions for 2016 in Latvia's diaspora policy.

## DIASPORA, POLICY FOR COOPERATION, AND ACCOMPLISHMENTS IN 2015

### Latvian diaspora

According to the estimates by the Foreign Ministry, there are approximately 370 000 Latvian nationals permanently residing outside Latvia – a relatively significant number in comparison to the 2 million who live in Latvia. Latvian nationals have emigrated from the country since the end of 19<sup>th</sup> century in several waves of emigration: before WWI, after WWII, during the Soviet occupation and after the reestablishment of independence, most of them having left in the past decade as intra-EU migrants. The largest Latvian communities are in the UK, the US, Canada, Ireland, Sweden, Germany, Australia, Russia, and Brazil. Although the number of outbound migration has decreased since 2011, and the numbers of Latvian citizens and non-citizens returning to Latvia are growing, the Latvian diaspora abroad has increased in the last years. While even until few years ago Latvian diaspora was distinguished as Western and Eastern (the exile Latvian society and Latvians living in the former soviet territories), now diaspora is also denoted as the “old” and the “new”, i.e., emigration until 1990 and the subsequent emigration. According to the principle of “open Latvianness,” the term *diaspora* includes all Latvia’s nationals, both citizens and non-citizens, and the descendants of emigrees until the third generation, regardless of ethnicity or native language.<sup>190</sup>

A unique research project, largest to date, on Latvians living abroad was completed in 2015. It provides comprehensive and realistic information on people who have left Latvia in the recent decades and on Latvian diaspora in general. Over 14 000 respondents from 118 countries participated.<sup>191</sup> The results show that the majority of the emigrants does not plan to return at all or in the near future under the current economic and social conditions of Latvia: 27% do not plan to return, 41% could return under certain conditions, 16% plan to return in five years’ time, and

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<sup>190</sup> “Diaspora Policy in Latvia,” *Ministry of Foreign Affairs of the Republic of Latvia*, December 22, 2014, <http://www.mfa.gov.lv/en/policy/2014-12-22-11-41-00/diaspora-policy-in-latvia>. “Rīcības plāns: Par sadarbību ar Latvijas diasporu 2015.–2017. gadam,” *Ministry of Foreign Affairs of the Republic of Latvia*, July 15, 2014, [http://www.mfa.gov.lv/data/file/AMPlans\\_150714\\_Diaspora.662.pdf](http://www.mfa.gov.lv/data/file/AMPlans_150714_Diaspora.662.pdf), 6-8. “Publicēts papildināts aptaujas galveno rezultātu apkopojums,” *Latvijas emigrantu kopienas: nacionālā identitāte, transnacionālās attiecības un diasporas politika*, June 25, 2015, <http://migracija.lv/post/122501182793/public%C4%93ts-papildin%C4%81ts-aptaujas-galveno-rezult%C4%81tu>, 4.

<sup>191</sup> “Emigrant Communities of Latvia: National Identity, Transnational Relations, and Diaspora Politics,” accessed December 1, 2015, <http://migracija.lv/inenglish>. Funded by the European Social Fund (90%) and the Republic of Latvia, performed by the Institute of Philosophy and Sociology, University of Latvia.

16% – after retiring. Among the hindrances to remigrate are lack of acceptable job opportunities, lack of social support, professional growth or business opportunities, and disappointment with the Latvian state. The majority (63%) of the nationals abroad feels well connected to Latvia, 67% follow the news, and 25% participate in diaspora online groups or mailing lists.<sup>192</sup>

However, the study indicated very high rates of dissatisfaction with the economic and social situation of Latvia and the performance and attitude of the government, reporting lack of communication and interest from the authorities. The economic situation and government performance was assessed as bad by 75% of those who left after 2000 and only 18% believe it is improving; 92% are dissatisfied with the work of the government and 82% believe the government shows no interest in them. Respondents have pointed to the need for a more successful dialogue between the State and diaspora as well as diaspora interest representation demonstrated with deeds, and concrete steps towards the achievement of declared development goals. The survey reports that Latvia's expatriates are primarily concerned about the moral and socioeconomic issues as well as programmes and activities for cooperation.<sup>193</sup>

## **Towards a comprehensive government policy**

Significant steps taken towards cooperation with diaspora in recent years include the establishment of the Diaspora Policy Working Group in 2013 in order to coordinate and strengthen cooperation between Latvian institutions and diaspora organisations. In 2014, for the first time in Latvia's history, a comprehensive trans-sectoral policy planning document for cooperation with expatriates was drafted, although not yet approved, to coordinate all the State measures in cooperation with diaspora comprising over 50 different activities. The underlying vision is Latvian nationals as a transnational community built on principles of reciprocity and partnership. The document is planned to be updated according to the diaspora study findings of 2015 and to be issued for government approval at the beginning of 2016.<sup>194</sup>

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<sup>192</sup> "Publicēts papildināts aptaujas galveno rezultātu apkopojums," June 25, 2015, 6-9, 17-18. Full data of the study to be released as "Latvijas emigrantu kopienas: cerību diaspora" on December 9, 2015.

<sup>193</sup> Ibid, 15-16, 19-21.

<sup>194</sup> P.K. Elferts, Latvia's Ambassador-at-Large for the Diaspora, phone interview by author, December 4, 2015. "Rīcības plāns: Par sadarbību ar Latvijas diasporu 2015.–2017. gadam," July 15, 2014, 4–6. "Diaspora Policy in Latvia," December 22, 2014.

Currently government guidelines towards cooperation with diaspora are outlined in several documents<sup>195</sup> and responsibilities are divided among the Ministry of Culture, the Ministry of Foreign Affairs, the Ministry of Education and Science, the Ministry of Economy, and other public institutions to cooperate with NGOs, organisations, and communities. In the “Report on cooperation of the Ministry of Foreign Affairs with the Latvian diaspora in 2013–2015” *four lines of action* have been set out: facilitating the civic and political participation of the diaspora; preserving the diaspora’s bonds with Latvia and Latvian identity; promoting cooperation with the diaspora in business, science, education, and culture; and providing support for those who wish to return to Latvia.<sup>196</sup>

## Accomplishments

The year 2015 has been marked with notable accomplishments and new trends in cooperation between the Latvian State and diaspora organisations. For the first time, funding was provided for strengthening the diaspora NGOs abroad, supporting 16 organisations for various projects in Europe, New Zealand, Iceland, and the US.<sup>197</sup> Likewise, for the first time support was granted for maintaining sustainability and availability of Latvian culture abroad and providing support to the Song and Dance festival tradition. The programme supported the 55<sup>th</sup> Australian Latvian Arts Festival at the end of 2014 and the XVI West Coast Song Festival in San Jose, California in 2015, as well as a number of visiting artists touring the United States, Brazil, Australia, Russia, and Ireland.<sup>198</sup>

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<sup>195</sup> “Guidelines on national identity, civil society and integration policy for 2014-2018,” *Ministry of Foreign Affairs of the Republic of Latvia*, January 15, 2015, <http://www.mfa.gov.lv/en/policy/society-integration/integration-policy-in-latvia-a-multi-faceted-approach/guidelines-of-national-identity-and-society-integration>. The guidelines are coordinated with the “Report on cooperation of the Ministry of Foreign Affairs with the Latvian diaspora in 2013-2015,” *Ministry of Foreign Affairs of the Republic of Latvia*, February 4, 2013, [http://www.mfa.gov.lv/data/file/aminfo\\_040213.pdf](http://www.mfa.gov.lv/data/file/aminfo_040213.pdf); and the “Plan for remigration support activities for 2013-2016,” *POLISIS*, July 30, 2013, <http://polsis.mk.gov.lv/documents/4428>.

<sup>196</sup> “Diaspora Policy in Latvia,” December 22, 2014. “Report on cooperation of the Ministry...,” February 4, 2013, 4, 9.

<sup>197</sup> Three-year programme for Civic Participation Promotion; “Tiks veicināta ārvalstīs dzīvojošo tautiešu saikne ar Latviju,” *Society Integration Foundation*, accessed December 1, 2015, [http://www.sif.gov.lv/index.php?option=com\\_content&view=article&id=9786%3ATiks-veicinata-arvalstis-dzivojoso-tautiesu-saikne-ar-Latviju&catid=14%3AJaunumi&Itemid=186&lang=lv](http://www.sif.gov.lv/index.php?option=com_content&view=article&id=9786%3ATiks-veicinata-arvalstis-dzivojoso-tautiesu-saikne-ar-Latviju&catid=14%3AJaunumi&Itemid=186&lang=lv).

<sup>198</sup> Announced in 2014 with provision for 3 years; “Par atsevišķa valsts pārvaldes uzdevuma veikšanu Dziesmu un deju svētku tradīcijas ilgtspējas nodrošinājumam un latviešu kultūras pieejamībai ārvalstīs,” *Ministry of Culture of the Republic of Latvia*, accessed December 6, 2015, <http://www.km.gov.lv/lv/ministrija/konkursi.html>. “PBLA priekšsēža Jāņa Kukaiņa uzruna PBLA valdes sēdes atklāšanā Rīgā,” *PBLA*, October 1, 2015, <http://latviansonline.com/pbla-prieksseza-jana-kukaina-uzruna-pbla-valdes-sedes-atklasana-riga/>.

A significant milestone in Latvia-diaspora relations was the second World Latvian Economics and Innovations Forum (WLEIF 2015), held in cooperation of the World Federation of Free Latvians (WFFL) and the Latvian Foreign Ministry. The Forum aims at promoting Latvian expatriates' ties to Latvia and involvement in strengthening Latvia's economic development through transfer of knowledge, cooperation initiatives, innovation promotion, and facilitation of investment opportunities. With participation of over 300 participants from 17 countries and Latvia's top officials, the topics addressed at the Forum included Latvia's investment climate and global competitiveness, export strategies, and strengthening entrepreneurial culture in Latvia. A separate meeting was held for the Latvian government officials and international participants to discuss Latvia's economic development trends. In the meeting for young professionals, repatriated to Latvia young entrepreneurs and career professionals from Europe, the US, Canada, Australia, and China shared their experiences on business and career opportunities in Latvia.<sup>199</sup> Notably, the President Raimonds Vējonis became the patron of the Forum.

Within the framework of the WLEIF 2015, the WFFL launched the "World Latvian Mentoring Program" – a pilot project that aims to promote transfer of knowledge between highly-successful professionals with connections to Latvia and young professionals in Latvia. The list of mentors that have joined the volunteering opportunity programme so far include representatives from four continents and offer expertise in areas such as startup and business development, strategic and international product marketing, natural gas trade, energy and construction-related businesses and services.<sup>200</sup>

In another significant step, as a result of the proposal of the Latvian Prime Minister Straujuma, a high-level diaspora entrepreneur council was established under the auspices of the Prime Minister's Office. The composition of the Council, consisting of five members and planned to meet quarterly, has been approved and the first meeting was held in November 2015.<sup>201</sup>

The Centre for Diaspora and Migration Research at the University of Latvia, founded in 2014 and funded by the Ministry of Foreign Affairs, continued its work organising conferences – on diaspora children and youth education opportunities,

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<sup>199</sup> "Pasaules latviešu ekonomikas un inovāciju forums," *American Latvian Association*, April 22, 2015, <http://www.alausa.org/lv/kas-mes-esam/aktualitates/id/80/pasaules-latviesu-ekonomikas-un-inovaciju-forums/>.

<sup>200</sup> "World Latvian Mentoring Program," *World Latvian Economics and Innovations Forum 2015*, accessed December 1, 2015, <http://www.ieguldilatvija.lv/world-latvian-mentoring-program/>.

<sup>201</sup> "Pasaules latviešu ekonomikas un inovāciju forums," April 22, 2015.

on immigrant integration policies, and performing research – on diaspora media and Baltic diaspora tourism, among other.<sup>202</sup> During the Latvian Presidency of the Council of the European Union, a conference on migration and diaspora was held discussing labour mobility in the EU: “How to improve intra-European mobility and circular migration? Fostering diaspora engagement.” A conference held in Cēsis discussed issues related to identity and adherence to one’s country and local region, and the conference “Latvians residing abroad – a major Latvian tourism sales channel abroad” was dedicated to discussing the potential of diaspora tourism in remigration promotion.<sup>203</sup>

### The US diaspora advocacy for Baltic security

It is important to acknowledge that in 2015 the focus of Latvian diaspora organisations has been not only on Latvian education and culture promotion and on economic cooperation between Latvian nationals worldwide – but also on Baltic security issues. Latvian diaspora organisations in the US and Europe continued voicing strong concerns about Russia’s aggression in Ukraine since February 2014 and other provocations in the region. American Latvian diaspora organisations along with other Baltic and Central and East European (CEE) organisations in the US have advocated for Baltic security to the US government thus supporting the goals of Latvia’s foreign and security policy. Representatives of the Joint Baltic American National Committee, the American Latvian Association (ALA), the World Federation of Free Latvians, the Baltic American Freedom League, as well as the American Latvian Youth Association have repeatedly communicated their concerns and have urged constituents to contact their representatives to gather support in the US Congress.<sup>204</sup>

These organisations have advocated for continued strengthening of the Baltic defence capabilities by providing a persistent NATO troop presence, establishing permanent NATO bases in the Baltic countries to provide increased training and weaponry in the region; supporting the European Reassurance Initiative and other US efforts in support of NATO Allies and Partners that would provide additional

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<sup>202</sup> “Centrs publicē jaunu pētījumu par diasporas mediju izpratni un to vajadzībām,” *Centre for Diaspora and Migration Research - University of Latvia*, August 19, 2015, <http://www.diaspora.lv/zinas/t/34924/>.

<sup>203</sup> “Diasporas konferences Latvijā 2015. gadā,” *Ministry of Foreign Affairs of the Republic of Latvia*, September 7, 2015, <http://www.mfa.gov.lv/tautiesiem-arzemes/diasporas-konferences-latvija>.

<sup>204</sup> “Sarunu temati – drošības situācija Eiropā,” *American Latvian Association*, accessed December 1, 2015, <http://www.alausa.org/lv/citi/ukraina-un-baltijas-valstu-drosibas-jautajumi/drosibas-situacija-eiropa/>.



funding for Baltic defence.<sup>205</sup> Likewise, they have advocated for pressing NATO to reaffirm Article 5, and quickly and unequivocally react to any move on the part of Russia to interfere in the sovereign affairs of its neighbours and members of NATO. The compatriots in the US have emphasised the importance of bringing to public attention ongoing Russian provocations, testing the will and stamina of NATO and the US, including frequent intrusions into the Baltic water, land, and airspace by Russian military, and provocative statements by Russian officials.

The US diaspora organisations have strongly advocated for supporting Ukraine – by exerting more pressure on Russia in the form of increased targeted economic sanctions to stop its lawless aggression in Ukraine, and until Russia reverses the annexation of the Crimea. Along with supporting the “Crimea Annexation Non-recognition Act,” they have also called for providing critical aid to Ukraine to help it fight against a foreign aggressor and implementing the provisions of the Ukraine Freedom Support Act. The compatriots in the US have also called on ensuring that the US international broadcasting efforts effectively counter Russian disinformation: by maintaining congressional funding to support initiatives to strengthen independent news outlets broadcasting in Russia and Ukraine in the Russian language, such as Voice of America and Radio Free Europe, and independent news outlets exposing Russian disinformation.

The US diaspora representatives have also advocated for trade and economic integration: to monitor Transatlantic Trade and Investment partnership (TTIP) negotiations to ensure that the agreement mutually benefits the US and the countries of the CEE region. Also, they have called for enacting legislation to facilitate Liquefied Natural Gas (LNG) exports and enhance energy security in the Central and Eastern European (CEE) countries, as well as to take action to reduce dependence of CEE countries on energy supplies from Russia.

The Latvian American diaspora organisation representatives joined the efforts with the Central and East European Coalition’s advocacy day at the US Congress on 16 April 2015, which took place in liaison with the 11<sup>th</sup> Baltic Conference “History Repeated: Baltics and Eastern Europe in Peril?” The Baltic security conference was organised by the Joint Baltic American National Committee and supported by WFFL and ALA. The conference featured participation of top Baltic politicians, including the Latvian Member of the European Parliament Artis Pabriks, the President of Estonia Toomas Hendrik Ilves, and the former Prime Minister

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<sup>205</sup> “The CEEC’s 2015 (114<sup>th</sup> Congress) Policy Paper,” *Central and East European Coalition*, Spring 2015, <http://www.ceecoalition.us/CEEC%202015%20SpringPolicyPaper%20FINAL.pdf>. “Sarunu temati – drošības situācija Eiropā,” December 1, 2015.

of Lithuania Andrius Kubilius, Baltic ambassadors, the US State Department representatives, and about twenty Washington, DC experts. The topics addressed included the security concerns in the Baltic region due to Moscow's campaign of aggression against Ukraine, the Kremlin's disinformation campaign, the implications for US policies towards the region, regarding NATO and the Baltic countries. The conference was a joint effort to inform Baltic Americans and provide Washington, DC audience with a Baltic perspective.<sup>206</sup>

American Latvian diaspora organisations have also called Latvia's senior officials to fulfil its member obligations under the NATO treaty and increase the Latvian defence budget up to 2% of GDP sooner than the initially provisioned 2020 and to strengthen its defence capabilities and Eastern borders – in order to demonstrate that Latvia's independence and security is its priority and to have a moral right to demand assistance of NATO allies in case of need.<sup>207</sup> Also, the organisations have called to address the question of Russian disinformation activities in Latvia's territory and to support social integration programmes for Latvia's ethnic minorities.<sup>208</sup>

## TRENDS AND RECOMMENDATIONS FOR 2016

In 2016, there are many platforms to build upon and projects to develop that have been initiated in previous years, such as the Prime Minister's diaspora entrepreneur council, support to diaspora NGOs and culture promotion, as well as youth forums and World Latvian Economics and Innovation Forum. An important milestone ahead is the first regional economics and innovation forum planned in Melbourne, Australia on 29–30 December, with focus on strengthening economic cooperation between Latvia, Australia, and Asia.<sup>209</sup>

Year 2016 carries potential to provide the much needed comprehensive, centrally coordinated diaspora policy and activities planning document for Latvia's cooperation with diaspora. Based on the findings of the significant diaspora study of 2015, the draft "Action Plan on Cooperation with the Latvian Diaspora" can now be adjusted according to the actual profile of expatriates. In framing the policy planning

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<sup>206</sup> "JBANC's 11th Baltic Conference," *The Joint Baltic American National Committee, Inc.*, April 13, 2015, <http://jbanc.org/?page=blog&v=2&id=72>.

<sup>207</sup> "Sarunu temati – drošības situācija Eiropā," December 1, 2015. *PBLA*.

<sup>208</sup> "Ukraine and Baltic Sovereignty issues," *American Latvian Association*, accessed December 1, 2015, <http://www.alausa.org/en/what-we-do/ukraine-and-baltic-sovereignty-issues/>.

<sup>209</sup> "Pasaules latviešu ekonomikas un inovāciju forums," April 22, 2015.

document, it is also worth noting some of the main calls to the Latvian government by the diaspora representatives in 2015:

- 1) Calls for stricter adherence to the rule of law principles, as voiced by the diaspora study results and WFFL leadership.<sup>210</sup> The perceived hindrances to the economic development of Latvia are the still fairly high prevalence of corruption, disputes and divisions among those fighting corruption, a failing justice system with judicial decisions tending to be unpredictable and incomprehensible, and fraudulent insolvency processes – all of which undermine the confidence of the society and foreign investors in the judiciary, and the country itself.<sup>211</sup>
- 2) Calls to resolve the issue of distance learning, asking the Latvian government to provide in the core budget of the Ministry of Science and Education support for Latvian diaspora schools and relevant to diaspora distance learning process. In order to ensure the sustainability and viability of the Latvian language and nation, it has been emphasised to not only strengthen the status of the Latvian language in Latvia, but also to contribute to its learning in the large Latvian community outside Latvia.<sup>212</sup>
- 3) Calls to support the Museum of the Occupation and the Building for the Future project. Latvian diaspora have been greatly concerned by the opposition posed in 2015 to this long-planned and mainly diaspora-funded project. The WFFL called Saeima and the government to grant the project construction site the status of national importance in order to avoid further blockage of the project and thus hindrance in research of Latvia's history of occupation and restoration of historical justice.<sup>213</sup>
- 4) Calls for more visits and interaction by Latvian government representatives with diaspora abroad, also outside the main cities, and at diaspora youth congresses.<sup>214</sup>

The Diaspora Policy Working group's final meeting of the year announced to focus particularly on youth and children involvement in 2016 – to strengthen their bonds with Latvia and to promote their choice to study, intern, or work in Latvia, as well as to remigrate.<sup>215</sup> A platform to build upon is the Youth Forum 2015 – a State

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<sup>210</sup> "Pasaules latviešu ekonomikas un inovāciju forums," April 22, 2015, 19. *PBLA*.

<sup>211</sup> *Ibid.*

<sup>212</sup> *Ibid.*

<sup>213</sup> *Ibid.*

<sup>214</sup> Interview by author with *ALA*, *ALJA*, and *BAFL* representatives.

<sup>215</sup> "Nozīmīgs diasporas politikas virziens nākamgad būs aktivitātes diasporas bērniem un jauniešiem," *Ministry of Foreign Affairs of the Republic of Latvia*, December 3, 2015, <http://www.mfa.gov.lv/aktualitates/zinas/48990-nozimigs-diasporas-politikas-virziens-nakamgad-bus-aktivitates-diasporas-berniem-un-jauniesiem>.

supported initiative with an aim of diaspora youth involvement in voluntary work and civic activities. In 2015, youth meetings were organised in Amsterdam, Brussels, Dublin, London, and Rīga, as well as a “2 × 2” youth conference in Latvia, in attempt to re-establish with time the Global Youth Congress tradition.<sup>216</sup>

Judging by the rates of diaspora dissatisfaction with the government performance and attitude, there is apparently a need for trust building and communication improvement, possibly searching for better channels and means of communication for mutual exchange of information between Latvia and its nationals abroad through public media, internet platforms, events, and person-to-person meetings. It is decisive to make all the support and cooperation opportunities widely known among expatriates.

Engagement of Latvia’s nationals worldwide in the preparation for Latvia’s centenary celebration in 2018 definitely is an opportunity to be fully explored in 2016 for building a strong Latvian transnational community.

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<sup>216</sup> *Jaunatnes forums 2015*, accessed December 1, 2015, <http://www.jaunatnesforums.lv/>. Interview with the Ambassador P.K. Elferts.

# GO NORDIC-BALTIC! REGIONAL COOPERATION AS A *SINE QUA NON* FOR LATVIA'S SECURITY

Anke Schmidt-Felzmann

The year 2015 has been an important year for the Baltic Sea region, and for Riga as a hub for discussions with EU and NATO partners. As a direct consequence of Russia's geopolitical ambitions and military activities, there are many immediate and medium to long-term security challenges that need to be addressed in the Nordic-Baltic neighbourhood.<sup>217</sup> During the EU Presidency in the first half of 2015, Latvia was able to raise its profile as a leading country in the region, and as an important and reliable EU and NATO partner country. It is important that Latvian decision-makers and foreign and security policy experts continue also in 2016 to actively use and develop the networks and forums for discussion as well as the cooperation structures with the Nordic and Baltic partners to manage the security situation in the Baltic Sea region that has arisen from the Russian geopolitical ambition, with all available means.<sup>218</sup>

This contribution will sketch out the main achievements, challenges and future priorities for Latvia in Europe's North-Eastern corner with a focus on the challenges of Russia's information warfare, the EU's Energy Union and *solidarity* as a commitment not just in words, but also in action.

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<sup>217</sup> For a detailed analysis, see the following report: Edward Lucas "The Coming Storm, Baltic Sea Security Report," *Centre for European Policy Analysis*, 2015, <http://www.cepa.org/content/new-cepa-report-baltic-sea-security-coming-storm>.

<sup>218</sup> See the recommendations contained from the Swedish side: Anna Wieslander, "A new normal for NATO and Baltic Sea security," *UI Brief 2, Swedish Institute of International Affairs*, 2015, <http://www.ui.se/eng/upl/files/120560.pdf>.

## A RETURN TO THE NORDIC-BALTIC PARTNERSHIP

One of the distinctly positive, and perhaps unexpected, spin-off effects of the deteriorating security environment in the Baltic Sea region has been the revival of the Nordic-Baltic cooperation that had rapidly lost its importance during the 2000s.<sup>219</sup> The trend that started in 2014<sup>220</sup> after the annexation of the Crimea has been reinforced in 2015 with increasing coordination and strategic discussions about the common security challenges that affect the Nordic and Baltic countries as well as Poland (and even Germany) in similar ways.<sup>221</sup>

Each country of the region will have to continue building up its own national capabilities and resilience to withstand political and economic pressures and infringements on the sovereignty of each state by military means. But much can be and has been gained from closer cooperation with Estonia and Lithuania, on the one hand,<sup>222</sup> and Finland, Sweden, Denmark, Norway as well as Poland (and Germany), on the other hand. Especially regarding the Russian information warfare, Latvia's close engagement with its Baltic Sea neighbours has been instrumental to make real progress in 2015.

At the same time, progress has been made in connecting the Baltic 'energy island' to the European Union's energy market,<sup>223</sup> but here, Latvia still has its work cut out. European energy supply security has been helped by Lithuania's determined pursuit of supply independence from Russia. Latvia still has to complete its homework and the envisaged construction of Nord Stream II will put spanners in the works of the joint Nordic-Baltic-Polish efforts. This pipeline project presents a range of challenges for Latvia and its neighbours, and even the EU (and NATO) in 2016 and beyond.

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<sup>219</sup> Some activity continued of course, but not at the same level as it is now since 2014. A useful background discussion on the Nordic Baltic cooperation before the annexation of the Crimea can be found in: Robert Nurick & Magnus Nordenman (eds.), *Nordic Baltic Security in the 21<sup>st</sup> Century: The Regional Agenda and the Global Role*, Atlantic Council (2011), <http://atlantkommitten.se/wp-content/uploads/2015/04/Karlisnordiska.pdf>.

<sup>220</sup> This was promoted in particular from Tallinn as 2014 was declared as *The Baltic Sea Year*, for detailed documentation on all activities, see <http://www.bsy.vm.ee/en/>.

<sup>221</sup> This was emphasised also by Lithuania's Prime Minister Algirdas Butkevicius in autumn 2015, see: "Lithuanian PM: Nordic and Baltic countries have to remain consistent in promoting their values," *Delfi*, October 29, 2015, <http://m.en.delfi.lt/nordic-baltic/article.php?id=69419898>.

<sup>222</sup> Many such discussions have taken place during 2015, see e.g.: "Baltic PMs discuss joint projects, security, migration," *BNS EN*, August 24, 2015, <http://m.en.delfi.lt/nordic-baltic/article.php?id=68811204>.

<sup>223</sup> Especially the completion of NordBalt, the electricity cable connecting Sweden and Lithuania, has been of great importance, see: "Electricity consumers in western Lithuania to test NordBalt link," *Delfi*, November 10, 2015, <http://m.en.delfi.lt/article.php?id=69534574>.

Finally, Latvia has played a facilitating role at the helm of the EU in promoting solidarity within the Union during the discussions on the extension of sanctions against Russia. Solidarity has also been an important guiding principle within NATO concerning the rapid development and positioning of enhanced defensive capabilities in Latvia, Estonia and Lithuania (and even Poland). Solidarity commitments in the EU continue to be clearer in words than in actions, and much remains to be done in 2016 for Latvia and its regional partners to prepare for all foreseeable, and even the unthinkable security threats.

## COMBATING PROPAGANDA AND COMMUNICATING STRATEGICALLY

Throughout the year 2015, a rapid development has taken place within the EU, and especially also in the Baltic Sea region, concerning an increasing awareness of the challenges posed by Russia's systematic information warfare campaigns against the EU, NATO and its individual member states (as well as the Eastern neighbours). At the same time, a willingness has grown among in particular the Northern European states to take active measures to constrain and work against the detrimental effects on society and decision-makers of the avalanche of disinformation and manipulations of the hearts and minds of EU citizens. Latvia can take considerable credit for having promoted the inclusion of this issue on the European agendas, and for also having achieved a Nordic-Baltic joint commitment to working actively to combat the effects of Russian disinformation operations.<sup>224</sup>

Two particular achievements are worth highlighting: first of all, the launch of the NATO Centre of Excellence for Strategic Communication in Riga, which has firmly placed Latvia on the map as a country with particular expertise in the field of strategic communication. It is in the Baltic Sea regional context even important to note that besides the Baltic neighbours, also Poland and Germany are active members which will help address the significant challenges that all Baltic Sea countries are faced with in trying to find effective ways to respond to Russia's disinformation and propaganda campaigns. That Finland has taken the decision to second an official and to make an active contribution to the centre's work is a great asset and can also be credited, in part to the active Latvian engagement within the region and within the EU. What is

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<sup>224</sup> This includes also the establishment of a Baltic journalism centre to promote quality media reporting, see: "Baltic journalism centre to be founded in Riga in effort to counter propaganda challenges," *BNS*, August 21, 2015, <http://m.en.delfi.lt/nordic-baltic/article.php?id=68794234>.

more, even Sweden has started to take an active interest in joining the Centre and has closely followed the first activities and reports that StratCom CoE has produced.<sup>225</sup> The Swedish Defence Minister indicated a clear ambition for Sweden to join the Centre's work in 2016.<sup>226</sup> It is important for Latvia to support this ambition – and to also encourage Denmark and Norway to join – as the broader perspective across the whole of the Nordic-Baltic and Baltic Sea region will enhance the understanding of the phenomena and the *modus operandi* of their influence operations. Faced with a broad-spectrum challenge across a wide variety of mediums and actors that are engaged in the disruptive propaganda and misinformation campaigns, the joint monitoring and analysis of the specific threats stemming from both Russia and *Daesh* provides Latvia, and each of the other countries important pieces of the puzzle that can help identify the broader patterns and aims that are being pursued.

The second significant achievement to which Latvia, in no small part, during its EU Presidency, has contributed in 2015 is the creation of the European External Action Service (EEAS) *East Strategic Communication Task Force*.<sup>227</sup> That the East StratCom Task Force could be launched in September 2015, and that it exists at all is a major step forward.<sup>228</sup> The EU's ability to meet the Russian disinformation and propaganda attacks has been lacking and constituted a major vulnerability that has also had a role to play in the confrontation with Russia over Ukraine. The currently small resource endowment and limited staffing of the Task Force considering the job that has to be done<sup>229</sup> means that there is still a lot of potential for development in 2016. However, the launch of the Myth Buster network and the weekly Myth Busting

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<sup>225</sup> This includes both the analyses conducted on “internet trolling” (see: <http://www.stratcomcoe.org/internet-trolling-hybrid-warfare-tool-case-latvia>) and also the *Daesh* information campaigns (see: <http://www.stratcomcoe.org/centre-organises-seminar-daesh-information-campaign-and-its-influence-nato-countries-societies-1>).

<sup>226</sup> The ambition that was voiced publicly in late October 2015 was confirmed by the Defence Minister on 15 December 2015 at a public seminar in Stockholm, see: “Sweden can learn of NATO in propaganda war,” *Radio Sweden*, October 26, 2015, <http://sverigesradio.se/sida/artikel.aspx?programid=2054&artikel=6287522>; see the video recording (in Swedish): “Kan Sverige försvaras – mot vad?” *Folk och Försvar*, December 15, 2015, <http://www.folkochforsvar.se/event/kan-sverige-foersvaras-mot-vad.html>.

<sup>227</sup> Information from the EEAS about the Task Force can be found here: “Questions and Answers about the East StratCom Task Force,” *EEAS*, November 26, 2015, [http://eeas.europa.eu/top\\_stories/2015/261115\\_stratcom-east\\_qanda\\_en.htm](http://eeas.europa.eu/top_stories/2015/261115_stratcom-east_qanda_en.htm).

<sup>228</sup> For some of the background, see: Andrew Rettman, “Dutch-Polish ‘content factory’ to counter Russian propaganda,” *EU Observer*, July 21, 2015, <https://euobserver.com/foreign/129724>.

<sup>229</sup> For a critical assessment of the Task Force's capacity to ‘make a difference’, and also regarding the resistance against the initiative from some of the EU's members, see: James Panichi, “EU splits in Russian media war. New EU task force hobbled by low funding, lack of political support,” *Politico*, September 17, 2015, <http://www.politico.eu/article/eu-russia-propaganda-kremlin-media/>.



reports concerning the EU's Eastern Partnership countries<sup>230</sup> is an important step forward for the EU, and for Latvia. It is necessary for Latvian political leaders and the expert community to promote the consolidation of the Task Force in Brussels, and to engage also the important stakeholder countries. In particular, it is desirable that the Nordic neighbours become more strongly engaged, and that the Task Force wins the full support of i.a. France and Germany to ensure both the sustained political support and visibility for the initiative, but also an increase in the financial contribution to the work of the Task Force.

The common understanding and broader view across the Baltic Sea region on issues to do with strategic communication and combating disruptive propaganda campaigns both within the realm of the StratCom CoE and within the EU's structures, such as through the Task Force, will also provide the best possible preconditions for responding to disinformation in a timely and effective manner at the national and the European level at the same time. The year 2015 has seen the circulation of several fake 'official' letters in the region, that faked communication from Sweden, Lithuania and Germany (and affected probably also other Baltic Sea countries).<sup>231</sup> By instituting joint monitoring and response mechanisms to Russian influence operations that affect the whole region and can be disruptive to regional security and defence cooperation, the fabrication of false information can be addressed more effectively. By coordinating national monitoring activities and responses better, the advantage that has been enjoyed by Russia (and *Daesh*) in this field of always being several steps ahead and enjoying considerably greater technical and financial resources will be reduced significantly.

The ambitions that have been outlined for 2016 concerning the importance of communication and the role that independent media plays in provision of unbiased information, as well as the need to increase public awareness of disinformation activities should be pursued in close cooperation with the Nordic and Baltic partners, as well as Poland and Germany.<sup>232</sup> While it is an important first step to pursue interagency meetings between the Baltic states on strategic communication issues,<sup>233</sup>

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<sup>230</sup> These can be accessed at the bottom of the page on the European External Action Service's website, see: "Questions and Answers about the East StratCom Task Force," EEAS, November 26, 2015, [http://eeas.europa.eu/top\\_stories/2015/261115\\_stratcom-east\\_qanda\\_en.htm](http://eeas.europa.eu/top_stories/2015/261115_stratcom-east_qanda_en.htm).

<sup>231</sup> Some examples are discussed here: Joel Dahlberg, Olle Nygård, "Fake Swedish letter in Russian media," *Svenska Dagbladet*, September 13, 2015, <http://www.svd.se/fake-swedish-letter-in-russian-media>.

<sup>232</sup> "Prime Ministers' Council of the Baltic Council of Ministers Joint Statement," *The Cabinet of Ministers of Latvia*, December 14, 2015 [http://www.mk.gov.lv/sites/default/files/editor/baltic\\_council\\_of\\_ministers\\_joint\\_statement.pdf](http://www.mk.gov.lv/sites/default/files/editor/baltic_council_of_ministers_joint_statement.pdf).

<sup>233</sup> This was confirmed by the "Prime Ministers' Council of the Baltic Council of Ministers Joint Statement," December 14, 2015.

the ambition should go further and include the Nordic and Western partners. In the same vein, Latvia should also work hard to help strengthen the strategic communications capabilities of both the EU and of NATO, with a particular focus on the EU (as it is the organisation that is still several steps behind the challenges that need to be met).

## THE ENERGY UNION AND NORD STREAM II

Energy supply security, and the diversification and specifically reduction of Latvia's dependence on Russian supplies within the Baltic energy market has been an issue of primary importance during 2015. Most significantly, finally the electricity interconnection between the Baltic 'energy island' and the European energy market could be implemented.<sup>234</sup> The year saw also an important step forward for the European Union in that the EU Council was finally able to announce the establishment of the European Energy Union.<sup>235</sup>

But whereas Lithuania has made giant steps forward in its energy supply diversification and strengthened significantly its bargaining position *vis-a-vis* Russia's Gazprom and the Russian Federation as an energy provider,<sup>236</sup> Latvia still has a steep slope to climb to meet the commitments within the EU and to achieve a greater energy supply independence from Russia.<sup>237</sup> At the same time, Latvia has an undeniable key role within the Baltic energy market, due to its gas storage capacity. But in addition to developing Inčukalnaš,<sup>238</sup> more work is needed in Latvia at the

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<sup>234</sup> "Official launch of LitPol Link and NordBalt marks new era of Lithuanian energy," *Delfi*, December 14, 2015, <http://en.delfi.lt/lithuania/energy/official-launch-of-litpol-link-and-nordbalt-marks-new-era-of-lithuanian-energy.d?id=69839690>. See also: "Baltic Prime Ministers in Vilnius agree on future work priorities," *The Cabinet of Ministers of Latvia*, December 14, 2015, <http://www.mk.gov.lv/en/aktualitates/baltic-prime-ministers-vilnius-agree-future-work-priorities>.

<sup>235</sup> For details and additional material: "Commission launches plan for Energy Union," *European Commission*, February 2015, <https://ec.europa.eu/energy/en/news/commission-launches-plan-energy-union>.

<sup>236</sup> Kenneth Rapoza, "How Lithuania Is Kicking Russia To The Curb," *Forbes*, October 18, 2015, <http://www.forbes.com/sites/kenrapoza/2015/10/18/how-lithuania-is-kicking-russia-to-the-curb/>.

<sup>237</sup> In this context it is also relevant to promote joint Baltic solutions that benefit all. Concerns were raised for example by Estonia's LNG plans, see: Birutė Vyšniauskaitė, "Estonian plans present challenge to Lithuanian energy strategy," *Delfi*, November 2, 2015, <http://m.en.delfi.lt/nordic-baltic/article.php?id=69457350>.

<sup>238</sup> "Baltic Prime Ministers in Vilnius agree on future work priorities," *The Cabinet of Ministers of Latvia*, December 14, 2015, <http://www.mk.gov.lv/en/aktualitates/baltic-prime-ministers-vilnius-agree-future-work-priorities>.

national level in order to deliver on the promise of regional cooperation within the Baltic, the Nordic-Baltic and European supply networks. A key priority must be the development of an effectively functioning, and in particular liberal and transparent Regional Gas Market, and the synchronisation of the Baltic electricity networks within the framework of the Baltic Energy Market Interconnection Plan (BEMIP).<sup>239</sup> The main grievance that remains, and where Latvia has much work to do in 2016 is the full implementation of the EU Third Energy Package and the need to establish a “fully functional electricity market” with a focus on the “market opening”<sup>240</sup> for which, as frequently reiterated, Latvia must also ensure non-discriminatory access of the Third party to the gas infrastructure and the development of the necessary legal environment, and must implement a harmonised, competitive and transparent energy markets over the course of 2016.<sup>241</sup> This has not only been a cause of irritation within the region, but also raised considerable concerns in Brussels and Luxembourg about the extent to which Latvia really is committed to fulfilling the requirements of a real Energy Union, and a reliable and diversified regional gas market from which Latvia will also significantly benefit.

A major issue of concern that has entered the agenda in 2015 is the gas pipeline project Nord Stream II<sup>242</sup> that is to deliver even greater volumes of natural gas from Russia directly to Germany. In September 2015, the agreement was signed between the interested parties and the consortium that will be involved in the construction of the two additional pipelines.<sup>243</sup> The two additional pipelines (3 & 4) will run most likely in parallel to the already existing Nord Stream I pipelines (1 & 2) across the

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<sup>239</sup> “Memorandum of Understanding on the reinforced Baltic Energy Market Interconnection Plan ‘BEMIP,’” *European Commission*, June 8, 2015, [https://ec.europa.eu/energy/sites/ener/files/documents/BEMIP%20Memorandum%20of%20Understanding\\_2015.pdf](https://ec.europa.eu/energy/sites/ener/files/documents/BEMIP%20Memorandum%20of%20Understanding_2015.pdf).

<sup>240</sup> “We have made Lithuania an offer to supply gas to co Latvenergo,” *ELTA NE*, August 28, 2015, <http://m.en.delfi.lt/nordic-baltic/article.php?id=68855604>.

<sup>241</sup> For a thorough analysis, read: “Improving the security of energy supply by developing the internal energy market: more efforts needed, Special Report No. 16,” *European Court of Auditors*, 2015, <http://www.eca.europa.eu/sv/Pages/DocItem.aspx?did=34751>.

<sup>242</sup> For details on the project and in particular its implications for Ukraine as a transit country, see the discussion in: Annika Hedberg, “Nord Stream II – Testing EU unity and credibility, Commentary,” *European Policy Centre*, December 16, 2015, [http://www.epc.eu/documents/uploads/pub\\_6189\\_nord\\_stream\\_ii\\_testing\\_eu\\_unity\\_and\\_credibility.pdf](http://www.epc.eu/documents/uploads/pub_6189_nord_stream_ii_testing_eu_unity_and_credibility.pdf).

<sup>243</sup> For a critical assessment of the project, see: Alan Riley, “Nordstream 2: Too Many Obstacles, Legal, Economic, and Political to be Delivered?” *Issue Brief, Atlantic Council*, November 2015, [http://www.atlanticcouncil.org/images/publications/Nordstream\\_2\\_web\\_1125.pdf](http://www.atlanticcouncil.org/images/publications/Nordstream_2_web_1125.pdf). For details on the project from the Russian side, see: “Gazprom and OMV address preparations for Shareholders’ Agreement on Nord Stream 2,” *Gazprom*, August 28, 2015, <http://www.gazprom.com/press/news/2015/august/article245141/>. See also: “Head of OMV pledges Nord Stream-2 will be built in compliance with Third Energy Package,” *TASS*, November 9, 2015, <http://tass.ru/en/economy/834867>.

Baltic Sea floor. The participating companies and the countries of residence that look ready to fully support the project, first and foremost Germany, but also France and Austria, have argued that the project is of purely economic nature and will help the EU meet the energy needs from 2020 onwards. It is understandable that Germany, in light of the *Energiewende* that it is implementing, has a significantly greater demand, and needs to find ways of promoting the switch from nuclear power to alternative energy sources, but it cannot be disregarded that it places both Germany, and also the EU as a whole in a potentially vulnerable position *vis-à-vis* Russia and its natural gas champion Gazprom.<sup>244</sup> Germany wins an important new role in the supply chain by turning itself into a major transit country by virtue of importing the gas directly from Russia, which can then be channelled *via* reverse flow to the rest of the EU and even Ukraine.

There are, however, a considerable number of negative implications that must be considered and openly discussed with the German government and other stakeholder countries.<sup>245</sup> During and after the implementation phase, the Nord Stream II project will pose concrete challenges and threats for Latvia and the EU and even Baltic Sea region and European security. First of all, the pipeline construction will most likely use German and Swedish islands as a base.<sup>246</sup> While this may not be a problem for Germany, and indeed a strong incentive for the government in Berlin to support the project as it creates a considerable number of jobs and revenue for one of the federal *Länder*, Mecklenburg-Vorpommern, it does pose a potential problem for Sweden and the Baltic region. The Swedish island Gotland served previously as a base for the construction of Nord Stream I.<sup>247</sup> The fact that the island has been virtually demilitarised, that Sweden is not a NATO member country, and that it is located in

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<sup>244</sup> See details on the discussions that took place already in June 2015: Andrew Rettman, "Pipeline 'disinformation' prompts EU division," *EUobserver*, June 21, 2015, <https://euobserver.com/foreign/129210>.

<sup>245</sup> That the project is being pushed by Gazprom should also be a reason for concern, see: Judith Hecht and Eduard Steiner, "OMV: Mit Siebenmeilenstiefeln zur Nord Stream," *Die Presse*, October 21, 2015, [http://diepresse.com/home/wirtschaft/economist/4849039/OMV\\_Mit-Siebenmeilenstiefeln-zur-Nord-Stream](http://diepresse.com/home/wirtschaft/economist/4849039/OMV_Mit-Siebenmeilenstiefeln-zur-Nord-Stream).

<sup>246</sup> For some details on the modalities of the construction of Nord Stream I, see Nord Stream AG's own information on the pipelines, [http://www.bsh.de/de/Meeresnutzung/Wirtschaft/Rohrleitungen/Nord\\_Stream\\_Gas\\_Pipeline/Antragsunterlagen/B22/04\\_Usedom\\_Offshore.pdf](http://www.bsh.de/de/Meeresnutzung/Wirtschaft/Rohrleitungen/Nord_Stream_Gas_Pipeline/Antragsunterlagen/B22/04_Usedom_Offshore.pdf).

<sup>247</sup> Read the information by Nord Stream on the previous use of Gotland as a base for the construction period: "Port of Slite, Gotland to become a logistics centre for the construction of Nord Stream," *Nord Stream*, July 13, 2007, <https://www.nord-stream.com/press-info/press-releases/port-of-slite-gotland-to-become-a-logistics-centre-for-the-construction-of-nord-stream-147/>.

an important geostrategic corner of the Baltic Sea<sup>248</sup> which is of direct relevance for the Allied assistance to the Baltic states in the event of any attack<sup>249</sup> means that there are also practical questions to be asked concerning the hard security implications of the project and the bases and modalities of the construction of Nord Stream II.<sup>250</sup> In addition, the project will necessarily have an impact on the maintenance of the EU's sanctions against Russia that concern the energy sector more broadly speaking. Gazprom is known to strike package deals in the development of its business activities, which have political and even geopolitical consequences.<sup>251</sup> Latvia and its Nordic and Baltic partners as well as Poland (and through Poland the Visegrad 4) have a crucial role to play in raising the different dimensions of the problem, and in ensuring that not just the economic and energy market aspects are considered. Concrete measures will have to be taken to obtain a commitment from the countries that participate and will benefit from the pipeline to limit any negative security implications for the Baltic states and the whole of the Baltic Sea region, but also for Ukraine, Belarus and the other Eastern neighbours.

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<sup>248</sup> For details about the current status, see: "Sweden's Defence Policy 2016–2020," *Swedish Government*, June 1, 2015, [http://www.government.se/globalassets/government/dokument/forsvarsdepartementet/sweden\\_defence\\_policy\\_2016\\_to\\_2020](http://www.government.se/globalassets/government/dokument/forsvarsdepartementet/sweden_defence_policy_2016_to_2020). Worth noting is that already before the first two pipelines were built, strong security concerns were raised in the Swedish Parliament, see: "Svar på skriftlig fråga 2008/09:154. Säkerhetspolitisk risk med gasledningen," *Riksdagen*, November 11, 2008, [http://www.riksdagen.se/sv/Dokument-Lagar/Fragor-och-anmalningar/Svar-pa-skriftliga-fragor/Sakerhetspolitisk-risk-med-gas\\_GW12154/](http://www.riksdagen.se/sv/Dokument-Lagar/Fragor-och-anmalningar/Svar-pa-skriftliga-fragor/Sakerhetspolitisk-risk-med-gas_GW12154/). See also the question with concerns about Slite harbour which the Nord Stream consortium had offered to build on Gotland in preparation for the start of construction work: "Skriftlig fråga 2008/09:242. Förberedelser för förstörelse av en utbyggd Slite hamn," *Riksdagen*, November 13, 2008, [http://www.riksdagen.se/sv/Dokument-Lagar/Fragor-och-anmalningar/Fragor-for-skriftliga-svar/Forberedelser-for-forstorelse-\\_GW11242/](http://www.riksdagen.se/sv/Dokument-Lagar/Fragor-och-anmalningar/Fragor-for-skriftliga-svar/Forberedelser-for-forstorelse-_GW11242/).

<sup>249</sup> For a detailed discussion of Sweden's current security situation and defence capabilities, see: Barbara Kunz, "Sweden's NATO Workaround. Swedish security and defense policy against the backdrop of Russian revisionism," *Focus stratégique* 64 (2015), <http://www.ifri.org/publications/enotes/focus-strategique/swedens-nato-workaround-swedish-security-and-defense-policy>.

<sup>250</sup> Concerns about Gotland's vulnerable position were already raised in 2011 by the current Swedish Defence Minister (who was sitting in opposition then) in the Swedish Parliament, see: "Skriftlig fråga 2010/11:631 Säkerhetspolitiska läget kring Gotland," *Riksdagen*, July 7, 2011, [https://www.riksdagen.se/sv/Dokument-Lagar/Fragor-och-anmalningar/Fragor-for-skriftliga-svar/Sakerhetspolitiska-laget-kring\\_GY11631/](https://www.riksdagen.se/sv/Dokument-Lagar/Fragor-och-anmalningar/Fragor-for-skriftliga-svar/Sakerhetspolitiska-laget-kring_GY11631/).

<sup>251</sup> One such important asset swap was discussed in the German Parliament in late September 2015, for details, see: "Kleine Anfrage Geplanter Asset-Tausch zwischen BASF bzw. Wintershall und Gazprom, *Drucksache* 18/6349," *Deutscher Bundestag*, September 30, 2015, <http://dip21.bundestag.de/dip21/btd/18/063/1806349.pdf>.

## SOLIDARITY IN ACTION, NOT JUST IN WORDS

Security through solidarity has been the main guideline for Latvia's defence and security policy throughout 2015, both within NATO and within the EU. It was an important commitment that Latvia made, together with Estonia and Lithuania, to meet the target of spending at least 2% of the Gross Domestic Product on defence in the near future.<sup>252</sup> It is equally important for Latvia to further strengthen the security and defence cooperation with Estonia and Lithuania *within the Baltic region*. The role of the United States, bilaterally and within the Alliance is undeniable. There is also no doubt about the fact that the Allied presence in Latvia and the Southern Baltic rim neighbours will make an important contribution to developing more effective deterrence and collective defence capabilities in the Baltic Sea region that can stand up to any challenges from the Russian side.

At the same time, it is important to acknowledge that Finland and Sweden are NATO partners that nevertheless remain outside of the alliance are, together with NATO members Denmark, Poland and even Germany, important cooperation partners that are absolutely vital to ensure stability and security in the Baltic Sea region.<sup>253</sup> During 2015, the discussions in Finland and, in particular in Sweden, about both country's possible accession to NATO have gained traction, but the fact remains that the current governments of both countries do not foresee any movement on this issue.<sup>254</sup> At the same time, especially Sweden's territory and geographic location is of great strategic importance for the Alliance, and Latvia's traditional close political relations with Sweden will need to serve also as a means of bridging the gap between NATO and the two Nordic countries. Sweden made during 2015 a commitment to substantially deepen and enhance its military cooperation with Finland. The missing link remains between the two countries and the states located on the Southern Baltic Sea coast.

Despite, or perhaps precisely because of the practical complications of Swedish and Finnish non-participation in NATO's military planning (at least not within the formal structures), it is vital for Latvia to continue its bilateral consultations on security and defence with Stockholm and Helsinki and to develop enhanced cooperation agreements and structures within the Nordic-Baltic+ forums. Indeed,

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<sup>252</sup> "Prime Ministers' Council of the Baltic Council of Ministers Joint Statement," December 14, 2015.

<sup>253</sup> See the reports and assessment provided by: Kunz (2015); Wieslander (2015); Lucas (2015).

<sup>254</sup> This has repeatedly been confirmed by Foreign Minister Wallström and Swedish Defence Minister Peter Hultqvist, see e.g.: "Sweden's foreign minister in Vilnius: NATO membership would diminish defence cooperation with Finland," *Delfi*, October 9, 2015, <http://m.en.delfi.lt/nordic-baltic/article.php?id=69229536>.

Latvia has an important role to play as a bridge builder and facilitator, together with its Baltic partners and Poland. In this context, it is also relevant to consider that Sweden and Poland have expressed their commitment to developing their security and defence cooperation at the bilateral level. Bringing the web of bilateral commitments together in a closer Baltic Sea region cooperation would also help manage the insider *versus* outsider dilemma regarding NATO within the region.

An area of concern that Latvia will have to work and make progress on in 2016 is that the solidarity commitments in the European Union continue to be clearer in words than in actions. In addition to continuing the work within NATO, it is therefore of paramount importance that Latvia takes and plays an active role in the development of more concrete consultation mechanisms with a view to developing a clear joint understanding, at least within the Baltic Sea region, of how each of the Nordic and Baltic countries, (also Germany and Poland) can and will give civil and military assistance in the event of a crisis or attack. The French invocation of Article 42.7 of the Lisbon Treaty has shown that solidarity commitments take time to negotiate between EU member states. Especially with regard to Sweden and Finland, it is important for Latvia (and Lithuania and Estonia) to know what kind of assistance can be expected and in what form, both concerning the civil and the military side.

In contrast to the joint planning pursued within NATO, the EU has yet to develop any effective advanced contingency planning structures and mechanisms to prepare for unforeseeable and even the unthinkable scenarios. Considering the fact that neither Sweden nor Finland are NATO members, but are at the same time geographically close, geostrategically important and crucial cooperation partners that could potentially lend Latvia and its neighbours important assistance, it is absolutely vital that more effort is invested in developing concrete plans for how the mutual solidarity that is enshrined in the Lisbon Treaty of the EU can be enacted in practice. The great advantage in the Baltic Sea region is that existing political consultation structures can serve as building blocks for deeper and more concrete joint planning. They also have the advantage of including Norway, an EU outsider, with the capacity to contribute both to civil and military assistance. The joint planning for instances of solidarity should start with Latvia becoming familiar with the civil-military cooperation structures and decision-making as well as implementation mechanisms in each of the Baltic Sea region state, including Norway. At the micro level, concrete discussions should be initiated between government ministries and other relevant actors in each state with their Latvian equivalent to gain a clear understanding of how and under what circumstances and to what extent the delivery of assistance is possible. It is not sufficient that the solidarity principle enjoys political support in principle. In order to serve any purpose in practice, Latvia

has to ensure that it knows where it stands with its neighbours concerning concrete solidarity needs and commitments. This will, however, also require Latvia to discuss at the national level in a broad consultation with all stakeholders what any external assistance could consist in, and where the national capacities and structures have to be adapted so that it can both give and take assistance in the spirit of solidarity.

In sum, much remains to be done in 2016 for Latvia in the Baltic Sea region context, but it is the firm conviction of the author that Latvia will stand strong and achieve its foreign and security objectives best, if it engages in close constructive cooperation with its regional partners to develop concrete practical measures to back up the political initiatives that have been taken in 2015. This is best done, first and foremost with Latvia's Baltic neighbours, but also within the Nordic-Baltic cooperation forums, which can bridge the gap between NATO and EU insiders and outsiders. Also, the cooperation with Poland and Germany must be pursued further in 2016. Both countries are key to ensuring higher political visibility and practical impact. All regional partners and alliances are important for Latvia to prepare for the foreseeable challenges and even the unthinkable threats.



# SECURITY CHALLENGES AND INTERESTS OF SMALL PERIPHERAL MEMBER STATES IN THE EU: BALTIC STATES IN THE DEBATES OVER A NEW PACT FOR EUROPE

Viljar Veebel & Illimar Ploom

The history of European integration has repeatedly witnessed its bigger and more influential member states to have initiated and imposed cooperation in different policy areas at the EU level. Therefore, it is no wonder that discussions on the role and impact of smaller EU countries have intensified during the negotiation of foundational treaties. In particular, this has been the case with the three most recent treaties such as the Nice Treaty in force since 2003, the Constitutional Treaty signed in 2004 but never ratified by all member states, and the Lisbon Treaty in force since December 2009.

Today, the tensions have been rising in the EU around the disputes concerning refugee quotas. The latter have met strong resistance and the refugee crisis has seen *ad hoc* fence building by the Czech Republic, Slovakia, Hungary and Romania. Meanwhile, the Baltic countries have accepted the European schemes for reallocation and resettlement of asylum seekers despite some notable public resistance at the national level. Especially as long as the securitisation argument has been used by the political elites, one can argue that the Baltic countries have consciously chosen the role of passive policy taker in the EU foreign and security policy. In this light, the present study addresses the question whether being a policy taker in the field of foreign and security policy is a sensible choice for the Baltic countries in the current security situation. That, in turn, brings us to the question of how could small and peripheral EU member states, including the Baltic countries, better represent their national interests internationally.

On top of these questions, there emerges also a wider question about the quality of the democratic process, both in the member states and between them on the EU level. As will be argued, there are palpable controversies involved, the understanding of which is highly relevant to meaningfully discuss the functioning of the EU at large. For it is not merely the question about the role of small peripheral member states in the policy deliberations, but about the character of the EU and its democratic vitality. Passive peripheral member states may appear as suitably malleable to the larger partners in specific situations but, as will be argued, this *modus vivendi* may deprive the Union both of its democratic values and its supranational ethos. In all these regards, the newest EU-wide project, the New Pact for Europe<sup>255</sup> provides a useful background for further discussions on reform proposals regarding the strategic options for Europe's future.

## ARE SMALL EU MEMBER STATES IN A POSITION TO INFLUENCE THE EU POLICIES? THEORETICAL DEBATES AND PRACTICAL EXPERIENCE

In parallel with the deepening and widening of the European integration, intensive debates on the balance of powers between the EU core countries and small and peripheral member states have taken place. Nevertheless, as to the recent developments in the debates, they do not focus solely on the representation of member states in the EU institutions. Rather, they concentrate on the tendency of the core countries of the EU of making decisions on crucial issues outside the institutional framework of the Union, thereby pushing aside their smaller and less influential partners.

In academic discussions, the difficulties of small member states in pushing through their national policies at the European level have been addressed already from the early 2000s. Hanf and Soetendorp<sup>256</sup> discuss the willingness of political decision-makers to adopt the EU dimension in domestic policy-making; Thorhallsson and Wivel<sup>257</sup> study how the behaviour of small states in the EU is affected by the union's

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<sup>255</sup> More information could be obtained in *New Pact for Europe* (2015), <http://www.newpactforeurope.eu/>.

<sup>256</sup> K. Hanf and B. Soetendorp, *Adapting to European Integration: Small States and the European Union*, (Longman, 1998).

<sup>257</sup> B. Thorhallsson and A. Wivel, "Small States in the European Union: What Do We Know and What Would We Like to Know?" *Cambridge Review of International Affairs*, Vol. 19, No. 4 (December 2006).

political system and the actions of other actors; Panke<sup>258</sup> discusses the bargaining power of small countries, their disadvantages and both strategies and conditions to succeed, etc. The authors often conclude that small EU countries face structural disadvantages in uploading national policies to the EU level, since they have less administrative and technical resources and less bargaining power.

As to the foreign, security and defence policy, it is an area where the EU core countries have been particularly successful in shaping the respective guidelines at the EU level.<sup>259</sup> In the 1970s, closer coordination in the area of foreign policy (and political cooperation in Europe) has been initiated by the agreement between Germany and France. And later on, while the initiative was formulated already in the Treaty of the European Union in 1992,<sup>260</sup> what has driven the common foreign policy initiative forward was a change in the position of the United Kingdom in 1998. In the early 2000s, the leading role of the so-called Big Four – France, the United Kingdom, Germany and Italy – has been recognised in the EU foreign policy decision-making, performing this together with the most influential transatlantic partner, the United States.<sup>261</sup> Today, in the light of the Russian-Ukrainian conflict and the EU-wide refugee crisis, it has been the duo of Germany and France who have together with the European Commission taken the formal leadership at the EU level in setting priorities and offering solutions to the challenges.

However, at this point the problems arise. Whereas the German-French leadership has met wide acceptance by the EU member states during the Ukrainian crisis and the Minsk negotiations, the support for the strategies suggested by German and French politicians to cope with the EU-wide refugee crisis is far from unanimous. The calls of the EU core countries for greater solidarity have experienced strong opposition particularly in the Visegrád group countries. The latter have pointed their fingers at Germany and claimed that the refugees do not want to live in countries like Hungary, Poland or Estonia, but want to go to Germany. Citing the notorious Hungarian Prime Minister Viktor Orban, this makes it “not a European problem, but

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<sup>258</sup> D. Panke, “Dwarfs in International Negotiations: How Small States Make Their Voices Heard,” *Cambridge Review of International Affairs*, Vol. 25, No. 3 (2012). D. Panke, *Small States in the European Union. Coping With Structural Disadvantages* (Farnham: Ashgate Publishing, 2010).

<sup>259</sup> A. Wivel, A.J.K. Bailes, C. Archer, “Setting the scene: small states and international security,” in *Small States and International Security: Europe and Beyond*, 2014, 9. S. Nasra, “EU foreign policy after Lisbon: what role for small state diplomacy?” *E-International Relations*, 14 August 14, 2011, <http://www.e-ir.info/2011/08/14/eu-foreign-policy-after-lisbon-what-role-for-small-state-diplomacy/>, 1.

<sup>260</sup> A. Wivel, A.J.K. Bailes, C. Archer, (2014), 9.

<sup>261</sup> C. Gegout, “The Quint: Acknowledging the Existence of a Big-Four – US Directoire at the Heart of the European Union’s Foreign Policy Decision-Making Process,” *Journal of Common Market Studies*, Vol. 40, No. 2 (June 2002): 331–334.

a German problem”.<sup>262</sup> Drawing on the relatively widespread opposition among the population of the CEE countries to the intake of refugees, the governments of the Visegrád countries together with the Baltic States pronounced more or less overtly their critical views towards the emerging refugee policy. This has meant that the CEE countries have come in for a lot of criticism for not being ready to share the burden of refugees. The situation has become even more tense following the proposals of the German interior minister, Thomas de Maizière to reduce EU subsidies to those member states that oppose the EU refugee quotas<sup>263</sup> and the suggestion of the European Commission to impose financial penalties on the member states that oppose the resettlement of refugees.<sup>264</sup>

As to the most recent developments, despite the “no”-votes from the Czech Republic, Slovakia, Hungary, and Romania, and the Finnish abstention, the interior ministers of the EU have taken decisions in September 2015 to relocate 160 000 refugees from Greece and Italy. Hungary and Slovakia plan to file a charge at the European Court of Justice against the refugee quota schemes in December 2015.<sup>265</sup> Against this backdrop, a situation has arisen where more influential countries such as Germany and France and the EU institutions are dictating EU level policies at the expense of the smaller member states, thus leaving them a role of passive policy takers. This raises a question of whether less influential EU member states may be required to implement decisions that meet significant opposition at the national level and whether it could pose any security risks to them. What makes it particularly intriguing is that the Baltic governments have linked the acceptance of the refugee quotas with the security guarantees provided by the allies, using the argument that “if we want to be protected by the allies, we have to accept refugees” (see e.g. the statements of the Commander of the Estonian Defence Force, Riho Terras). Similar statements have been made by the Latvian Foreign Minister Edgars Rinkēvičs who has warned that refusal to relocate refugees might lead the country

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<sup>262</sup> ““Refugee crisis is a problem for Germany, not Europe,” Hungarian Prime Minister claims,” *Independent*, September 16, 2015, available: <http://www.independent.co.uk/news/world/europe/refugee-crisis-is-a-problem-for-germany-not-europe-hungarian-prime-minister-claims-10484284.html>, 1.

<sup>263</sup> “Europe starts putting up walls,” *The Economist*, September 19, 2015, <http://www.economist.com/news/europe/21665032-germany-and-other-countries-reimpose-border-controls-europe-starts-putting-up-walls>.

<sup>264</sup> “Fact Sheet: Refugee Crisis: European Commission takes decisive action – Questions and answers,” *European Commission Press Release Database*, September 9, 2015, [http://europa.eu/rapid/press-release\\_MEMO-15-5597\\_en.htm](http://europa.eu/rapid/press-release_MEMO-15-5597_en.htm), 1.

<sup>265</sup> “Slovakia to challenge Brussels in court over migrant quotas,” *Financial Times*, September 30, 2015, <http://www.ft.com/intl/cms/s/0/c14e24e0-6774-11e5-a57f-21b88f7d973f.html#axzz3sajgs69f>. “Hungary to challenge refugee quotas in EU court,” *EUobserver*, September 18, 2015, <https://euobserver.com/migration/131158>.

in an international isolation,<sup>266</sup> and the Vice-speaker of the Lithuania's Seimas and the chairman of the Committee on European Affairs Gediminas Kirkilas suggesting that "if Lithuania expects help from others when necessary, it also should provide help to those in need".<sup>267</sup>

Thus, following the logic of securitisation theory (see, e.g. van Munster,<sup>268</sup> Šulovic,<sup>269</sup> etc.), the refugee crisis has been presented by the local political elite as a matter of securitisation. This means that opposition to the refugee quotas has been described as an existential threat, because it could lead to the isolation of a country from the international community, to the loss of the NATO security network and to the exposure to security threats from Russia. At first sight, this seems to be reasonable since the Baltic countries have linked security of the region closely with a full integration to the European and transatlantic security networks, such as the EU and NATO. However, in a general context, the securitisation approach automatically makes the Baltic countries passive policy takers who accept the decisions of their allies without further discussions, instead of being active policy makers by themselves both at the European and international levels. Moreover, we are talking here about a conscious choice to be passive rather than a lack of administrative or technical capacities.

A similar strategy – to present itself as a policy taker in a partial *force majeure* situation following the logic discussed by Katzenstein,<sup>270</sup> Pierson<sup>271</sup> and others – combined with disparaging of the opposition in the media has proved successful at the national level when the Estonian government was implementing austerity reforms during the recent global financial crisis. Despite the painful austerity measures taken by the Estonian government in 2008–2011, the government succeeded to maintain its public support. However, this strategy seems not to work as smoothly anymore and several security risks could be named that are related to the country's passive role in European level policy making. Thus, it seems justified to ask whether it is actually in the best interests of the Baltic countries to rely on this kind of argument.

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<sup>266</sup> "Latvia has most negative attitude towards refugees in EU," *The Baltic Times*, September 14, 2015, [http://www.baltictimes.com/latvia\\_has\\_most\\_negative\\_attitude\\_towards\\_refugees\\_in\\_eu/](http://www.baltictimes.com/latvia_has_most_negative_attitude_towards_refugees_in_eu/), 1.

<sup>267</sup> "Lithuania's approach to refugees: History, compassion and solidarity," *EurActive*, September 25, <http://www.euractiv.com/sections/justice-home-affairs/lithuanias-approach-refugees-history-compassion-and-solidarity-317971>.

<sup>268</sup> R. van Munster, R. *Securitizing Immigration* (Palgrave Macmillan, 2009).

<sup>269</sup> V. Šulovic, "Meaning of Security and Theory of Securitization," *Belgrade Centre for Security Policy*, October 5, 2010, [http://www.bezbednost.org/upload/document/sulovic\\_%282010%29\\_meaning\\_of\\_secu.pdf](http://www.bezbednost.org/upload/document/sulovic_%282010%29_meaning_of_secu.pdf).

<sup>270</sup> P. Katzenstein, *Corporatism and Change* (New York: Cornell University Press, 1985).

<sup>271</sup> P. Pierson, "The new politics of the welfare state," *World Politics*, Vol. 48, No. 2 (1996): 143–179.

## THE IMPACT OF PASSIVITY ON THE DEMOCRATIC PROCESS IN THE EU

As referred to at the outset, it is not merely the smaller countries that are affected by this problem of passivity but the EU as a whole. Indeed, this wider perspective is what makes it of such pertinence. The question is about democracy and inclusiveness in the Union. At this juncture, it is vital to recall the fact that in a historical and practical sense it is not primarily the EU that carries democratic inheritance but rather the member states. One could even say that the EU is democratic to the extent to which its member states carry that ideal. This is also the reason why democracy deficit is so apparent at the EU level whereas the member states (as nation states) can be seen as the foremost bulwarks of democracy (e.g. Siedentop<sup>272</sup>). This is not to deny the centrality of democratic values to the EU as such. On the EU level, there is added yet another dimension to the democratic edifice. From this perspective, it is rather to bring attention to the character of the relationship between the partners, which, mirroring the democratic aspirations should rise above the usual dominance of bigger countries in inter-national relations. In the EU, the member states should be taken as equals.

Thus, in this context, in case smaller member states are pushed aside when deciding on big, even if acute, issues, there arises not only a danger of alienating the citizens of those member states but also of hampering the quality of equal partnership defining the ethos of the whole European Union. This is probably most clearly revealed in issues of economic well-being where e.g. the EU periphery had to witness relatively harsher consequences of the austerity measures.

Still, a new and yet more controversial angle is making its appearance when turning to the issue of the recent wave of mass immigration into the EU and especially the refugee question therein. The question of democracy can be divided here into two aspects. The first one touches upon the right to asylum, a core democratic value upheld in the European Union (Article 18, EU Charter of Fundamental Rights). The second one concerns the democratic process in the member states whereby its governments acquire legitimacy to their status and action.

From the first glance, the issue is relatively straightforward. For a functioning democracy one needs to preserve the well-being of both – the rights of asylum seekers as belonging to the fundamental values protected by the mechanism of the rule of law, and the rights of the citizens of members states to be able to sensibly participate and be heard of in the democratic debates over all issues, but especially

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<sup>272</sup> L. Siedentop, *Democracy in Europe* (London: Penguin Books, 2000).

the sensitive ones. In case the fundamental rights are having a secure place in the laws of the member states and in the views of their citizens, there need not emerge any serious problem. Thus, despite remarkable opposition to the refugee policies of their governments and the extraordinarily large number of asylum seekers, the democratic majorities of the old member states tend still to hold firm to the rights of the latter. The issue is far more complicated in the new member states where the political elites show a much more ambivalent attitude, attempting simultaneously to please their partners while staying responsive to the voice of their people whose majorities are not so friendly to the refugees, let alone other immigrants. Indeed, several CEE governments have preferred to align along the majorities arising from their national democratic process over the fundamental rights. Whatever could be said about the democratic credentials of the elites of those CEE countries opposing refugee quotas, it is also clear that it is equally impossible to simply ignore the democratic process.

Therefore, the problem is twofold. In terms of democratic values (including those concerning the rights of asylum seekers) the new democracies of the CEE region tend to markedly differ from the old member states. At the same time, the old (and especially the bigger) member states tend to be dismissive about the democratic process of their new partners.

In order to explain the problem, putting it succinctly, one might assert that the new countries are still on their way of becoming true nation states where upholding of rather nationalistic values need yet to give way to patriotism of a more liberal tenor that is based on citizenship. This can at least partly be imputed to the history of the CEE countries with severe traumas the most recent of which were left by the Soviet colonialism.

Similarly, and perhaps curiously, the EU as a whole and its old member states are still on their way to appreciate the importance of the equality of all partners and respect the national democratic processes. Without the latter, the political elites and the whole political process would lose its legitimacy. It is understandable that the question of refugees needs a prompt solution. Yet, the only legitimate way to discuss the refugee quotas is to respect the public democratic discussions. In this regard, the disparaging language towards opponents does not look a promising tool. For, as will be argued, a significant proportion of the current problem in CEE countries of welcoming the refugees can be attributed to the failure of leadership. A delicate issue such as the one concerning refugees has not been properly discussed by the national political elites but rather ignored, if not escaped from, and thus the debate is defined by the parties of more radical nationalist colours.

Thus, on the EU level the question is about the character of the association. Will the EU be able, at these turbulent times, not to lose its unique qualities in pooling the sovereignties into a supranational arena that is built on a full mutual respect and equality of the member states?<sup>273</sup> Or will it find itself be rather pushed towards an old-style international playground where the bigger members naturally dominate over smaller ones?

## SECURITY RISKS RELATED TO BECOMING A PASSIVE POLICY TAKER: HOW TO AVOID THE LOSS OF CREDIBILITY AT THE NATIONAL LEVEL?

Following the discussion above, the authors argue that what is at stake here is the question about the form and content of democracy. As the ensuing argument shows, next to the wider connotations there are also serious legitimation problems haunting the political elites of the small member states.

The way the authors see it, security risks related to the country's passive role in defending and pushing through their national policies at the European level can lead to two different outcomes: a) passive and rather predictable behaviour diminishes the bargaining power of a country in the eyes of other EU member states, especially in situations where there is an urgent need to protect national positions at the EU level, and b) the role of passive policy taker at the EU level leads to the loss of credibility of national governments at the local level. Both outcomes are potentially leading to legitimation problems, the first on a European level and the second on the national level. This section focuses on the latter aspect.

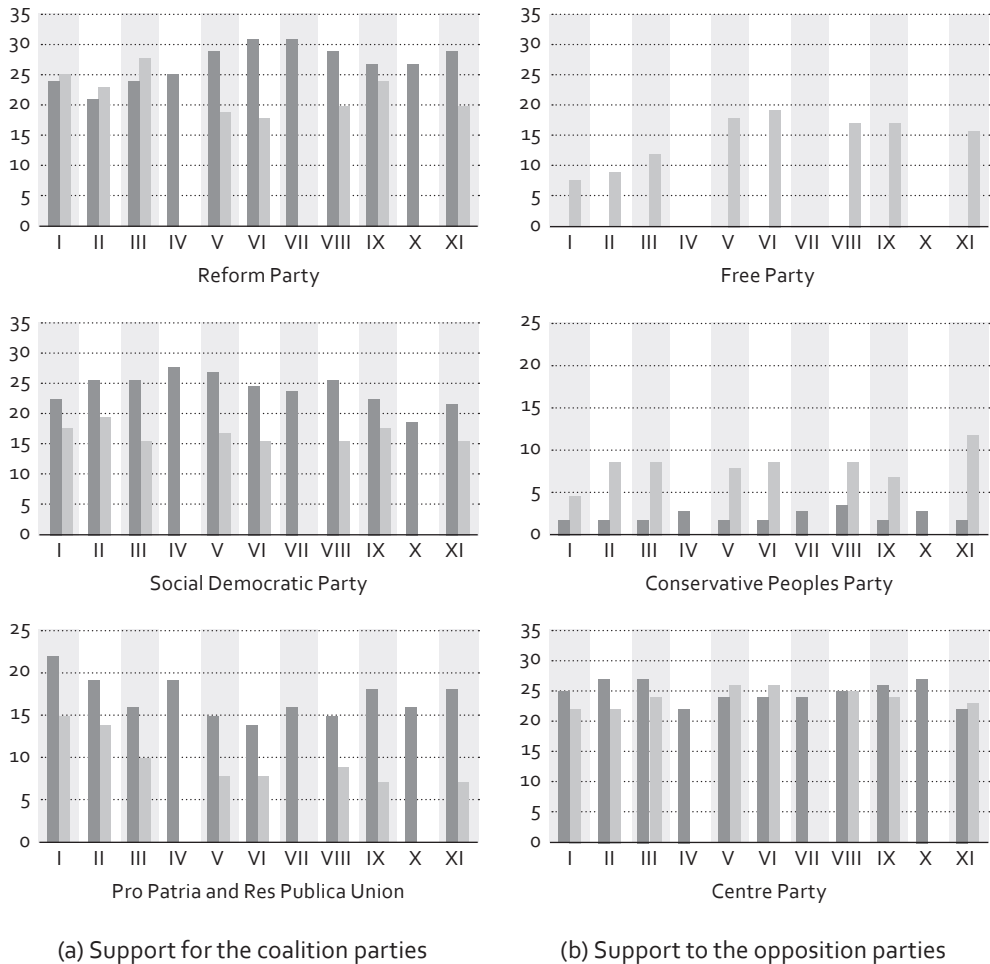
The first signs of the loss of credibility of a national government have already emerged in Estonia after the outbreak of the refugee crisis and the step-by-step concession of the Estonian government to the pressure to accept the European relocation and resettlement schemes. The government did not take a leading role in these questions, staying on an ambivalent position. According to the public opinion polls in Estonia, support for the coalition parties – the Estonian Reform Party, the Social Democratic Party, and the Pro Patria and Res Publica Union – has decreased remarkably in 2015 compared to the respective numbers in 2014 (Figure 1, Panel (a)), whereas support for the opposition parties – particularly

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<sup>273</sup> Joseph H.H. Weiler, *The Constitution of Europe: "Do the New Clothes Have an Emperor?" and Other Essays on European Integration* (Cambridge: Cambridge University Press, 1999).



the Free Party and the Conservative Peoples Party – has seen a veritable increase (Figure 1, Panel (b)).



**Figure 1. Support for the local political parties in Estonia**

■ Jan–Nov 2014 and ■ Jan–Nov 2015, %. Source: TNS EMOR (2015; in Estonian).<sup>274</sup>

The sharp drop in the support for the coalition parties could be partially imputed to the voters’ cyclical behaviour,<sup>275</sup> and to a series of bad decisions, failed policies, the

<sup>274</sup> “Erakondade toetusreitingud,” TNS EMOR, 2015, <http://www.emor.ee/erakondade-toetus/>.

<sup>275</sup> The cyclical behaviour of voters refers to a situation where in certain periods individuals focus on the public welfare (as, e.g. the overall economic stability), but in other periods they consider their own interests as a priority (personal welfare, etc.).

unsavoury political struggle and corruption scandals at government level. However, the impact of the EU-wide refugee crisis should not be underestimated. Recent public opinion surveys in Estonia indicate a strong opposition to the decisions taken by the government with regard to the refugee policy. On the other hand, these results can be seen as mirrored in the increase of support for the Conservative Peoples Party, representing the most radical view towards the refugee quotas among the Estonian political parties. Another opposition party, the newly-founded Free Party, has expressed its support to the conservative refugee policy hitherto prevailing in Estonia. As it views the matter, this policy should be based on the need for qualified labour force, and while accepting refugees, the capability of the countries to integrate them should be taken into account. This also means that internal agreement is reached in the society avoiding the rise of radicalism.

However, the refugee policy is not the only problem. Indirectly, the general failure of the Baltic governments in representing their national interests at the EU level is reflected by the fact that according to the Standard Eurobarometer survey from spring 2015, in Estonia only a minority (27% of the respondents) feels that their voice counts in the EU, compared to the EU-average (42%). The respective numbers in Latvia are 23% and in Lithuania 34% of the respondents.<sup>276</sup>

In Estonia, in turbulent times – knowing that the country is currently facing a pessimistic economic outlook and to some extent a period of political instability – the outside pressure on the government to agree with the EU refugee quotas without broad public support could give rise to a further increase in instability at the national level. In other words, the failure to defend their national positions at the EU level combines here with some serious lack of communication (in terms of leading a public debate) and the disparaging of the opposition in Estonia. As a paradoxical outcome, people can be seen to be afraid of the government's actions rather than opposing the intake of refugees. Nevertheless, in theory, this involves risks and hazards to the national security. Under current circumstances, the securitisation argument whereby the acceptance of refugee quotas is directly linked to the security guarantees provided by the allies on the international stage, does not appear thoroughly credible, too. In fact, the allies can be seen here to act much more wisely compared to the Estonian government when keeping the two debates separated. According to Sir Adrian Bradshaw, different positions among the allies as to responding to the refugee crisis do not reduce their contributions in terms of NATO collective security measures.<sup>277</sup>

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<sup>276</sup> "Public opinion in the European Union," *Standard Eurobarometer* 83, Spring 2015, [http://ec.europa.eu/public\\_opinion/archives/eb/eb83/eb83\\_publ\\_en.pdf](http://ec.europa.eu/public_opinion/archives/eb/eb83/eb83_publ_en.pdf), 146.

<sup>277</sup> "NATO: erimeelsused rändekriisi osas ei mõjuta kollektiivkaitset," *Postimees*, September 20, 2015, <http://maailm.postimees.ee/3334497/nato-erimeelsused-randekriisi-osas-ei-mojuta-kollektiivkaitset>.

Altogether, to restore the credibility of national governments in the light of the current refugee crisis and the EU-wide reallocation schemes, the democratic legitimation logic at the national level should be followed. As was argued above, this would also be in the interests of the EU at large. What makes the refugee topic a complex one, the immigration of third-country nationals has so far been within the competence of the EU member states and not of the EU itself. Before the current refugee crisis, the relevant provision (Paragraph 78/3) has not been used, and urgent matters have been solved by providing the member states financial or operative aid. However, the refugee crisis in Europe has been defined by the EU leaders as a matter of common concern and the migration quotas have been applied, presenting thus a major step in transferring this competence to the EU. This only re-emphasises the need to proceed with fully appreciating national democratic debates.

## HOW TO AVOID THE LOSS OF BARGAINING POWER AT THE EU LEVEL: THE SUCCESS FACTORS

It is clear that the intergovernmental relations among the member states must be put on a surer footing, respecting the equality of partners. Nonetheless, this does not mean that the reality of being a small country with limited resources can be entirely neglected. The present section attempts to offer one possible way to overcome these weaknesses.

Several academic studies have tried to map the factors, which guarantee successful representation of a small EU country at the international level. Among other strategies, the idea of a “smart state” seems to be particularly interesting. According to a “smart state strategy”, some critical factors ensure the success of such a country in representing its national interests:<sup>278</sup>

- 1) Since they have limited resources, which do not allow them to pursue a broad political agenda, small states must signal their willingness to negotiate and compromise on matters of minor importance.
- 2) Small countries must present their initiatives based on the common interest of the EU and try to avoid conflicts with the existing EU initiatives or political proposals from any of the big EU countries.

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<sup>278</sup> C.H. Grøn and A. Wivel, “Maximizing Influence in the European Union after the Lisbon Treaty: From Small State Policy to Smart State Strategy,” *Journal of European Integration*, Vol. 33, No. 5 (2011): 523–539.

- 3) Small states should seek to mediate between the different great power interests to achieve consensus.

In this context, Nasra<sup>279</sup> has also argued that:

- 1) to strengthen their position in the policy process, small states need to put into effect their potential to influence other actors and to display higher levels of activity in issues of high importance.
- 2) Small states need to be well embedded in the European and international policy networks, which allows for pro-active actions to forge consensus within and outside the EU.
- 3) Small countries need to possess immaterial resources such as expertise, knowledge and innovative ideas, rather than simply material resources.
- 4) Small countries need to excel in deliberating and arguing their national preferences in a way that allows debates towards a reasoned consensus.

To sum up, a small and peripheral country needs to identify the areas of high importance and to have an active presence on the international stage in these matters. All the available instruments, resources, expertise and knowledge should be mobilised, innovative solutions should be used in priority areas, and an active and competent participation in international policy networks should be preferred to introduce national interests to the partners. In addition, the willingness to find a compromise in areas of lesser priority should be clearly signalled to partners. Nevertheless, direct confrontation with the priorities of big and more influential EU member states and with the existing initiatives of the EU should be avoided.

In all three Baltic countries, due to their historical legacy, issues related to the transfer of competences to the EU level, which could be interpreted as bringing even a partial loss of sovereignty have proved to be sensitive. Since the national asylum policy is such a resilient matter, the decision to choose the role of a partial actor or a passive policy taker concerning the refugee quotas seems to be questionable at best. The post-colonial situation in the Baltic countries has not yet found a good solution. Thus, at the start of the debates over the reallocation and resettlement schemes in the EU in spring / summer 2015, Estonia relied on the argument that it already has a high number of permanent residents that hold the status of “person with undefined citizenship” and that the country has a rather discouraging experience in integrating

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<sup>279</sup> S. Nasra, “EU foreign policy after Lisbon: what role for small state diplomacy?” *E-International Relations*, 14 August 14, 2011, <http://www.e-ir.info/2011/08/14/eu-foreign-policy-after-lisbon-what-role-for-small-state-diplomacy/>.

the “old” immigrants. However, in further discussions at the EU level this argument has been ignored. The traumatic colonial experience needs to be given attention, both from the political elites of the Baltic states as well as from the EU leaders. Without it, the notion of solidarity remains severely restricted.

As the authors see it, from a pragmatic viewpoint, to restore their bargaining power in the eyes of other EU member states and to defend their national policies at the European level, the Baltic countries should be more determined and concerted in their action. This means that these countries should focus on better identification of key areas and policies, better recognition of potential risks and dangers, and full mobilisation of the available material and immaterial resources to the service of the priority areas. In this light, also the importance of high-level training for the Estonian officialdom working in the EU institutions and in international organisations should not be underestimated. However, the Baltic governments should also consider abandoning the securitisation argument to justify unpopular decisions at the national level wherever possible and engage wholeheartedly in relevant debates, thus building a stronger democratic consensus. Failure to do this could lead to a certain “fatigue” at the national level with the European integration and its key values. On the other hand, such a justification refers to a dissonance between the national interests of the EU member states and the interests of the EU and thereby undermines European solidarity.

## CONCLUSIONS

This chapter has discussed two related questions. The first one concerns the status of a policy taker in the field of foreign and security policy and asks if this is a sensible choice for the Baltic countries in the current security situation. And the second one inquires how small and peripheral EU member states, such as the Baltic countries, could in the future better represent their national interests. The balance of powers in the EU in the field of foreign, security and defence policy, particularly in the context of the EU-wide refugee crisis has been described, and security risks related to the passive role of small and peripheral EU countries in defending their national policies at the European level have been discussed. A vital aspect of these questions touches upon the quality of the democratic process, both in the member states and in the Union at large. In this regard, both the small and big member states should reconsider their behaviour, making an effort to honour the national democratic debates and the equality of the member states in policy deliberations.

Particularly in Estonia, but also in Latvia and Lithuania, the governments have presented the EU-wide reallocation and resettlement schemes of refugees as a *force majeure* situation. However, while this strategy has worked during the recent global financial crisis, it does not appear to work when justifying the refugee quotas. Several security risks could be pointed out that are related to the country's passive role in defending their national policies at the European level: a) a passive and rather predictable behaviour diminishes the bargaining power of a country in the eyes of the other EU member states, especially in situations where there is an urgent need to protect national positions at the EU level, and b) the role of passive policy taker at the EU level leads to the loss of credibility for national governments at the local level. Both outcomes are potentially leading to legitimisation problems, the first on a European level and the second on the national level.

To restore the credibility of national governments, as the authors see it, democratic legitimisation of the current issues at the national level is vital. It should be combined with an adequate communication from the government's side without stigmatisation of the opponents. Equally, the underlying historical traumas with the post-colonial legacy characteristic to the Baltic states should see recognition from the bigger partners. In this regard, in order to be able to participate in the building of a lasting and successful supranational association, it seems that the CEE countries need to be given time to become full-blown nation states that draw their identity from the value and status of citizenship.

In the short run, to restore the bargaining power of the countries in the eyes of the other EU member states the Baltic governments should be able to defend their national policies at the European level in a more effective way. They should also abandon the securitisation argument to justify unpopular decisions at the national level and engage wholeheartedly in relevant domestic debates, thus building a stronger democratic consensus. Failure to do this could lead to a certain "fatigue" at the national level with the European integration and its values. What is more, such a justification refers to a dissonance between the national interests of the member states and the interests of the EU at large and thereby undermines European solidarity. This is neither in the interests of the member states nor the Union as a whole that the member states sign up to commitments that they are, after all, unable to perform in real terms.

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The Latvian Institute of International Affairs was established in May 1992, in Rīga, as a non-profit foundation, charged with the task of providing Latvia's decision-makers, experts, and the wider public with analysis, recommendations, and information about international developments, regional security issues, and foreign policy strategies and choices. It is an independent research institute that conducts research, publishes publications, as well as organises lectures, seminars, and conferences related to international affairs.

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The Friedrich-Ebert-Stiftung (FES) was established in 1925 as a political legacy of Germany's first democratically elected president, Friedrich Ebert. Ebert, a Social Democrat from a humble crafts background, who had risen to hold the highest political office in his country in response to his own painful experience in political confrontation, proposed the establishment of a foundation to serve the following aims: – furthering political and social education of individuals from all walks of life in the spirit of democracy and pluralism, – facilitating access to university education and research for gifted young people by providing scholarships, – contributing to international understanding and cooperation. As a private, cultural, non-profit institution, it is committed to the ideas and basic values of social democracy.

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